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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **691**

02/01/2017 Authored by Anderson, S.,
The bill was read for the first time and referred to the Committee on State Government Finance
03/29/2017 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to the operation of state government; appropriating money for the

1.3 legislature, governor's office, state auditor, attorney general, secretary of state,

1.4 certain agencies, boards, councils, retirement funds, military affairs, and veterans

1.5 affairs; cancellation and reduction of certain appropriations; requiring a base budget

1.6 report; establishing districting principles; establishing the Legislative Budget

1.7 Office; requiring certain transit financial activity reporting; modifying state auditor

1.8 provisions; modifying campaign finance provisions; requiring a report on

1.9 interagency agreements and intra-agency transfers; providing for continuing

1.10 appropriations under certain circumstances; amending the employee gainsharing

1.11 system; requiring notice on capital improvement projects; specifying grant

1.12 agreements; limiting number of full-time employees in state agencies; modifying

1.13 compensation benefits for certain employees; establishing additional long-term

1.14 equity investment authority; expanding the Minnesota GI Bill program; requiring

1.15 a system for free electronic filing of state individual income tax returns and

1.16 establishing a pilot program; changing certain retirement fund provisions; changing

1.17 school districts group health insurance request for proposals; requiring review of

1.18 rules for valuation of pipeline companies assessed by the state; limiting expenditures

1.19 for advertising; setting certain salary limits; changing certain state budgeting

1.20 provisions; making changes to the administrative rulemaking process; changing

1.21 Minnesota Sports Facilities Authority provisions; requiring a code of conduct for

1.22 the Minnesota Sports Facilities Authority; requiring recovery of fair market value

1.23 of certain benefits from access to stadium suites; requiring the legislative auditor

1.24 to review operations of major sports events facilities; requiring reports; amending

1.25 Minnesota Statutes 2016, sections 3.305, subdivision 1; 3.842, subdivision 4a;

1.26 3.855, subdivision 2; 3.8843, subdivision 7; 3.971, subdivisions 2, 6; 3.972, by

1.27 adding a subdivision; 3.98, subdivisions 1, 4; 3.987, subdivision 1; 6.481,

1.28 subdivision 6; 6.56, subdivision 2; 6.581, subdivision 4; 10A.01, subdivision 26;

1.29 10A.02, subdivision 13; 10A.025, subdivision 1a; 10A.105, subdivision 1; 10A.15,

1.30 subdivision 1; 10A.245, subdivision 2; 10A.25, subdivisions 1, 10; 10A.257,

1.31 subdivision 1; 10A.27, subdivision 10, by adding a subdivision; 10A.322,

1.32 subdivision 1; 10A.38; 13.55, subdivision 2; 14.002; 14.02, by adding a subdivision;

1.33 14.05, subdivisions 1, 2, 6, 7, by adding subdivisions; 14.101, subdivision 1;

1.34 14.116; 14.125; 14.127; 14.131; 14.14, subdivisions 1a, 2a; 14.19; 14.22,

1.35 subdivision 1; 14.23; 14.25, subdivision 1; 14.26; 14.365; 14.381, subdivision 3;

1.36 14.388, subdivisions 1, 2; 14.44; 14.45; 14.51; 15.0596; 15.191, subdivisions 1,

1.37 3; 16A.065; 16A.13, subdivision 2a; 16A.134; 16A.15, subdivision 3; 16A.17,

1.38 subdivision 5; 16A.272, subdivision 3; 16A.40; 16A.42, subdivisions 2, 4, by

1.39 adding a subdivision; 16A.56; 16A.671, subdivision 1; 16A.90; 16A.965, by adding

2.1 a subdivision; 16B.335, subdivision 1; 16B.37, subdivision 4; 16B.4805,
 2.2 subdivision 4; 16B.97, by adding a subdivision; 16D.03, subdivision 2; 16D.09,
 2.3 subdivision 1; 16E.016; 16E.0466; 21.116; 43A.17, subdivision 11; 43A.24, by
 2.4 adding a subdivision; 43A.30, subdivision 2; 43A.49; 49.24, subdivisions 13, 16;
 2.5 69.031, subdivision 1; 80A.65, subdivision 9; 84A.23, subdivision 4; 84A.33,
 2.6 subdivision 4; 84A.40; 84A.52; 88.12, subdivision 1; 94.522; 94.53; 116J.64,
 2.7 subdivision 7; 126C.55, subdivisions 2, 9; 126C.68, subdivision 3; 126C.69,
 2.8 subdivision 14; 127A.34, subdivision 1; 127A.40; 136F.46, subdivision 1; 136F.70,
 2.9 subdivision 3; 162.08, subdivisions 10, 11; 162.14, subdivisions 4, 5; 162.18,
 2.10 subdivision 4; 162.181, subdivision 4; 163.051, subdivision 3; 176.181, subdivision
 2.11 2; 176.581; 176.591, subdivision 3; 190.19, subdivisions 2, 2a; 192.55; 196.05,
 2.12 subdivision 1; 196.052; 197.236, subdivision 9; 197.791, subdivisions 2, 3, 4, 5,
 2.13 5a; 198.16; 237.30; 241.13, subdivision 1; 244.19, subdivision 7; 256B.20;
 2.14 260B.331, subdivision 2; 260C.331, subdivision 2; 270C.13, subdivision 1; 273.121,
 2.15 subdivision 1; 287.08; 297A.994, subdivision 4; 297I.10, subdivision 1; 299C.21;
 2.16 348.05; 352.04, subdivision 9; 352.05; 352.115, subdivision 12; 352.12, subdivision
 2.17 13; 353.05; 353.27, subdivisions 3c, 7; 353.505; 354.42, subdivision 7; 354.52,
 2.18 subdivisions 4, 4b; 401.15, subdivision 1; 446A.086, subdivision 4; 446A.16,
 2.19 subdivision 1; 462A.18, subdivision 1; 471.6161, subdivision 8; 471.617,
 2.20 subdivision 2; 473J.07, subdivisions 2, 3, 4, 8, by adding a subdivision; 473J.09,
 2.21 subdivisions 6, 13, by adding subdivisions; 473J.13, subdivision 2; 475A.04,
 2.22 subdivision 1; 508.12, subdivision 1; 518A.79, by adding a subdivision; 525.841;
 2.23 proposing coding for new law in Minnesota Statutes, chapters 2; 3; 14; 15; 16A;
 2.24 16B; 43A; 118A; 197; 270C; repealing Minnesota Statutes 2016, sections 3.886;
 2.25 6.581, subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a,
 2.26 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 2, 4; 10A.323; 10A.324,
 2.27 subdivisions 1, 3; 14.05, subdivision 5; 161.1419; 473J.09, subdivision 14;
 2.28 Minnesota Rules, parts 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, 9; 4503.1450.

2.29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

2.30 **ARTICLE 1**

2.31 **STATE GOVERNMENT APPROPRIATIONS**

2.32 Section 1. **APPROPRIATIONS.**

2.33 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 2.34 and for the purposes specified in this article. The appropriations are from the general fund,
 2.35 or another named fund, and are available for the fiscal years indicated for each purpose.
 2.36 The figures "2018" and "2019" used in this article mean that the appropriations listed under
 2.37 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
 2.38 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
 2.39 is fiscal years 2018 and 2019.

2.40		<u>APPROPRIATIONS</u>		
2.41		<u>Available for the Year</u>		
2.42		<u>Ending June 30</u>		
2.43		<u>2018</u>		<u>2019</u>
2.44	Sec. 2. <u>LEGISLATURE</u>			
2.45	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>79,858,000</u>	<u>\$</u>
			<u>79,488,000</u>	

3.1	<u>Appropriations by Fund</u>		
3.2		<u>2018</u>	<u>2019</u>
3.3	<u>General</u>	<u>79,730,000</u>	<u>79,360,000</u>
3.4	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

3.5 The amounts that may be spent for each
 3.6 purpose are specified in the following
 3.7 subdivisions.

3.8	<u>Subd. 2. Senate</u>	<u>29,849,000</u>	<u>29,655,000</u>
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3.9 \$3,124,000 of the senate carryforward balance
 3.10 is canceled to the general fund on July 1, 2017.

3.11	<u>Subd. 3. House of Representatives</u>	<u>32,383,000</u>	<u>32,383,000</u>
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3.12 During the biennium ending June 30, 2019,
 3.13 any revenue received by the house of
 3.14 representatives from voluntary donations to
 3.15 support broadcast or print media are
 3.16 appropriated to the house of representatives.

3.17 \$4,092,000 of the house of representatives
 3.18 carryforward balance is canceled to the general
 3.19 fund on July 1, 2017.

3.20	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>17,626,000</u>	<u>17,450,000</u>
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3.21	<u>Appropriations by Fund</u>		
3.22	<u>General</u>	<u>17,498,000</u>	<u>17,322,000</u>
3.23	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

3.24 Appropriations provided by this subdivision
 3.25 may be used for designated staff to support
 3.26 the following offices and commissions: Office
 3.27 of the Legislative Auditor; Office of the
 3.28 Revisor of Statutes; Legislative Reference
 3.29 Library; Legislative-Citizen Commission on
 3.30 Minnesota Resources; Legislative Commission
 3.31 on Pensions and Retirement; Legislative
 3.32 Energy Commission; and the Lessard-Sams
 3.33 Outdoor Heritage Council. The operation of
 3.34 all other joint offices and commissions must

4.1 be supported by the central administrative staff
4.2 of the Legislative Coordinating Commission.

4.3 From its funds, \$10,000 each year is for
4.4 purposes of the legislators' forum, through
4.5 which Minnesota legislators meet with
4.6 counterparts from South Dakota, North
4.7 Dakota, and Manitoba to discuss issues of
4.8 mutual concern.

4.9 \$1,418,000 of the Legislative Coordinating
4.10 Commission carryforward balance is canceled
4.11 to the general fund on July 1, 2017.

4.12 **Legislative Auditor.** \$6,694,000 the first year
4.13 and \$6,564,000 the second year are for the
4.14 Office of the Legislative Auditor.

4.15 Of these amounts, \$130,000 the first year is
4.16 for the transit financial activity reviews
4.17 required by Minnesota Statutes, section 3.972,
4.18 subdivision 4.

4.19 No later than January 15, 2018, the legislative
4.20 auditor must complete a review of the small
4.21 business investment tax credit incentive
4.22 established in Minnesota Statutes, section
4.23 116J.8737. The review must follow the
4.24 evaluation plan established for review of a
4.25 general incentive program under Minnesota
4.26 Statutes, section 3.9735, subdivision 4.

4.27 **Revisor of Statutes.** \$6,090,000 the first year
4.28 and \$6,090,000 the second year are for the
4.29 Office of the Revisor of Statutes.

4.30 As soon as practicable and consistent with the
4.31 terms of the lease agreement, the revisor of
4.32 statutes must terminate its lease of office space
4.33 located at 525 Park Street in St. Paul. The
4.34 revisor must consult with the Legislative

7.1	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>		
7.2	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>		
7.3	<u>The amounts that may be spent for each</u>				
7.4	<u>purpose are specified in the following</u>				
7.5	<u>subdivisions.</u>				
7.6	<u>Subd. 2. Government Legal Services</u>			<u>3,764,000</u>	<u>3,764,000</u>
7.7	<u>Subd. 3. Regulatory Law and Professions</u>			<u>5,070,000</u>	<u>5,070,000</u>
7.8	<u>Appropriations by Fund</u>				
7.9	<u>General</u>	<u>2,291,000</u>	<u>2,291,000</u>		
7.10	<u>State Government</u>				
7.11	<u>Special Revenue</u>	<u>2,384,000</u>	<u>2,384,000</u>		
7.12	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>		
7.13	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>		
7.14	<u>Subd. 4. State Government Services</u>			<u>6,345,000</u>	<u>6,345,000</u>
7.15	<u>Appropriations by Fund</u>				
7.16	<u>General</u>	<u>6,324,000</u>	<u>6,324,000</u>		
7.17	<u>State Government</u>				
7.18	<u>Special Revenue</u>	<u>21,000</u>	<u>21,000</u>		
7.19	<u>Subd. 5. Civil Law Section</u>			<u>3,102,000</u>	<u>3,102,000</u>
7.20	<u>Subd. 6. Civil Litigation</u>			<u>1,542,000</u>	<u>1,542,000</u>
7.21	<u>Subd. 7. Administrative Operations</u>			<u>4,071,000</u>	<u>4,071,000</u>
7.22	<u>Sec. 6. SECRETARY OF STATE</u>				
7.23	<u>Subdivision 1. Total Appropriation</u>		\$	<u>5,419,000</u>	\$ <u>5,530,000</u>
7.24	<u>The amounts that may be spent for each</u>				
7.25	<u>purpose are specified in the following</u>				
7.26	<u>subdivisions.</u>				
7.27	<u>Subd. 2. Administration</u>			<u>512,000</u>	<u>525,000</u>
7.28	<u>Subd. 3. Safe at Home</u>			<u>659,000</u>	<u>676,000</u>
7.29	<u>Subd. 4. Business Services</u>			<u>1,422,000</u>	<u>1,174,000</u>
7.30	<u>Subd. 5. Elections</u>			<u>2,826,000</u>	<u>3,155,000</u>
7.31	<u>Sec. 7. CAMPAIGN FINANCE AND PUBLIC</u>				
7.32	<u>DISCLOSURE BOARD</u>		\$	<u>689,000</u>	\$ <u>689,000</u>

8.1 This appropriation includes administrative
 8.2 savings to the board resulting from the repeal
 8.3 of the campaign subsidy program provided in
 8.4 article 2.

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

8.6 **Sec. 9. ADMINISTRATIVE HEARINGS**

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

8.8 Appropriations by Fund

8.9		<u>2018</u>	<u>2019</u>
8.10	<u>General</u>	<u>383,000</u>	<u>383,000</u>
8.11	<u>Workers'</u>		
8.12	<u>Compensation</u>	<u>7,787,000</u>	<u>7,787,000</u>

8.13 The amounts that may be spent for each
 8.14 purpose are specified in the following
 8.15 subdivisions.

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

8.17 These amounts are for the cost of considering
 8.18 complaints filed under Minnesota Statutes,
 8.19 section 211B.32. These amounts may be used
 8.20 in either year of the biennium.

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

8.22 These amounts are for the cost of considering
 8.23 data practices complaints filed under
 8.24 Minnesota Statutes, section 13.085. These
 8.25 amounts may be used in either year of the
 8.26 biennium.

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

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

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

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

9.1 The state chief information officer must
 9.2 prioritize use of appropriations provided by
 9.3 this section to enhance cybersecurity across
 9.4 state government.

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

9.6 The commissioner of management and budget
 9.7 is authorized to provide cash flow assistance
 9.8 of up to \$110,000,000 from the special
 9.9 revenue fund or other statutory general funds
 9.10 as defined in Minnesota Statutes, section
 9.11 16A.671, subdivision 3, paragraph (a), to the
 9.12 Office of MN.IT Services for the purpose of
 9.13 managing revenue and expenditure
 9.14 differences. These funds shall be repaid with
 9.15 interest by the end of the fiscal year 2019
 9.16 closing period.

9.17 During the biennium ending June 30, 2019,
 9.18 the Office of MN.IT Services must not charge
 9.19 fees to a public noncommercial educational
 9.20 television broadcast station eligible for funding
 9.21 under Minnesota Statutes, chapter 129D, for
 9.22 access to the state broadcast infrastructure. If
 9.23 the access fees not charged to public
 9.24 noncommercial educational television
 9.25 broadcast stations total more than \$400,000
 9.26 for the biennium, the office may charge for
 9.27 access fees in excess of these amounts.

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

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

9.30 **Sec. 11. ADMINISTRATION**

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

9.32 The amounts that may be spent for each
 9.33 purpose are specified in the following
 9.34 subdivisions.

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

10.2 Appropriations provided by this section may

10.3 not be used to fund continuous improvement

10.4 initiatives, including the Office of Continuous

10.5 Improvement (LEAN).

10.6 **Council on Developmental Disabilities.**

10.7 \$74,000 the first year and \$74,000 the second

10.8 year are for the Council on Developmental

10.9 Disabilities.

10.10 **Olmstead Plan.** \$148,000 each year is for the

10.11 Olmstead plan.

10.12 **Materials Management.** \$2,033,000 each

10.13 year is for materials management.

10.14 Amounts allocated by the commissioner for

10.15 each fiscal year to the Office of Equity in

10.16 Procurement must be at least ten percent less

10.17 than the amounts allocated for that purpose in

10.18 fiscal year 2017.

10.19 **Plant Management.** \$371,000 each year is

10.20 for plant management.

10.21 \$2,929,000 the first year of the balance in the

10.22 facility repair and replacement account in the

10.23 special revenue fund is canceled to the general

10.24 fund. These amounts are in addition to

10.25 amounts transferred under Minnesota Statutes,

10.26 section 16B.24, subdivision 5, paragraph (d).

10.27 **Real Estate and Construction Services.**

10.28 \$2,088,000 each year is for real estate and

10.29 construction services.

10.30 **Enterprise Real Property.** \$571,000 each

10.31 year is for enterprise real property.

- 11.1 **Small Agency Resource Team (SmART).**
- 11.2 \$416,000 each year is for the small agency
- 11.3 resource team.
- 11.4 **State Agency Accommodation**
- 11.5 **Reimbursement.** \$200,000 the first year and
- 11.6 \$200,000 the second year are credited to the
- 11.7 accommodation account established in
- 11.8 Minnesota Statutes, section 16B.4805.
- 11.9 **Community Services.** \$1,200,000 each year
- 11.10 is for community services.
- 11.11 **Subd. 3. Strategic Management Services** 1,706,000 1,706,000
- 11.12 **Executive Leadership/Partnerships.**
- 11.13 \$500,000 each year is for executive
- 11.14 leadership/partnerships.
- 11.15 **School Trust Lands Director.** \$185,000 each
- 11.16 year is for school trust lands director.
- 11.17 **Financial Management and Reporting.**
- 11.18 \$671,000 each year is for financial
- 11.19 management and reporting.
- 11.20 **Human Resources.** \$350,000 each year is for
- 11.21 human resources.
- 11.22 **Subd. 4. Fiscal Agent** 10,777,000 10,777,000
- 11.23 **In-Lieu of Rent.** \$8,158,000 the first year and
- 11.24 \$8,158,000 the second year are for space costs
- 11.25 of the legislature and veterans organizations,
- 11.26 ceremonial space, and statutorily free space.
- 11.27 **Public Television.** (a) \$1,550,000 the first
- 11.28 year and \$1,550,000 the second year are for
- 11.29 matching grants for public television.
- 11.30 (b) \$250,000 the first year and \$250,000 the
- 11.31 second year are for public television
- 11.32 equipment grants under Minnesota Statutes,
- 11.33 section 129D.13.

- 12.1 (c) The commissioner of administration must
12.2 consider the recommendations of the
12.3 Minnesota Public Television Association
12.4 before allocating the amounts appropriated in
12.5 paragraphs (a) and (b) for equipment or
12.6 matching grants.
- 12.7 (d) **Public Radio.** \$392,000 the first year and
12.8 \$392,000 the second year are for community
12.9 service grants to public educational radio
12.10 stations. This appropriation may be used to
12.11 disseminate emergency information in foreign
12.12 languages.
- 12.13 (e) \$117,000 the first year and \$117,000 the
12.14 second year are for equipment grants to public
12.15 educational radio stations. This appropriation
12.16 may be used for the repair, rental, and
12.17 purchase of equipment including equipment
12.18 under \$500.
- 12.19 (f) \$310,000 the first year and \$310,000 the
12.20 second year are for equipment grants to
12.21 Minnesota Public Radio, Inc., including
12.22 upgrades to Minnesota's Emergency Alert and
12.23 AMBER Alert Systems.
- 12.24 (g) The appropriations in paragraphs (d) to (f)
12.25 may not be used for indirect costs claimed by
12.26 an institution or governing body.
- 12.27 (h) The commissioner of administration must
12.28 consider the recommendations of the
12.29 Minnesota Public Educational Radio Stations
12.30 before awarding grants under Minnesota
12.31 Statutes, section 129D.14, using the
12.32 appropriations in paragraphs (d) and (e). No
12.33 grantee is eligible for a grant unless they are
12.34 a member of the Association of Minnesota

13.1 Public Educational Radio Stations on or before
 13.2 July 1, 2015.
 13.3 (i) Any unencumbered balance remaining the
 13.4 first year for grants to public television or
 13.5 public radio stations does not cancel and is
 13.6 available for the second year.

13.7 **Sec. 12. CAPITOL AREA ARCHITECTURAL**
 13.8 **AND PLANNING BOARD** \$ 345,000 \$ 345,000

13.9 **Sec. 13. MINNESOTA MANAGEMENT AND**
 13.10 **BUDGET** \$ 18,320,000 \$ 18,320,000

13.11 Subdivision 1. Appropriations

13.12 The amounts that may be spent for each
 13.13 purpose are specified in the following
 13.14 subdivisions.

13.15 Subd. 2. Accounting Services 3,751,000 3,751,000

13.16 Subd. 3. Budget Services 2,823,000 2,823,000

13.17 Subd. 4. Economic Analysis 424,000 424,000

13.18 Subd. 5. Debt Management 367,000 367,000

13.19 Subd. 6. Enterprise Communications and
 13.20 Planning 830,000 830,000

13.21 Subd. 7. Enterprise Human Resources 2,681,000 2,681,000

13.22 Appropriations provided by this section or
 13.23 transferred to the commissioner from another
 13.24 agency may not be used to support a statewide
 13.25 executive recruiting program.

13.26 Subd. 8. Labor Relations 868,000 868,000

13.27 Subd. 9. Agency Administration 6,576,000 6,576,000

13.28 (a) No later than June 30, 2018, the
 13.29 commissioner must credit at least \$1,000,000
 13.30 to the general fund based on savings realized
 13.31 through implementation of the employee
 13.32 gainsharing program required by Minnesota
 13.33 Statutes, section 16A.90. If a credit of at least

15.1	<u>General</u>	<u>9,356,000</u>	<u>9,356,000</u>
15.2	<u>Health Care Access</u>	<u>126,000</u>	<u>126,000</u>
15.3	<u>(b) Appeals, Legal Services, and Tax Research</u>		
15.4	<u>General</u>	<u>6,932,000</u>	<u>6,932,000</u>
15.5	<u>Health Care Access</u>	<u>113,000</u>	<u>113,000</u>
15.6	<u>(c) Payment and Return Processing</u>		
15.7	<u>General</u>	<u>12,927,000</u>	<u>12,927,000</u>
15.8	<u>Health Care Access</u>	<u>51,000</u>	<u>51,000</u>
15.9	<u>Highway User Tax</u>		
15.10	<u>Distribution</u>	<u>343,000</u>	<u>343,000</u>
15.11	<u>(d) Administration of State Taxes</u>		
15.12	<u>General</u>	<u>54,904,000</u>	<u>54,729,000</u>
15.13	<u>Health Care Access</u>	<u>1,407,000</u>	<u>1,407,000</u>
15.14	<u>Highway User Tax</u>		
15.15	<u>Distribution</u>	<u>1,621,000</u>	<u>1,621,000</u>
15.16	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
15.17	<u>(1) \$15,000 from the general fund in the first</u>		
15.18	<u>year is for preparing and submitting a</u>		
15.19	<u>supplemental 2017 tax incidence report</u>		
15.20	<u>meeting the requirements of Minnesota</u>		
15.21	<u>Statutes, section 270C.13, subdivision 1, as</u>		
15.22	<u>amended by this act. The supplemental report</u>		
15.23	<u>must be completed and submitted no later than</u>		
15.24	<u>January 2, 2018.</u>		
15.25	<u>(2) \$160,000 from the general fund in the first</u>		
15.26	<u>year is for administration of a first-time home</u>		
15.27	<u>buyer savings account program. This</u>		
15.28	<u>appropriation is canceled to the general fund</u>		
15.29	<u>if income tax provisions related to first-time</u>		
15.30	<u>home buyer savings accounts are not enacted</u>		
15.31	<u>by law at the 2017 regular or special</u>		
15.32	<u>legislative session.</u>		
15.33	<u>(e) Technology Development, Implementation,</u>		
15.34	<u>and Support</u>		
15.35	<u>General</u>	<u>21,781,000</u>	<u>21,781,000</u>
15.36	<u>Health Care Access</u>	<u>52,000</u>	<u>52,000</u>

16.1	<u>Highway User Tax</u>			
16.2	<u>Distribution</u>		<u>220,000</u>	<u>220,000</u>
16.3	<u>(f) Property Tax Administration and State Aid</u>			
16.4	<u>General</u>		<u>3,992,000</u>	<u>3,992,000</u>
16.5	<u>Subd. 3. Debt Collection Management</u>		<u>27,357,000</u>	<u>27,357,000</u>
16.6	Sec. 15. <u>HUMAN RIGHTS</u>	\$	<u>3,171,000</u>	\$ <u>3,171,000</u>
16.7	Sec. 16. <u>GAMBLING CONTROL</u>	\$	<u>3,422,000</u>	\$ <u>3,457,000</u>
16.8	<u>These appropriations are from the lawful</u>			
16.9	<u>gambling regulation account in the special</u>			
16.10	<u>revenue fund.</u>			
16.11	Sec. 17. <u>RACING COMMISSION</u>	\$	<u>845,000</u>	\$ <u>908,000</u>
16.12	<u>These appropriations are from the racing and</u>			
16.13	<u>card playing regulation accounts in the special</u>			
16.14	<u>revenue fund.</u>			
16.15	Sec. 18. <u>STATE LOTTERY</u>			
16.16	<u>Notwithstanding Minnesota Statutes, section</u>			
16.17	<u>349A.10, subdivision 3, the State Lottery's</u>			
16.18	<u>operating budget must not exceed \$32,500,000</u>			
16.19	<u>in fiscal year 2018 and \$33,000,000 in fiscal</u>			
16.20	<u>year 2019.</u>			
16.21	Sec. 19. <u>AMATEUR SPORTS COMMISSION</u>	\$	<u>300,000</u>	\$ <u>300,000</u>
16.22	Sec. 20. <u>COUNCIL ON MINNESOTANS OF</u>			
16.23	<u>AFRICAN HERITAGE</u>	\$	<u>401,000</u>	\$ <u>401,000</u>
16.24	Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC</u>			
16.25	<u>MINNESOTANS</u>	\$	<u>364,000</u>	\$ <u>364,000</u>
16.26	Sec. 22. <u>COUNCIL ON LATINO AFFAIRS</u>	\$	<u>386,000</u>	\$ <u>386,000</u>
16.27	Sec. 23. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>576,000</u>	\$ <u>576,000</u>

17.1 Sec. 24. MINNESOTA HISTORICAL
 17.2 SOCIETY

17.3 Subdivision 1. Total Appropriation \$ 22,893,000 \$ 22,893,000

17.4 The amounts that may be spent for each
 17.5 purpose are specified in the following
 17.6 subdivisions.

17.7 Subd. 2. Operations and Programs 22,572,000 22,572,000

17.8 Notwithstanding Minnesota Statutes, section
 17.9 138.668, the Minnesota Historical Society may
 17.10 not charge a fee for its general tours at the
 17.11 Capitol, but may charge fees for special
 17.12 programs other than general tours.

17.13 \$750,000 the first year and \$750,000 the
 17.14 second year are for digital preservation and
 17.15 access, including planning and implementation
 17.16 of a program to preserve and make available
 17.17 resources related to Minnesota history. These
 17.18 are onetime appropriations.

17.19 Subd. 3. Fiscal Agent

17.20 (a) Global Minnesota 39,000 39,000

17.21 (b) Minnesota Air National Guard Museum 17,000 17,000

17.22 (c) Minnesota Military Museum 50,000 50,000

17.23 (d) Farmamerica 115,000 115,000

17.24 (e) Hockey Hall of Fame 100,000 100,000

17.25 Any unencumbered balance remaining in this
 17.26 subdivision the first year does not cancel but
 17.27 is available for the second year of the
 17.28 biennium.

17.29 Sec. 25. BOARD OF THE ARTS

17.30 Subdivision 1. Total Appropriation \$ 7,530,000 \$ 7,530,000

18.1 The amounts that may be spent for each
 18.2 purpose are specified in the following
 18.3 subdivisions.

18.4 Subd. 2. **Operations and Services** 591,000 591,000

18.5 Subd. 3. **Grants Program** 4,800,000 4,800,000

18.6 Subd. 4. **Regional Arts Councils** 2,139,000 2,139,000

18.7 Any unencumbered balance remaining in this
 18.8 section the first year does not cancel, but is
 18.9 available for the second year.

18.10 Money appropriated in this section and
 18.11 distributed as grants may only be spent on
 18.12 projects located in Minnesota. A recipient of
 18.13 a grant funded by an appropriation in this
 18.14 section must not use more than five percent
 18.15 of the total grant for costs related to travel
 18.16 outside the state of Minnesota.

18.17 Sec. 26. **MINNESOTA HUMANITIES CENTER** \$ 950,000 \$ 950,000

18.18 (a) \$325,000 each year is for the Healthy
 18.19 Eating, Here at Home program under
 18.20 Minnesota Statutes, section 138.912. No more
 18.21 than three percent of the appropriation may
 18.22 be used for the nonprofit administration of this
 18.23 program.

18.24 (b) \$250,000 each year is for grants to the
 18.25 Veterans Defense Project. Grants must be used
 18.26 to support, through education and outreach,
 18.27 military veterans who are involved with the
 18.28 criminal justice system. These are onetime
 18.29 appropriations.

18.30 Sec. 27. **BOARD OF ACCOUNTANCY** \$ 641,000 \$ 641,000

18.31 Sec. 28. **BOARD OF ARCHITECTURE**
 18.32 **ENGINEERING, LAND SURVEYING,** \$ 794,000 \$ 794,000

19.1 **LANDSCAPE ARCHITECTURE,**
 19.2 **GEOSCIENCE, AND INTERIOR DESIGN**

19.3 **Sec. 29. BOARD OF COSMETOLOGIST**
 19.4 **EXAMINERS** \$ **1,346,000** \$ **1,346,000**

19.5 **Sec. 30. BOARD OF BARBER EXAMINERS** \$ **325,000** \$ **325,000**

19.6 **Sec. 31. GENERAL CONTINGENT**
 19.7 **ACCOUNTS** \$ **750,000** \$ **500,000**

19.8 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
19.9 <u>General</u>	<u>250,000</u>	<u>-0-</u>
19.10 <u>State Government</u>		
19.11 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
19.12 <u>Workers'</u>		
19.13 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

19.15 (a) The appropriations in this section may only
 19.16 be spent with the approval of the governor
 19.17 after consultation with the Legislative
 19.18 Advisory Commission pursuant to Minnesota
 19.19 Statutes, section 3.30.

19.20 (b) If an appropriation in this section for either
 19.21 year is insufficient, the appropriation for the
 19.22 other year is available for it.

19.23 (c) If a contingent account appropriation is
 19.24 made in one fiscal year, it should be
 19.25 considered a biennial appropriation.

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

19.27 These appropriations are to be spent by the
 19.28 commissioner of management and budget
 19.29 according to Minnesota Statutes, section
 19.30 3.736, subdivision 7. If the appropriation for
 19.31 either year is insufficient, the appropriation
 19.32 for the other year is available for it.

21.1 These amounts are estimated to be needed
 21.2 under Minnesota Statutes, section 353.505.

21.3 **Sec. 35. TEACHERS RETIREMENT**
 21.4 **ASSOCIATION**

\$ 29,831,000 \$ 29,831,000

21.5 The amounts estimated to be needed are as
 21.6 follows:

21.7 **Special Direct State Aid. \$27,331,000 the**
 21.8 **first year and \$27,331,000 the second year are**
 21.9 **for special direct state aid authorized under**
 21.10 **Minnesota Statutes, section 354.436.**

21.11 **Special Direct State Matching Aid.**
 21.12 **\$2,500,000 the first year and \$2,500,000 the**
 21.13 **second year are for special direct state**
 21.14 **matching aid authorized under Minnesota**
 21.15 **Statutes, section 354.435.**

21.16 **Sec. 36. ST. PAUL TEACHERS RETIREMENT**
 21.17 **FUND**

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

21.18 The amounts estimated to be needed for
 21.19 special direct state aid to the first class city
 21.20 teachers retirement fund association authorized
 21.21 under Minnesota Statutes, section 354A.12,
 21.22 subdivisions 3a and 3c.

21.23 **Sec. 37. MILITARY AFFAIRS**

21.24 **Subdivision 1. Total Appropriation** **\$ 19,616,000 \$ 19,616,000**

21.25 The amounts that may be spent for each
 21.26 purpose are specified in the following
 21.27 subdivisions. If appropriations for either year
 21.28 of the biennium are insufficient, the
 21.29 appropriation from the other year is available.

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

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

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

- 23.1 (2) employment; and
- 23.2 (3) legal issues.
- 23.3 The assistance authorized under this paragraph
- 23.4 must be made only to veterans who have
- 23.5 resided in Minnesota for 30 days prior to
- 23.6 application for assistance and according to
- 23.7 other guidelines established by the
- 23.8 commissioner. In order to avoid duplication
- 23.9 of services, the commissioner must ensure that
- 23.10 this assistance is coordinated with all other
- 23.11 available programs for veterans.
- 23.12 **Honor Guards.** \$200,000 each year is for
- 23.13 compensation for honor guards at the funerals
- 23.14 of veterans under Minnesota Statutes, section
- 23.15 197.231.
- 23.16 **Minnesota GI Bill.** \$200,000 each year is for
- 23.17 the costs of administering the Minnesota GI
- 23.18 Bill postsecondary educational benefits,
- 23.19 on-the-job training, and apprenticeship
- 23.20 program under Minnesota Statutes, section
- 23.21 197.791.
- 23.22 **Gold Star Program.** \$100,000 each year is
- 23.23 for administering the Gold Star Program for
- 23.24 surviving family members of deceased
- 23.25 veterans.
- 23.26 **County Veterans Service Office.** \$1,100,000
- 23.27 each year is for funding the County Veterans
- 23.28 Service Office grant program under Minnesota
- 23.29 Statutes, section 197.608.
- 23.30 **Veterans Journey Home.** \$350,000 each year
- 23.31 is for grants to the veterans Journey Home
- 23.32 program. Grants must support the development
- 23.33 of new or rehabilitated affordable housing
- 23.34 dedicated for low-to-moderate income

24.1 veterans and their families. These are onetime
 24.2 appropriations.

24.3 **Subd. 3. Veterans Health Care** 57,218,000 57,218,000

24.4 The general fund appropriations made to the
 24.5 department may be transferred to a veterans
 24.6 homes special revenue account in the special
 24.7 revenue fund in the same manner as other
 24.8 receipts are deposited according to Minnesota
 24.9 Statutes, section 198.34, and are appropriated
 24.10 to the department for the operation of veterans
 24.11 homes facilities and programs.

24.12 No later than January 15, 2018, the
 24.13 commissioner must submit a report to the
 24.14 legislative committees with jurisdiction over
 24.15 veterans affairs and state government finance
 24.16 on reserve amounts maintained in the veterans
 24.17 homes special revenue account. The report
 24.18 must detail current and historical amounts
 24.19 maintained as a reserve, and uses of those
 24.20 amounts. The report must also include data on
 24.21 the utilization of existing veterans homes,
 24.22 including current and historical bed capacity
 24.23 and usage, staffing levels and staff vacancy
 24.24 rates, and staff-to-resident ratios.

24.25 **Sec. 39. PRESERVATION OF PROGRAMS AND SERVICES.**

24.26 To the extent that appropriations provided by this article are less than the amounts
 24.27 appropriated for fiscal year 2017, the affected constitutional office, agency, board, or
 24.28 commission must prioritize reductions to its central administration and general operations
 24.29 in absorbing those reductions. Unless otherwise specified, reductions must not be made to
 24.30 programs or services of the constitutional office, agency, board, or commission that are
 24.31 provided directly to members of the public.

25.1 Sec. 40. APPROPRIATION CANCELLATIONS.

25.2 All unspent funds estimated to be \$7,166,000 designated for grants under Minnesota
25.3 Statutes, sections 240A.085 to 240A.11, are canceled to the general fund on June 30, 2017.

25.4 Sec. 41. SAVINGS; APPROPRIATION REDUCTION FOR EXECUTIVE
25.5 AGENCIES.

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

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

25.20 Sec. 42. SAVINGS; APPROPRIATION REDUCTIONS FOR INFORMATION
25.21 TECHNOLOGY CONSOLIDATION.

25.22 (a) The commissioner of management and budget must reduce general fund appropriations
25.23 to agencies subject to the executive branch information technology consolidation required
25.24 by Laws 2011, First Special Session chapter 10, article 4, section 7, as amended by Laws
25.25 2013, chapter 134, section 29 by at least \$3,000,000 for the biennium ending June 30, 2019,
25.26 to reflect savings on enterprise services personnel costs resulting from the consolidation.

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

26.1 Sec. 43. **BASE BUDGET REPORT.**

26.2 No later than October 15, 2017, the commissioners of management and budget, revenue,
26.3 and veterans affairs must each submit a report to the chairs and ranking minority members
26.4 of the legislative committees with jurisdiction over state government finance that detail the
26.5 agency's base budget, by fiscal year. At a minimum, the report must include:

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

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

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

26.13 **ARTICLE 2**26.14 **STATE GOVERNMENT OPERATIONS**26.15 Section 1. **[2.92] DISTRICTING PRINCIPLES.**

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

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

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

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

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

26.28 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,
26.29 beginning with house district 1A in the northwest corner of the state and proceeding across
26.30 the state from west to east, north to south, but bypassing the 11-county metropolitan area
26.31 until the southeast corner has been reached; then to the 11-county metropolitan area. In a

27.1 county that includes more than one whole senate district, the districts must be numbered
27.2 consecutively.

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

27.5 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting
27.6 strength is contrary to the laws of the United States and the state of Minnesota. These
27.7 principles must not be construed to supersede any provision of the Voting Rights Act of
27.8 1965, as amended.

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

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

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

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

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

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

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

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

27.29 Subd. 10. **Data to be used.** (a) The geographic areas and population counts used in
27.30 maps, tables, and legal descriptions of the districts must be those used by the Geographic
27.31 Information Systems Office of the Legislative Coordinating Commission. The population
27.32 counts shall be the block population counts provided to the state under Public Law 94-171

28.1 after each decennial census, subject to correction of any errors acknowledged by the United
28.2 States Census Bureau.

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

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

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

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

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

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

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

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

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

28.29 (b) The commissioner shall submit to the chair of the commission any negotiated
28.30 collective bargaining agreements, arbitration awards, compensation plans, or salaries for
28.31 legislative approval or disapproval. Negotiated agreements shall be submitted within five
28.32 days of the date of approval by the commissioner or the date of approval by the affected

29.1 state employees, whichever occurs later. Arbitration awards shall be submitted within five
 29.2 days of their receipt by the commissioner. If the commission disapproves a collective
 29.3 bargaining agreement, award, compensation plan, or salary, the commission shall specify
 29.4 in writing to the parties those portions with which it disagrees and its reasons. If the
 29.5 commission approves a collective bargaining agreement, award, compensation plan, or
 29.6 salary, it shall submit the matter to the legislature to be accepted or rejected under this
 29.7 section.

29.8 (c) When the legislature is not in session, the commission may give interim approval to
 29.9 a negotiated collective bargaining agreement, salary, compensation plan, or arbitration
 29.10 award. ~~When the legislature is not in session, failure of the commission to disapprove a~~
 29.11 ~~collective bargaining agreement or arbitration award within 30 days constitutes approval.~~
 29.12 The commission shall submit the negotiated collective bargaining agreements, salaries,
 29.13 compensation plans, or arbitration awards for which it has provided approval to the entire
 29.14 legislature for ratification at a special legislative session called to consider them or at its
 29.15 next regular legislative session as provided in this section. Approval or disapproval by the
 29.16 commission is not binding on the legislature.

29.17 (d) When the legislature is not in session, the proposed collective bargaining agreement,
 29.18 arbitration decision, salary, or compensation plan must be implemented upon its approval
 29.19 by the commission, and state employees covered by the proposed agreement or arbitration
 29.20 decision do not have the right to strike while the interim approval is in effect. Wages and
 29.21 economic fringe benefit increases provided for in the agreement or arbitration decision paid
 29.22 in accordance with the interim approval by the commission are not affected, but the wages
 29.23 or benefit increases must cease to be paid or provided effective upon the rejection of the
 29.24 agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the
 29.25 legislature without acting on it.

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

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

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

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

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

29.31 The Legislative Budget Office is established under control of the Legislative Coordinating
 29.32 Commission to provide the house of representatives and the senate with nonpartisan, accurate,

30.1 and timely information on the fiscal impact of proposed legislation, without regard to political
30.2 factors. The Legislative Coordinating Commission shall appoint a director who may hire
30.3 staff necessary to do the work of the office. The director serves a term of six years and may
30.4 not be removed during a term except for cause after a public hearing.

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

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

30.9 (b) Each division may be supervised by a deputy auditor, appointed by the legislative
30.10 auditor, with the approval of the commission, for a term coterminous with the legislative
30.11 auditor's term. The deputy auditors may be removed before the expiration of their terms
30.12 only for cause. The legislative auditor and deputy auditors may each appoint a confidential
30.13 secretary to serve at pleasure. The salaries and benefits of the legislative auditor, deputy
30.14 auditors and confidential secretaries shall be determined by the compensation plan approved
30.15 by the Legislative Coordinating Commission. The deputy auditors may perform and exercise
30.16 the powers, duties and responsibilities imposed by law on the legislative auditor when
30.17 authorized by the legislative auditor.

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

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

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

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

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

30.30 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements
30.31 of the state of Minnesota required by section 16A.50 and, as resources permit, Minnesota
30.32 State Colleges and Universities, the University of Minnesota, state agencies, departments,

31.1 boards, commissions, offices, courts, and other organizations subject to audit by the
31.2 legislative auditor, including, but not limited to, the State Agricultural Society, Agricultural
31.3 Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society,
31.4 ClearWay Minnesota, Minnesota Sports Facilities Authority, Metropolitan Council,
31.5 Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial
31.6 audits must be conducted according to generally accepted government auditing standards.
31.7 The legislative auditor shall see that all provisions of law respecting the appropriate and
31.8 economic use of public funds and other public resources are complied with and may, as
31.9 part of a financial audit or separately, investigate allegations of noncompliance.

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

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

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

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

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

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

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

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

31.29 (i) all expenditure commitments;

31.30 (ii) cash flow;

31.31 (iii) sufficiency of estimated funds; and

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

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

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

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

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

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

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

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

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

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

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

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

33.1 authors of the proposed legislation that the request has been made. The local impact note
33.2 must be made available to the public upon request. If the action is among the exceptions
33.3 listed in section 3.988, a local impact note need not be requested nor prepared. The
33.4 ~~commissioner~~ office shall make a reasonable and timely estimate of the local fiscal impact
33.5 on each type of political subdivision that would result from the proposed legislation. The
33.6 ~~commissioner of management and budget~~ office may require any political subdivision or
33.7 the commissioner of an administrative agency of the state to supply in a timely manner any
33.8 information determined to be necessary to determine local fiscal impact. The political
33.9 subdivision, its representative association, or commissioner shall convey the requested
33.10 information to the ~~commissioner of management and budget~~ office with a signed statement
33.11 to the effect that the information is accurate and complete to the best of its ability. The
33.12 political subdivision, its representative association, or commissioner, when requested, shall
33.13 update its determination of local fiscal impact based on actual cost or revenue figures,
33.14 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ office must
33.15 provide a copy to the authors of the proposed legislation and to the chair and ranking minority
33.16 member of each committee to which the proposed legislation is referred.

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

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

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

33.24 Subd. 2. **Billings by state auditor.** Upon the examination of the books, records, accounts,
33.25 and affairs of any political subdivision, as provided by law, such political subdivision shall
33.26 be liable to the state for the total cost and expenses of such examination, including the
33.27 salaries paid to the examiners while actually engaged in making such examination. The
33.28 state auditor may bill such political subdivision periodically for service rendered and the
33.29 officials responsible for approving and paying claims are authorized to pay said bill promptly.
33.30 Said payments shall be without prejudice to any defense against said claims that may exist
33.31 or be asserted. The ~~state auditor enterprise~~ general fund shall be credited with all collections
33.32 made for any such examinations, including interest payments made pursuant to subdivision
33.33 3.

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

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

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

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

34.18 (1) payment for accounting and legal services;

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

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

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

34.22 ~~(5)~~ (4) payment for food, beverages, and necessary utensils and supplies, entertainment,
 34.23 and facility rental for a fund-raising event;

34.24 ~~(6)~~ (5) services for a constituent by a member of the legislature or a constitutional officer
 34.25 in the executive branch, including the costs of preparing and distributing a suggestion or
 34.26 idea solicitation to constituents, performed from the beginning of the term of office to
 34.27 adjournment sine die of the legislature in the election year for the office held, and half the
 34.28 cost of services for a constituent by a member of the legislature or a constitutional officer
 34.29 in the executive branch performed from adjournment sine die to 60 days after adjournment
 34.30 sine die;

34.31 ~~(7)~~ (6) payment for food and beverages consumed by a candidate or volunteers while
 34.32 they are engaged in campaign activities;

- 35.1 ~~(8)~~ (7) payment for food or a beverage consumed while attending a reception or meeting
35.2 directly related to legislative duties;
- 35.3 ~~(9)~~ (8) payment of expenses incurred by elected or appointed leaders of a legislative
35.4 caucus in carrying out their leadership responsibilities;
- 35.5 ~~(10)~~ (9) payment by a principal campaign committee of the candidate's expenses for
35.6 serving in public office, other than for personal uses;
- 35.7 ~~(11)~~ (10) costs of child care for the candidate's children when campaigning;
- 35.8 ~~(12)~~ (11) fees paid to attend a campaign school;
- 35.9 ~~(13)~~ (12) costs of a postelection party during the election year when a candidate's name
35.10 will no longer appear on a ballot or the general election is concluded, whichever occurs
35.11 first;
- 35.12 ~~(14)~~ (13) interest on loans paid by a principal campaign committee on outstanding loans;
- 35.13 ~~(15)~~ (14) filing fees;
- 35.14 ~~(16)~~ (15) post-general election holiday or seasonal cards, thank-you notes, or
35.15 advertisements in the news media mailed or published prior to the end of the election cycle;
- 35.16 ~~(17)~~ (16) the cost of campaign material purchased to replace defective campaign material,
35.17 if the defective material is destroyed without being used;
- 35.18 ~~(18)~~ (17) contributions to a party unit;
- 35.19 ~~(19)~~ (18) payments for funeral gifts or memorials;
- 35.20 ~~(20)~~ (19) the cost of a magnet less than six inches in diameter containing legislator
35.21 contact information and distributed to constituents;
- 35.22 ~~(21)~~ (20) costs associated with a candidate attending a political party state or national
35.23 convention in this state;
- 35.24 ~~(22)~~ (21) other purchases or payments specified in board rules or advisory opinions as
35.25 being for any purpose other than to influence the nomination or election of a candidate or
35.26 to promote or defeat a ballot question; and
- 35.27 ~~(23)~~ (22) costs paid to a third party for processing contributions made by a credit card,
35.28 debit card, or electronic check.
- 35.29 The board must determine whether an activity involves a noncampaign disbursement
35.30 within the meaning of this subdivision.

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

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

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

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

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

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

36.16 Subdivision 1. **Anonymous contributions.** A political committee, political fund, principal
36.17 campaign committee, or party unit may not retain an anonymous contribution in excess of
36.18 \$20, but must forward it to the board for deposit in the general ~~account of the state elections~~
36.19 ~~campaign account~~ fund.

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

36.21 Subd. 2. **Termination by board.** The board may terminate the registration of a principal
36.22 campaign committee, party unit, political committee, or political fund found to be inactive
36.23 under this section 60 days after sending written notice of inactivity by certified mail to the
36.24 affected association at the last address on record with the board for that association. Within
36.25 60 days after the board sends notice under this section, the affected association must dispose
36.26 of its assets as provided in this subdivision. The assets of the principal campaign committee,
36.27 party unit, or political committee must be used for the purposes authorized by this chapter
36.28 or section 211B.12 or must be liquidated and deposited in the general ~~account of the state~~
36.29 ~~elections campaign account~~ fund. The assets of an association's political fund that were
36.30 derived from the association's general treasury money revert to the association's general
36.31 treasury. Assets of a political fund that resulted from contributions to the political fund must

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

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

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

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

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

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

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

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

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

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

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

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

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

38.10 Subdivision 1. **Unused funds.** For election cycles ending on or before December 31,
38.11 2018, after all campaign expenditures and noncampaign disbursements for an election cycle
38.12 have been made, an amount up to 25 percent of the 2016 election cycle expenditure limit
38.13 for the office may be carried forward. Any remaining amount up to the total amount of the
38.14 2016 public subsidy from the state elections campaign fund must be returned to the state
38.15 treasury for credit to the general fund under Minnesota Statutes 2016, section 10A.324. Any
38.16 remaining amount in excess of the total 2016 public subsidy must be contributed to the state
38.17 elections campaign account or a political party for multicandidate expenditures as defined
38.18 in section 10A.275.

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

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

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

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

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

39.1 fund makes only independent expenditures and disbursements permitted under section
 39.2 10A.121, subdivision 1. A political committee selling goods or services must disclose to
 39.3 each purchaser, prior to a sale, that proceeds may be used to make a contribution to an
 39.4 independent expenditure political committee or fund, or may be used by the committee for
 39.5 other political purposes as authorized by law, and must offer the purchaser an opportunity
 39.6 to review the committee's most recent report submitted to the board under section 10A.20.
 39.7 A copy of the report must be clearly posted in a conspicuous location on at least 8.5-inch
 39.8 by 11-inch sized paper and available for public inspection at the point of sale.

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

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

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

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

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

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

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

40.2 **10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.**

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

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

40.8 (c) A campaign advertisement that is disseminated as an advertisement by broadcast or
40.9 cable television must include closed captioning for deaf and hard-of-hearing viewers, unless
40.10 the candidate has filed with the board before the advertisement is disseminated a statement
40.11 setting forth the reasons for not doing so. A campaign advertisement that is disseminated
40.12 as an advertisement to the public on the candidate's Web site must include closed captioning
40.13 for deaf and hard-of-hearing viewers, unless the candidate has posted on the Web site a
40.14 transcript of the spoken content of the advertisement or the candidate has filed with the
40.15 board before the advertisement is disseminated a statement setting forth the reasons for not
40.16 doing so. A campaign advertisement must not be disseminated as an advertisement by radio
40.17 unless the candidate has posted on the candidate's Web site a transcript of the spoken content
40.18 of the advertisement or the candidate has filed with the board before the advertisement is
40.19 disseminated a statement setting forth the reasons for not doing so.

40.20 Sec. 26. **[15.0395] INTERAGENCY AGREEMENTS AND INTRA-AGENCY**
40.21 **TRANSFERS.**

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

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

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

40.30 The report must include the statutory citation authorizing the agreement, transfer or dollar
40.31 amount, purpose, and effective date of the agreement, the duration of the agreement, and a
40.32 copy of the agreement.

41.1 (b) As used in this section, "agency" includes the departments of the state listed in section
41.2 15.01, a multimember state agency in the executive branch described in section 15.012,
41.3 paragraph (a), the Office of MN.IT Services, and the Office of Higher Education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42.18 **16A.90 EMPLOYEE GAINSHARING SYSTEM.**

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

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

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

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

43.1 compensation under this section except in extraordinary circumstances as defined by the
43.2 commissioner.

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

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

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

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

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

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

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

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

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

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

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

44.2 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any
44.3 other recipient to whom an appropriation is made to acquire or better public lands or buildings
44.4 or other public improvements of a capital nature, must not prepare final plans and
44.5 specifications for any construction, major remodeling, or land acquisition in anticipation
44.6 of which the appropriation was made until the agency that will use the project has presented
44.7 the program plan and cost estimates for all elements necessary to complete the project to
44.8 the chair of the senate Finance Committee and the chair of the house of representatives
44.9 Ways and Means Committee and the chairs have made their recommendations, and the
44.10 chair and ranking minority member of the senate Capital Investment Committee and the
44.11 chair and ranking minority member of the house of representatives Capital Investment
44.12 Committee are notified. "Construction or major remodeling" means construction of a new
44.13 building, a substantial addition to an existing building, or a substantial change to the interior
44.14 configuration of an existing building. The presentation must note any significant changes
44.15 in the work that will be done, or in its cost, since the appropriation for the project was
44.16 enacted or from the predesign submittal. The program plans and estimates must be presented
44.17 for review at least two weeks before a recommendation is needed. The recommendations
44.18 are advisory only. Failure or refusal to make a recommendation is considered a negative
44.19 recommendation.

44.20 (b) The chairs and ranking minority members of the senate Finance and Capital
44.21 Investment Committees and, the house of representatives Capital Investment and Ways and
44.22 Means Committees, and the house of representatives and senate budget committees or
44.23 divisions with jurisdiction over the agency that will use the project must also be notified
44.24 whenever there is a substantial change in a construction or major remodeling project, or in
44.25 its cost. This notice must include the nature and reason for the change and the anticipated
44.26 cost of the change. The notice must be given no later than ten days after signing a change
44.27 order or other document authorizing a change in the project, or if there is not a change order
44.28 or other document, no later than ten days after the project owner becomes aware of a
44.29 substantial change in the project or its cost.

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

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

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

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

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

45.13 Subd. 6. Commerce grants. The office must monitor grants made by the Department
45.14 of Commerce.

45.15 Sec. 32. **[16B.991] TERMINATION OF GRANT.**

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

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

45.19 or

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

45.23 Sec. 33. Minnesota Statutes 2016, section 16E.016, is amended to read:

45.24 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
45.25 **AND EQUIPMENT.**

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

45.29 (1) state data centers;

45.30 (2) mainframes including system software;

- 46.1 (3) servers including system software;
- 46.2 (4) desktops including system software;
- 46.3 (5) laptop computers including system software;
- 46.4 (6) a data network including system software;
- 46.5 (7) database, electronic mail, office systems, reporting, and other standard software
- 46.6 tools;
- 46.7 (8) business application software and related technical support services;
- 46.8 (9) help desk for the components listed in clauses (1) to (8);
- 46.9 (10) maintenance, problem resolution, and break-fix for the components listed in clauses
- 46.10 (1) to (8);
- 46.11 (11) regular upgrades and replacement for the components listed in clauses (1) to (8);
- 46.12 and
- 46.13 (12) network-connected output devices.

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

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

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

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

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

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

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

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

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

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

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

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

46.26 Services.

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

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

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

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

47.1 Sec. 34. Minnesota Statutes 2016, section 16E.0466, is amended to read:

47.2 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

47.3 Subdivision 1. Consultation required. (a) Every state agency with an information or
47.4 telecommunications project must consult with the Office of MN.IT Services to determine
47.5 the information technology cost of the project. Upon agreement between the commissioner
47.6 of a particular agency and the chief information officer, the agency must transfer the
47.7 information technology cost portion of the project to the Office of MN.IT Services. Service
47.8 level agreements must document all project-related transfers under this section. Those
47.9 agencies specified in section 16E.016, paragraph (d), are exempt from the requirements of
47.10 this section.

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

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

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

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

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

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

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

47.29 Sec. 35. **[43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**
47.30 **EMPLOYEES; USE OF AGENCY SAVINGS.**

47.31 Subdivision 1. Number of full-time equivalent employees limited. The total number
47.32 of full-time equivalent employees employed in all executive branch agencies may not exceed

48.1 31,691. The commissioner of management and budget may forbid an executive agency from
48.2 hiring a new employee or from filling a vacancy as the commissioner determines necessary
48.3 to ensure compliance with this section. Any reductions in staff should prioritize protecting
48.4 client-facing health care workers, corrections officers, public safety workers, and mental
48.5 health workers. As a means of achieving compliance with this subdivision, the commissioner
48.6 may authorize an agency to provide an early retirement incentive to an executive branch
48.7 employee, under which the state will continue to make the employer contribution for health
48.8 insurance after the employee has terminated state service. The commissioner must prescribe
48.9 eligibility requirements and the maximum duration of the payments.

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

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

48.20 Sec. 36. Minnesota Statutes 2016, section 43A.17, subdivision 11, is amended to read:

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

48.25 (b) Severance pay for a highly compensated employee includes benefits or compensation
48.26 with a quantifiable monetary value, that are provided for an employee upon termination of
48.27 employment and are not part of the employee's annual wages and benefits and are not
48.28 specifically excluded by this subdivision. Severance pay does not include payments for
48.29 accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to
48.30 cover the cost of group term insurance. Severance pay for a highly compensated employee
48.31 does not include payments of periodic contributions by an employer toward premiums for
48.32 group insurance policies. The severance pay for a highly compensated employee must be
48.33 excluded from retirement deductions and from any calculations of retirement benefits.
48.34 Severance pay for a highly compensated employee must be paid in a manner mutually

49.1 agreeable to the employee and the employee's appointing authority over a period not to
 49.2 exceed five years from retirement or termination of employment. If a retired or terminated
 49.3 employee dies before all or a portion of the severance pay has been disbursed, the balance
 49.4 due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Except
 49.5 as provided in paragraph (c), severance pay provided for a highly compensated employee
 49.6 leaving employment may not exceed ~~an amount equivalent to six months of pay~~ the lesser
 49.7 of:

49.8 (1) six months pay; or

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

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

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

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

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

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

49.26 Sec. 37. Minnesota Statutes 2016, section 43A.24, is amended by adding a subdivision to
 49.27 read:

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

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

50.5 Sec. 38. [118A.09] ADDITIONAL LONG-TERM EQUITY INVESTMENT
50.6 AUTHORITY.

50.7 Subdivision 1. **Definition; qualifying government.** "Qualifying government" means:
50.8 (1) a county or statutory or home rule charter city with a population of more than 100,000;
50.9 (2) a county or statutory or home rule charter city which had its most recently issued
50.10 general obligation bonds rated in the highest category by a national bond rating agency; or
50.11 (3) a self-insurance pool listed in section 471.982, subdivision 3.

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

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

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

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

50.24 Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2
50.25 according to the limitations in this subdivision. A qualifying government under subdivision
50.26 1, clause (1) or (2), may only invest its funds that are held for long-term capital plans
50.27 authorized by the city council or county board, or long-term obligations of the qualifying
50.28 government. Long-term obligations of the qualifying government include long-term capital
50.29 plan reserves, funds held to offset long-term environmental exposure, other postemployment
50.30 benefit liabilities, compensated absences, and other long-term obligations established by
50.31 applicable accounting standards.

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

51.3 (1) unassigned cash;

51.4 (2) cash equivalents;

51.5 (3) deposits; and

51.6 (4) investments.

51.7 This calculation must be based on the qualifying government's most recent audited statement
 51.8 of net position, which must be compliant and audited pursuant to governmental accounting
 51.9 and auditing standards. Once the amount invested reaches 15 percent of the sum of
 51.10 unassigned cash, cash equivalents, deposits, and investments, no further funds may be
 51.11 invested under this section; however, a qualifying government may continue to manage the
 51.12 funds previously invested under this section even if the total amount subsequently exceeds
 51.13 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments.

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

51.16 (1) 15 percent of the sum of its cash, cash equivalents, deposits, and investments; or

51.17 (2) 25 percent of its net assets as reported on the pool's most recent audited statement
 51.18 of net position, which must be compliant and audited pursuant to governmental accounting
 51.19 and auditing standards.

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

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

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

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

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

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

52.6 Subd. 7. **Account maintenance.** (a) A qualifying government may establish an account
52.7 to be held under the supervision of PERA for the purposes of investing funds with the State
52.8 Board of Investment under subdivision 2. PERA shall establish a separate account for each
52.9 qualifying government. PERA may charge participating qualifying governments a fee for
52.10 reasonable administrative costs. The amount of any fee charged by PERA is annually
52.11 appropriated to the association from the account. PERA may establish other reasonable
52.12 terms and conditions for creation and maintenance of these accounts.

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

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

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

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

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

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

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

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

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

- 53.1 (1) grants directly to eligible individuals;
- 53.2 (2) grants to one or more eligible foundations for the purpose of making grants to eligible
53.3 individuals, as provided in this section;
- 53.4 (3) veterans' services; or
- 53.5 (4) grants to family readiness groups chartered by the adjutant general.
- 53.6 (b) As used in paragraph (a), the term "eligible individual" includes any person who is:
- 53.7 (1) a member in good standing of the Minnesota National Guard or a reserve unit based
53.8 in Minnesota ~~who has been called to active service as defined in section 190.05, subdivision~~
53.9 ~~5~~;
- 53.10 (2) a Minnesota resident who is a member of a military reserve unit not based in
53.11 Minnesota, if the member is called to active service as defined in section 190.05, subdivision
53.12 5;
- 53.13 (3) any other Minnesota resident performing active service for any branch of the military
53.14 of the United States;
- 53.15 (4) a person who honorably served in one of the capacities listed in clause (1), (2), or
53.16 (3) who has current financial needs ~~directly related to that service~~; and
- 53.17 (5) a member of the immediate family of an individual identified in clause (1), (2), (3),
53.18 or (4). For purposes of this clause, "immediate family" means the individual's spouse and
53.19 minor children and, if they are dependents of the member of the military, the member's
53.20 parents, grandparents, siblings, stepchildren, and adult children.
- 53.21 (c) As used in paragraph (a), the term "eligible foundation" includes any organization
53.22 that:
- 53.23 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;
- 53.24 (2) has articles of incorporation under chapter 317A specifying the purpose of the
53.25 organization as including the provision of financial assistance to members of the Minnesota
53.26 National Guard and other United States armed forces reserves and their families and
53.27 survivors; and
- 53.28 (3) agrees in writing to distribute any grant money received from the adjutant general
53.29 under this section to eligible individuals as defined in this section and in accordance with
53.30 any written policies and rules the adjutant general may impose as conditions of the grant to
53.31 the foundation.

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

54.4 Sec. 40. Minnesota Statutes 2016, section 190.19, subdivision 2a, is amended to read:

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

54.7 (1) grants to veterans service organizations;

54.8 (2) outreach to underserved veterans;

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

54.10 (4) transfers to the vehicle services account for Gold Star license plates under section
54.11 168.1253;

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

54.15 (6) grants to an eligible foundation; and

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

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

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

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

54.25 Sec. 41. Minnesota Statutes 2016, section 196.05, subdivision 1, is amended to read:

54.26 Subdivision 1. **General duties.** The commissioner shall:

54.27 (1) act as the agent of a resident of the state having a claim against the United States for
54.28 benefits arising out of or by reason of service in the armed forces and prosecute the claim
54.29 without charge;

54.30 (2) act as custodian of veterans' bonus records;

55.1 (3) administer the laws relating to the providing of bronze flag holders at veterans' graves
55.2 for memorial purposes;

55.3 (4) administer the laws relating to recreational or rest camps for veterans so far as
55.4 applicable to state agencies;

55.5 (5) administer the state soldiers' assistance fund and veterans' relief fund and other funds
55.6 appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation
55.7 of veterans;

55.8 (6) cooperate with national, state, county, municipal, and private social agencies in
55.9 securing to veterans and their dependents the benefits provided by national, state, and county
55.10 laws, municipal ordinances, or public and private social agencies;

55.11 (7) provide necessary assistance where other adequate aid is not available to the dependent
55.12 family of a veteran while the veteran is hospitalized and after the veteran is released for as
55.13 long a period as is necessary as determined by the commissioner;

55.14 (8) cooperate with United States governmental agencies providing compensation,
55.15 pensions, insurance, or other benefits provided by federal law, by supplementing the benefits
55.16 prescribed therein, when conditions in an individual case make it necessary;

55.17 (9) assist dependent family members of military personnel who are called from reserve
55.18 status to extended federal active duty during a time of war or national emergency through
55.19 the state soldiers' assistance fund provided by section 197.03;

55.20 (10) exercise other powers as may be authorized and necessary to carry out the provisions
55.21 of this chapter and chapter 197, consistent with that chapter; ~~and~~

55.22 (11) provide information, referral, and counseling services to those veterans who may
55.23 have suffered adverse health conditions as a result of possible exposure to chemical agents;
55.24 and

55.25 (12) in coordination with the Minnesota Association of County Veterans Service Officers,
55.26 develop a written disclosure statement for use by private providers of veterans benefits
55.27 services as required under section 197.6091. At a minimum, the written disclosure statement
55.28 shall include a signature line, contact information for the department, and a statement that
55.29 veterans benefits services are offered at no cost by federally chartered veterans service
55.30 organizations and by county veterans service officers.

56.1 Sec. 42. Minnesota Statutes 2016, section 197.236, subdivision 9, is amended to read:

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

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

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

56.13 Sec. 43. [197.6091] VETERANS BENEFITS SERVICES; DISCLOSURE
56.14 REQUIREMENTS.

56.15 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
56.16 the meanings given.

56.17 (b)(1) "Advertising" or "advertisement" means any of the following:

56.18 (i) any written or printed communication made for the purpose of soliciting business for
56.19 veterans benefits appeal services, including but not limited to a brochure, letter, pamphlet,
56.20 newspaper, telephone listing, periodical, or other writing;

56.21 (ii) any directory listing caused or permitted by a person and made available by that
56.22 person indicating that veterans benefits appeal services are being offered; or

56.23 (iii) any radio, television, computer network, or similar airwave or electronic transmission
56.24 that solicits business for or promotes a person offering veterans benefits appeal services.

56.25 (2) "Advertising" or "advertisement" does not include any of the following:

56.26 (i) any printing or writing used on buildings, uniforms, or badges, where the purpose of
56.27 the writing is for identification; or

56.28 (ii) any printing or writing in a memorandum or other communication used in the ordinary
56.29 course of business where the sole purpose of the writing is other than soliciting business
56.30 for veterans benefits appeal services.

57.1 (c) "Veterans benefits appeal services" means services that a veteran might reasonably
57.2 require in order to appeal a denial of federal or state veterans benefits, including but not
57.3 limited to denials of disability, limited income, home loan, insurance, education and training,
57.4 burial and memorial, and dependent and survivor benefits.

57.5 (d) "Veterans benefits services" means services that a veteran or a family member of a
57.6 veteran might reasonably use in order to obtain federal, state, or county veterans benefits.

57.7 (e) "Written disclosure statement" means the written disclosure statement developed by
57.8 the commissioner of veterans affairs pursuant to section 196.05, subdivision 1.

57.9 Subd. 2. **Advertising disclosure requirements.** A person advertising veterans benefits
57.10 appeal services must conspicuously disclose in the advertisement, in similar type size or
57.11 voice-over, that veterans benefits appeal services are also offered at no cost by county
57.12 veterans service officers under sections 197.603 and 197.604.

57.13 Subd. 3. **Veterans benefits services disclosure requirements.** A person who provides
57.14 veterans benefits services in exchange for compensation shall provide a written disclosure
57.15 statement to each client or prospective client. Before a person enters into an agreement to
57.16 provide veterans benefits services or accepts money or any other thing of value for the
57.17 provision of veterans benefits services, the person must obtain the signature of the client
57.18 on a written disclosure statement containing an attestation by the client that the client has
57.19 read and understands the written disclosure statement.

57.20 Subd. 4. **Violations; penalties.** A person who fails to comply with this section is subject
57.21 to a civil penalty not to exceed \$1,000 for each violation. Civil penalties shall be assessed
57.22 by the district court in an action initiated by the attorney general. For the purposes of
57.23 computing the amount of each civil penalty, each day of a continuing violation constitutes
57.24 a separate violation. Additionally, the attorney general may accept a civil penalty as
57.25 determined by the attorney general in settlement of an investigation of a violation of this
57.26 section regardless of whether an action has been filed under this section. Any civil penalty
57.27 recovered shall be deposited in the Support Our Troops account established under section
57.28 190.19.

57.29 Subd. 5. **Nonapplicability.** This section does not apply to the owner or personnel of any
57.30 medium in which an advertisement appears or through which an advertisement is
57.31 disseminated.

58.1 Sec. 44. Minnesota Statutes 2016, section 197.791, subdivision 2, is amended to read:

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

58.6 The commissioner, in cooperation with eligible postsecondary educational institutions,
58.7 shall administer the program for the purpose of providing postsecondary educational
58.8 assistance to eligible persons in accordance with this section. Each public postsecondary
58.9 educational institution in the state must participate in the program and each private
58.10 postsecondary educational institution in the state is encouraged to participate in the program.
58.11 Any participating private institution may suspend or terminate its participation in the program
58.12 at the end of any semester or other academic term.

58.13 Sec. 45. Minnesota Statutes 2016, section 197.791, subdivision 3, is amended to read:

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

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

58.25 Sec. 46. Minnesota Statutes 2016, section 197.791, subdivision 4, is amended to read:

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

58.28 (1) the person is:

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

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

59.1 the United States armed forces, and any part of that service occurred on or after September
59.2 11, 2001;

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

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

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

59.14 (3) the person receiving the educational assistance:

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

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

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

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

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

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

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

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

60.1 (d) The commissioner may deny eligibility or terminate benefits under this section to
60.2 any person who has not provided sufficient documentation to determine eligibility for the
60.3 program. An applicant may appeal the commissioner's eligibility determination or termination
60.4 of benefits in writing to the commissioner at any time. The commissioner must rule on any
60.5 application or appeal within 30 days of receipt of all documentation that the commissioner
60.6 requires. The decision of the commissioner regarding an appeal is final. However, an
60.7 applicant whose appeal of an eligibility determination has been rejected by the commissioner
60.8 may submit an additional appeal of that determination in writing to the commissioner at
60.9 any time that the applicant is able to provide substantively significant additional information
60.10 regarding the applicant's eligibility for the program. An approval of an applicant's eligibility
60.11 by the commissioner following an appeal by the applicant is not retroactively effective for
60.12 more than one year or the semester of the person's original application, whichever is later.

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

60.17 Sec. 47. Minnesota Statutes 2016, section 197.791, subdivision 5, is amended to read:

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

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

60.25 (1) the federal Pell Grant;

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

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

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

61.1 ~~(1) \$1,000 per semester or term of enrollment;~~

61.2 ~~(2) (1) \$3,000 per state fiscal year; and~~

61.3 ~~(3) (2) \$10,000 in a lifetime.~~

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

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

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

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

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

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

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

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

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

62.1 Sec. 48. Minnesota Statutes 2016, section 197.791, subdivision 5a, is amended to read:

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

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

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

62.15 (1) ~~\$2,000~~ \$3,000 per fiscal year for apprenticeship expenses;

62.16 (2) ~~\$2,000~~ \$3,000 per fiscal year for on-the-job training;

62.17 (3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and
62.18 completion of six consecutive months' employment of a person receiving assistance under
62.19 this subdivision; and

62.20 (4) \$1,000 for a job placement credit payable to an eligible employer after a person
62.21 receiving assistance under this subdivision has been employed by the eligible employer for
62.22 at least 12 consecutive months as a full-time employee.

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

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

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

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

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

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

63.1 Sec. 49. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

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

63.10 Sec. 50. [270C.303] FREE ELECTRONIC FILING OF INDIVIDUAL INCOME
63.11 TAX RETURNS.

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

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

63.20 (c) The system must be available:

63.21 (1) by January 15, 2019, for the filing and payment of tax year 2018 individual income
63.22 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted
63.23 gross income less than \$200,000 for married couples filing joint returns, and less than
63.24 \$100,000 for all other filers; and

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

63.30 (d) For purposes of this section, "federal adjusted gross income" has the meaning given
63.31 in section 62 of the Internal Revenue Code. Other terms have the meanings given in chapter
63.32 290.

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

64.8 Sec. 51. Minnesota Statutes 2016, section 353.27, subdivision 3c, is amended to read:

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

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

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

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

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

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

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

65.3 (g) The employer supplemental contribution under paragraph (d) terminates on December
65.4 31, 2031.

65.5 Sec. 52. Minnesota Statutes 2016, section 353.505, is amended to read:

65.6 **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

65.7 (a) On September 15, 2015, ~~and~~ September 15, 2016, and annually thereafter, the state
65.8 shall pay to the general employees retirement plan of the Public Employees Retirement
65.9 Association, with respect to the former MERF division, \$6,000,000. ~~By September 15 of~~
65.10 ~~each year after 2016, the state shall pay to the general employees retirement plan of the~~
65.11 ~~Public Employees Retirement Association, with respect to the former MERF division,~~
65.12 ~~\$16,000,000.~~

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

65.14 Sec. 53. Minnesota Statutes 2016, section 471.6161, subdivision 8, is amended to read:

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

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

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

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

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

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

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

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

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

66.30 ~~(4) a district that is self-insured on or before the date of enactment, or that is self-insured~~
66.31 ~~with more than 1,000 insured lives, or a district in which the school board adopted a motion~~
66.32 ~~on or before May 14, 2014, to approve a self-insured health care plan to be effective July~~
66.33 ~~1, 2014, may, but need not, request a proposal from an administrator governed by chapter~~
66.34 ~~43A;~~

67.1 ~~(5)~~ (3) requests for proposals must be sent to providers no less than 90 days prior to the
67.2 expiration of the existing contract; and

67.3 ~~(6)~~ (4) proposals must be submitted at least 60 days prior to the plan's renewal date and
67.4 all proposals shall be opened at the same time and in the presence of the exclusive
67.5 representative, where applicable.

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

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

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

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

67.18 Sec. 54. Minnesota Statutes 2016, section 471.617, subdivision 2, is amended to read:

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

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

68.1 Sec. 55. Minnesota Statutes 2016, section 508.12, subdivision 1, is amended to read:

68.2 Subdivision 1. **Examiner and deputy examiner.** The judges of the district court shall
68.3 appoint a competent attorney in each county within their respective districts to be an examiner
68.4 of titles and legal adviser to the registrar in said county, to which examiner all applications
68.5 to register title to land are referred without further order, and may appoint attorneys to serve
68.6 as deputy examiners who shall act in the name of the examiner and under the examiner's
68.7 supervision and control, and the deputy's acts shall be the acts of the examiners. The examiner
68.8 of titles and deputy examiners shall hold office subject to the will and discretion of the
68.9 district court by whom appointed. The examiner's compensation and that of the examiner's
68.10 deputies shall be fixed and determined by the court and paid in the same manner as the
68.11 compensation of other county employees is paid except that in all counties having fewer
68.12 than 75,000 inhabitants, and in Stearns, Dakota, Scott, Wright, Sherburne, and Olmsted
68.13 Counties the fees and compensation of the examiners for services as legal adviser to the
68.14 registrar shall be determined by the judges of the district court and paid in the same manner
68.15 as the compensation of other county employees is paid, but in every other instance shall be
68.16 paid by the person applying to have the person's title registered or for other action or relief
68.17 which requires the services, certification or approval of the examiner.

68.18 Sec. 56. Minnesota Statutes 2016, section 518A.79, is amended by adding a subdivision
68.19 to read:

68.20 Subd. 3a. **Open meetings.** Except as otherwise provided in this section, the task force
68.21 is subject to chapter 13D. A meeting of the task force occurs when a quorum is present and
68.22 the members receive information, discuss, or take action on any matter relating to the duties
68.23 of the task force. The task force may conduct meetings as provided in section 13D.015 or
68.24 13D.02. The task force may conduct meetings at any location in the state that is appropriate
68.25 for the purposes of the task force as long as the location is open and accessible to the public.
68.26 For legislative members of the task force, enforcement of this subdivision is governed by
68.27 section 3.055, subdivision 2. For nonlegislative members of the task force, enforcement of
68.28 this subdivision is governed by section 13D.06, subdivisions 1 and 2.

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

69.1 Sec. 57. **COMMISSIONER OF REVENUE TO DETERMINE ADEQUACY OF**
69.2 **CURRENT RULES AND VALUATION PRACTICES FOR STATE-ASSESSED**
69.3 **PIPELINES.**

69.4 The commissioner of revenue must review all current rules and practices relating to the
69.5 valuation of pipeline companies that are assessed by the state. The commissioner must
69.6 determine whether current rules and practices provide accurate estimates of market value.
69.7 By February 1, 2018, the commissioner must prepare testimony for the house of
69.8 representatives and senate committees having jurisdiction over property taxes recommending
69.9 changes to the rules and practices to provide more accurate assessments and reduce the
69.10 number and amount of judgments against the state and counties for state-assessed pipeline
69.11 property.

69.12 Sec. 58. **FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX**
69.13 **RETURNS; PILOT PROGRAM.**

69.14 (a) The commissioner must conduct a pilot program to test the free electronic filing
69.15 requirement in Minnesota Statutes, section 270C.303. The pilot program must operate at
69.16 no fewer than three taxpayer assistance sites that receive grants under Minnesota Statutes,
69.17 section 270C.21. At least one of the pilot program sites must be in the seven-county
69.18 metropolitan area, and at least one must be in greater Minnesota. The pilot program system
69.19 must be available by January 15, 2018, for the filing and payment of tax year 2017 individual
69.20 income taxes of filers with income only from wages, fewer than five dependents, and federal
69.21 adjusted gross income less than \$200,000 for married couples filing joint returns, and less
69.22 than \$100,000 for all other filers.

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

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

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

70.1 **Sec. 59. INITIAL TRANSIT FINANCIAL ACTIVITY REPORTING.**

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

70.6 (b) The legislative auditor must provide a copy of the review under paragraph (a) to
70.7 each county that is party to the joint powers agreement under Minnesota Statutes, section
70.8 297A.992.

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

70.10 **Sec. 60. LIMIT ON EXPENDITURES FOR ADVERTISING.**

70.11 During the fiscal years ending June 30, 2018, and June 30, 2019, an executive branch
70.12 agency's spending on advertising and promotions may not exceed 90 percent of the amount
70.13 the agency spent on advertising and promotions during the fiscal year ending June 30, 2016.
70.14 The commissioner of management and budget must ensure compliance with this limit and
70.15 may issue guidelines and policies to executive agencies. The commissioner may forbid an
70.16 agency from engaging in advertising as the commissioner determines necessary to ensure
70.17 compliance with this section. This section does not apply to the Minnesota Lottery, Explore
70.18 Minnesota Tourism, or the Minnesota State Colleges and Universities. Spending during the
70.19 biennium ending June 30, 2019, on advertising relating to a declared emergency, an
70.20 emergency, or a disaster, as those terms are defined in Minnesota Statutes, section 12.03,
70.21 is excluded for purposes of this section.

70.22 **Sec. 61. OFFICE OF MN.IT SERVICES; PERFORMANCE OUTCOMES**
70.23 **REQUIRED.**

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

70.29 Subd. 2. **Information technology efficiencies and solutions.** No later than December
70.30 31, 2018, the state chief information officer shall:

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

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

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

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

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

71.13 Sec. 62. **STATE AUDITOR LITIGATION EXPENSES; SCHEDULE OF CHARGES.**

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

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

71.24 Subd. 2. **Schedule of charges.** Notwithstanding Minnesota Statutes, section 6.581,
71.25 subdivision 3, or any other law to the contrary, the rates included in the state auditor's
71.26 schedule of charges for examinations conducted after June 30, 2017, must be no greater
71.27 than the rates included in the schedule of charges established for examinations conducted
71.28 in calendar year 2016.

71.29 Sec. 63. **TRANSITION; STATE AUDITOR ENTERPRISE FUND.**

71.30 Notwithstanding any law to the contrary, receipts received by the state auditor on or
71.31 after July 1, 2017, from examinations conducted by the state auditor under Minnesota

72.1 Statutes, chapter 6, must be credited to the general fund. Amounts in the state auditor
72.2 enterprise fund at the end of fiscal year 2017 are transferred to the general fund.

72.3 Sec. 64. **LIMIT ON INCREASE IN MANAGERIAL COMPENSATION.**

72.4 During the biennium ending June 30, 2019, an employee covered by the managerial
72.5 plan in Minnesota Statutes, section 43A.18, subdivision 3, may not be granted a percentage
72.6 increase in annual salary that exceeds the lesser of:

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

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

72.13 Sec. 65. **SALARY LIMIT.**

72.14 Subdivision 1. **Executive branch.** (a) During the fiscal year ending June 30, 2018, the
72.15 aggregate amount spent by all executive branch agencies on employee salaries may not
72.16 exceed 101 percent of the aggregate amount these agencies spent on employee salaries in
72.17 the fiscal year ending June 30, 2017.

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

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

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

72.27 (1) the house of representatives;

72.28 (2) the senate; and

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

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

73.4 (1) the house of representatives;

73.5 (2) the senate; and

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

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

73.10 **Sec. 66. REPEALER.**

73.11 Subdivision 1. **Campaign subsidy.** Minnesota Statutes 2016, sections 10A.30; 10A.31,
73.12 subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322,
73.13 subdivisions 2 and 4; 10A.323; and 10A.324, subdivisions 1 and 3, and Minnesota Rules,
73.14 parts 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, and 9; and 4503.1450, are repealed effective
73.15 July 1, 2017, and apply to elections held on or after that date. Money in the account under
73.16 Minnesota Statutes, section 10A.30, on June 30, 2017, cancels to the general fund, and
73.17 amounts designated under Minnesota Statutes, section 10A.31, on income tax and property
73.18 tax refund returns filed after June 30, 2017, are not effective and remain in the general fund.

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

73.21 Subd. 3. **Legislative commissions.** Minnesota Statutes 2016, sections 3.886; and
73.22 161.1419, are repealed.

73.23 **ARTICLE 3**

73.24 **STATE BUDGETING TECHNICAL**

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

73.26 **15.0596 ADDITIONAL COMPENSATION FROM CONTINGENT FUND**
73.27 **PROHIBITED.**

73.28 In all cases where the compensation of an officer of the state is fixed by law at a specified
73.29 sum, it shall be unlawful for any such officer or employee to receive additional compensation
73.30 for the performance of official services out of the contingent fund of the officer or the
73.31 department, and it shall be unlawful for the head of any department of the state government

74.1 to direct the payment of such additional compensation out of the contingent fund; and the
74.2 commissioner of management and budget is hereby prohibited from issuing a ~~warrant~~
74.3 payment upon such contingent fund in payment of such additional compensation.

74.4 Every person offending against the provisions of this section shall be guilty of a
74.5 misdemeanor.

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

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

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

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

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

74.17 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**
74.18 **DOCUMENTS.**

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

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

75.2 Subd. 2a. **Procedure.** The commissioner shall see that the deduction for the withheld
75.3 tax is made from an employee's pay on the payroll abstract. The commissioner shall approve
75.4 one ~~warrant payable~~ payment to the commissioner for the total amount deducted on the
75.5 abstract. Deductions from the pay of an employee paid direct by an agency shall be made
75.6 by the employee's payroll authority. A later deduction must correct an error made on an
75.7 earlier deduction. The paying authority shall see that a ~~warrant or check~~ payment for the
75.8 deductions is promptly sent to the commissioner. The commissioner shall deposit the amount
75.9 of the ~~warrant or check~~ payment to the credit of the proper federal authority or other person
75.10 authorized by federal law to receive it.

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

75.12 **16A.134 CHARITABLE ORGANIZATIONS PAYROLL DEDUCTIONS.**

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

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

75.19 Subd. 3. **Allotment and encumbrance.** (a) A payment may not be made without prior
75.20 obligation. An obligation may not be incurred against any fund, allotment, or appropriation
75.21 unless the commissioner has certified a sufficient unencumbered balance or the accounting
75.22 system shows sufficient allotment or encumbrance balance in the fund, allotment, or
75.23 appropriation to meet it. The commissioner shall determine when the accounting system
75.24 may be used to incur obligations without the commissioner's certification of a sufficient
75.25 unencumbered balance. An expenditure or obligation authorized or incurred in violation of
75.26 this chapter is invalid and ineligible for payment until made valid. A payment made in
75.27 violation of this chapter is illegal. An employee authorizing or making the payment, or
75.28 taking part in it, and a person receiving any part of the payment, are jointly and severally
75.29 liable to the state for the amount paid or received. If an employee knowingly incurs an
75.30 obligation or authorizes or makes an expenditure in violation of this chapter or takes part
75.31 in the violation, the violation is just cause for the employee's removal by the appointing
75.32 authority or by the governor if an appointing authority other than the governor fails to do
75.33 so. In the latter case, the governor shall give notice of the violation and an opportunity to

76.1 be heard on it to the employee and to the appointing authority. A claim presented against
 76.2 an appropriation without prior allotment or encumbrance may be made valid on investigation,
 76.3 review, and approval by the agency head in accordance with the commissioner's policy, if
 76.4 the services, materials, or supplies to be paid for were actually furnished in good faith
 76.5 without collusion and without intent to defraud. The commissioner may then ~~draw a warrant~~
 76.6 ~~to~~ pay the claim just as properly allotted and encumbered claims are paid.

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

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

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

76.16 Subd. 5. **Payroll duties.** When the department prepares the payroll for an agency, the
 76.17 commissioner assumes the agency head's duties to make authorized or required deductions
 76.18 from, or employer contributions on, the pay of the agency's employees and to prepare and
 76.19 issue the necessary ~~warrants~~ payments.

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

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

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

76.24 **16A.40 WARRANTS AND ELECTRONIC FUND TRANSFERS.**

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

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

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

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

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

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

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

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

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

77.13 **16A.56 COMMISSIONER'S RECEIPT AND CLAIM DUTIES.**

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

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

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

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

77.25 Subd. 4. **Work of department for another.** To avoid duplication and improve efficiency,
77.26 the commissioner may direct an agency to do work for another agency or may direct a
77.27 division or section of an agency to do work for another division or section within the same
77.28 agency and shall require reimbursement for the work. Reimbursements received by an
77.29 agency are reappropriated to the account making the original expenditure in accordance

78.1 with the transfer ~~warrant~~ procedure established by the commissioner of management and
78.2 budget.

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

78.4 Subd. 2. **State agency reports.** State agencies shall report quarterly to the commissioner
78.5 of management and budget the debts owed to them. The commissioner of management and
78.6 budget, ~~in consultation with the commissioners of revenue and human services, and the~~
78.7 ~~attorney general,~~ shall establish internal guidelines for the recognition, tracking, and
78.8 ~~reporting, and collection~~ of debts owed the state. The internal guidelines must include
78.9 accounting standards, performance measurements, and uniform reporting requirements
78.10 applicable to all state agencies. The commissioner of management and budget shall require
78.11 a state agency to recognize, track, report, and attempt to collect debts according to the
78.12 internal guidelines. The commissioner, in consultation with the commissioner of management
78.13 and budget and the attorney general, shall establish internal guidelines for the collection of
78.14 debt owed to the state.

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

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

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

78.32 **21.116 EXPENSES.**

79.1 All necessary expenses incurred in carrying out the provisions of sections 21.111 to
79.2 21.122 and the compensation of officers, inspectors, and employees appointed, designated,
79.3 or employed by the commissioner, as provided in such sections, together with their necessary
79.4 traveling expenses, together with the traveling expenses of the members of the advisory
79.5 seed potato certification committee, and other expenses necessary in attending committee
79.6 meetings, shall be paid from, and only from, the seed potato inspection account, on order
79.7 of the commissioner and commissioner of management and ~~budget's voucher warrant~~ budget.

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

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

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

79.16 **43A.49 VOLUNTARY UNPAID LEAVE OF ABSENCE.**

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

79.32 (b) To receive eligible service credit and credited salary in a defined benefit plan, the
79.33 member shall pay an amount equal to the applicable employee contribution rates. If an

80.1 employee pays the employee contribution for the period of the leave under this section, the
80.2 appointing authority must pay the employer contribution. The appointing authority may, at
80.3 its discretion, pay the employee contributions. Contributions must be made in a time and
80.4 manner prescribed by the executive director of the applicable retirement system.

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

80.6 Subd. 13. **Disposition of unclaimed dividends.** Upon the liquidation of any financial
80.7 institution liquidated by the commissioner as statutory liquidator, if any dividends or other
80.8 moneys set apart for the payment of claims remain unpaid, and the places of residence of
80.9 the owners thereof are unknown to the commissioner, the commissioner may pay same into
80.10 the state treasury as hereinafter provided. Whenever the commissioner shall be satisfied
80.11 that the process of liquidation should not be further continued the commissioner may make
80.12 and certify triplicate lists of any such unclaimed dividends or other moneys, specifying the
80.13 name of each owner, the amount due, and the last known address. Upon one of such lists,
80.14 to be retained by the commissioner shall be endorsed the commissioner's order that such
80.15 unclaimed moneys be forthwith deposited in the state treasury. When so deposited, one of
80.16 said lists shall be delivered to the commissioner of management and budget and the
80.17 commissioner shall retain in the commissioner's office such records and proofs concerning
80.18 said claims as the commissioner may have, which shall thereafter remain on file in the
80.19 office. The commissioner of management and budget shall execute upon the list retained
80.20 by the commissioner a receipt for such money, which shall operate as a full discharge of
80.21 the commissioner on account of such claims. At any time within six years after such receipt,
80.22 but not afterward, the claimant may apply to the commissioner for the amount so deposited
80.23 for the claimant's benefit, and upon proof satisfactory to the governor, the attorney general
80.24 and the commissioner, or to a majority of them, they shall give an order to the commissioner
80.25 of management and budget to issue a ~~warrant~~ warrant payment for such amount, and such ~~warrant~~
80.26 payment shall thereupon be issued. If no such claim be presented within six years, the
80.27 commissioner shall so note upon the commissioner's copy of said list and certify the fact
80.28 to the commissioner of management and budget who shall make like entries upon the
80.29 commissioner of management and budget's corresponding lists; and all further claims to
80.30 said money shall be barred. Provided, that the commissioner of management and budget
80.31 shall transfer to the commissioner of commerce's liquidation fund created by this section
80.32 not to exceed 50 percent of the amount so turned over by the commissioner, to be used to
80.33 partially defray expenses in connection with the liquidation of closed banks and the conduct
80.34 of the liquidation division, in such amounts and at such times as the commissioner shall
80.35 request.

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

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

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

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

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

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

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

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

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

81.31 (7) All sums which the commissioner may receive from the sale of personal property of
81.32 liquidated financial institutions where the final dividend has been paid and no disposition
81.33 of said property made by any order of the court, and the proceeds of sales of any personal

82.1 property used by the liquidation division which have been purchased with funds of financial
82.2 institutions in liquidation.

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

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

82.13 (b) Fire state aid and police state aid is payable on October 1 annually. The amount of
82.14 state aid due and not paid by October 1 accrues interest payable to the state aid recipient at
82.15 the rate of one percent for each month or part of a month that the amount remains unpaid
82.16 after October 1.

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

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

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

82.28 Subd. 4. **Drainage ditch bonds; reports.** (a) Immediately after a project is approved
82.29 and accepted and then after each distribution of the tax collections on the June and November
82.30 tax settlements, the county auditor shall certify to the commissioner of management and
82.31 budget the following information relating to bonds issued to finance or refinance public

83.1 drainage ditches wholly or partly within the projects, and the collection of assessments
83.2 levied on account of the ditches:

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

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

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

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

83.11 (c) As to public drainage ditches wholly within a project, the amount of money paid to
83.12 or for the benefit of the county under paragraph (b) must never exceed the principal and
83.13 interest of the bonds issued to finance or refinance the ditches outstanding at the time of
83.14 the passage and approval of sections 84A.20 to 84A.30, less money on hand in the county
83.15 ditch fund to the credit of the ditches. The liabilities must be reduced from time to time by
83.16 the amount of all payments of assessments after April 25, 1931, made by the owners of
83.17 lands assessed before that date for benefits on account of the ditches.

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

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

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

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

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

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

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

84.14 (b) On approving this certificate of the county auditor, the commissioner of management
84.15 and budget shall ~~draw a warrant~~ issue a payment, payable out of the fund provided for in
84.16 sections 84A.31 to 84A.42, and send it to the county treasurer of the county. These funds
84.17 must be credited to the proper ditch of the county and placed in the ditch bond fund of the
84.18 county, which is created, and used only to pay the ditch bonded indebtedness of the county
84.19 assumed by the state under sections 84A.31 to 84A.42. The total amount of ~~warrants drawn~~
84.20 payments issued must not exceed in any one year the total amount of the deficit provided
84.21 for under this section.

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

84.24 (d) As to public drainage ditches wholly within a project, the amount paid to, or for the
84.25 benefit of, the county under this subdivision must never exceed the principal and interest
84.26 of the bonds issued to finance or refinance a ditch outstanding on April 22, 1933, less money
84.27 on hand in the county ditch fund to the credit of a ditch. These liabilities must be reduced
84.28 from time to time by the amount of any payments of assessments extended after April 22,
84.29 1933, made by the owners of lands assessed before that date for benefits on account of the
84.30 ditches.

84.31 As to public drainage ditches partly within and partly outside a project the amount paid
84.32 from the fund pertaining to the project to or for the benefit of the county must never exceed
84.33 a certain percentage of bonds issued to finance and refinance a ditch so outstanding, less

85.1 money on hand in the county ditch fund to the credit of a ditch on April 22, 1932. The
85.2 percentage must bear the same proportion to the whole amount of the bonds as the original
85.3 benefits assessed against these lands within the project bear to the original total benefits
85.4 assessed to the entire system for a ditch. This liability must be reduced from time to time
85.5 by the payments of all assessments extended after April 22, 1933, made by the owners of
85.6 lands within the project of assessments for benefits assessed before that date on account of
85.7 a ditch.

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

85.9 **84A.40 COUNTY MAY ASSUME BONDS.**

85.10 Any county where a project or portion of it is located may voluntarily assume, in the
85.11 manner specified in this section, the obligation to pay a portion of the principal and interest
85.12 of the bonds issued before the approval and acceptance of the project and remaining unpaid
85.13 at maturity, of any school district or town in the county and wholly or partly within the
85.14 project. The portion must bear the same proportion to the whole of the unpaid principal and
85.15 interest as the last net tax capacity, before the acceptance of the project, of lands then
85.16 acquired by the state under sections 84A.31 to 84A.42 in the school districts or towns bears
85.17 to the total net tax capacity for the same year of the school district or town. This assumption
85.18 must be evidenced by a resolution of the county board of the county. A copy of the resolution
85.19 must be certified to the commissioner of management and budget within one year after the
85.20 acceptance of the project.

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

85.30 If a county fails to adopt and certify the resolution, the commissioner of management
85.31 and budget shall withhold from the payments to be made to the county under section 84A.32
85.32 a sum equal to that portion of the principal and interest of the outstanding bonds that bears
85.33 the same proportion to the whole of the bonds as the above determined net tax capacity of
85.34 lands acquired by the state within the project bears to the total net tax capacity for the same

86.1 year of the school district or town. Money withheld from the county must be set aside in
86.2 the state treasury and not paid to the county until the full principal and interest of the school
86.3 district and town bonds have been paid.

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

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

86.11 **84A.52 ACCOUNTS; EXAMINATION, APPROPRIATION, PAYMENT.**

86.12 As a part of the examination provided for by section 6.481, of the accounts of the several
86.13 counties within a game preserve, area, or project established under section 84A.01, 84A.20,
86.14 or 84A.31, the state auditor shall segregate the audit of the accounts reflecting the receipt
86.15 and disbursement of money collected or disbursed under this chapter or from the sale of
86.16 tax-forfeited lands held by the state under section 84A.07, 84A.26, or 84A.36. The auditor
86.17 shall also include in the reports required by section 6.481 summary statements as of
86.18 December 31 before the examination that set forth the proportionate amount of principal
86.19 and interest due from the state to the individual county and any money due the state from
86.20 the county remaining unpaid under this chapter, or from the sale of any tax-forfeited lands
86.21 referred to in this section, and other information required by the commissioner of management
86.22 and budget. On receiving a report, the commissioner of management and budget shall
86.23 determine the net amount due to the county for the period covered by the report and shall
86.24 ~~draw a warrant~~ issue a payment upon the state treasury payable out of the consolidated fund
86.25 for that amount. It must be paid to and received by the county as payment in full of all
86.26 amounts due for the period stated on the ~~warrants~~ payments from the state under any
86.27 provision of this chapter.

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

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

86.31 Subdivision 1. **Limitation.** The compensation and expenses of persons temporarily
86.32 employed in emergencies in suppression or control of wildfires shall be fixed by the
86.33 commissioner of natural resources or an authorized agent and paid as provided by law. Such

87.1 compensation shall not exceed the maximum rate for comparable labor established as
 87.2 provided by law or rules, but shall not be subject to any minimum rate so established. The
 87.3 commissioner is authorized to draw and expend from money appropriated for the purposes
 87.4 of sections 88.03 to 88.22 a reasonable sum and through forest officers or other authorized
 87.5 agent be used in paying emergency expenses, including just compensation for services
 87.6 rendered by persons summoned and for private property used, damaged, or appropriated
 87.7 under sections 88.03 to 88.22. The commissioner of management and budget is authorized
 87.8 to ~~draw a warrant~~ issue a payment for this sum when duly approved by the commissioner.
 87.9 The commissioner or agent in charge shall take proper subvouchers or receipts from all
 87.10 persons to whom these moneys are paid, and after these subvouchers have been approved
 87.11 they shall be filed with the commissioner of management and budget. Authorized funds as
 87.12 herein provided at any time shall be deposited, subject to withdrawal or disbursement by
 87.13 check or otherwise for the purposes herein prescribed, in a bank authorized and bonded to
 87.14 receive state deposits; and the bond of this bank to the state shall cover and include this
 87.15 deposit.

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

87.17 **94.522 TRANSMISSION OF ~~WARRANTS~~ PAYMENTS TO COUNTY**
 87.18 **TREASURERS; USE OF PROCEEDS.**

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

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

87.26 **94.53 ~~WARRANT~~ PAYMENT TO COUNTY TREASURERS; FEDERAL LOANS**
 87.27 **TO COUNTIES.**

87.28 It shall be the duty of the commissioner of management and budget to transmit ~~warrants~~
 87.29 ~~on~~ payments from the state treasury to the county treasurers of the respective counties for
 87.30 the sum that may be due in accordance with sections 94.52 to 94.54, which sum or sums
 87.31 are hereby appropriated out of the state treasury from the amounts received from the United
 87.32 States government pursuant to the aforesaid act of Congress. The commissioner of
 87.33 management and budget, upon being notified by the federal government or any agencies

88.1 thereof that a loan has been made to any such county the repayment of which is to be made
88.2 from such fund, is authorized to transmit a ~~warrant or warrants~~ payment to the federal
88.3 government or any agency thereof sufficient to repay such loan out of any money apportioned
88.4 or due to such county under the provisions of such act of Congress, approved May 23, 1908
88.5 (Statutes at Large, volume 35, page 260).

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

88.7 Subd. 7. **Processing.** (a) An Indian desiring a loan for the purpose of starting a business
88.8 enterprise or expanding an existing business shall make application to the appropriate tribal
88.9 government. The application shall be forwarded to the appropriate eligible organization, if
88.10 it is participating in the program, for consideration in conformity with the plans submitted
88.11 by said tribal governments. The tribal government may approve the application if it
88.12 determines that the loan would advance the goals of the Indian business loan program. If
88.13 the tribal government is not participating in the program, the agency may directly approve
88.14 or deny the loan application.

88.15 (b) If the application is approved, the tribal government shall forward the application,
88.16 together with all relevant documents pertinent thereto, to the commissioner of the agency,
88.17 who shall ~~cause a warrant~~ request a payment to be drawn in favor of issued to the applicant
88.18 or the applicable tribal government, or the agency, if it is administering the loan, with
88.19 appropriate notations identifying the borrower.

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

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

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

89.2 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or intermediate
89.3 school district believes that it may be unable to make a principal or interest payment on any
89.4 outstanding debt obligation on the date that payment is due, it must notify the commissioner
89.5 as soon as possible, but not less than 15 working days before the date that principal or
89.6 interest payment is due. The notice must include the name of the school district or
89.7 intermediate school district, an identification of the debt obligation issue in question, the
89.8 date the payment is due, the amount of principal and interest due on the payment date, the
89.9 amount of principal or interest that the school district or intermediate school district will be
89.10 unable to repay on that date, the paying agent for the debt obligation, the wire transfer
89.11 instructions to transfer funds to that paying agent, and an indication as to whether a payment
89.12 is being requested by the school district or intermediate school district under this section.
89.13 If a paying agent becomes aware of a potential default, it shall inform the commissioner of
89.14 that fact. After receipt of a notice which requests a payment under this section, after
89.15 consultation with the school district or intermediate school district and the paying agent,
89.16 and after verification of the accuracy of the information provided, the commissioner shall
89.17 notify the commissioner of management and budget of the potential default. The notice
89.18 must include a final figure as to the amount due that the school district or intermediate
89.19 school district will be unable to repay on the date due.

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

89.25 (c) The Departments of Education and Management and Budget must jointly develop
89.26 detailed procedures for school districts and intermediate school districts to notify the state
89.27 that they have obligated themselves to be bound by the provisions of this section, procedures
89.28 for school districts or intermediate school districts and paying agents to notify the state of
89.29 potential defaults and to request state payment under this section, and procedures for the
89.30 state to expedite payments to prevent defaults. The procedures are not subject to chapter
89.31 14.

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

89.33 Subd. 9. **State bond rating.** If the commissioner of management and budget determines
89.34 that the credit rating of the state would be adversely affected thereby, the commissioner of

90.1 management and budget shall not issue ~~warrants~~ payments under subdivision 2 for the
90.2 payment of principal or interest on any debt obligations for which a district did not, prior
90.3 to their issuance, obligate itself to be bound by the provisions of this section.

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

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

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

90.15 Subd. 14. **Participation by county auditor; record of contract; payment of loan.** The
90.16 district must file a copy of the capital loan contract with the county auditor of each county
90.17 in which any part of the district is situated. The county auditor shall enter the capital loan,
90.18 evidenced by the contract, in the auditor's bond register. The commissioner shall keep a
90.19 record of each capital loan and contract showing the name and address of the district, the
90.20 date of the contract, and the amount of the loan initially approved. On receipt of the resolution
90.21 required in subdivision 12, the commissioner shall issue ~~warrants~~ payments, which may be
90.22 dispersed in accordance with the schedule in the contract, on the capital loan account for
90.23 the amount that may be disbursed under subdivision 1. Interest on each disbursement of the
90.24 capital loan amount accrues from the date on which the commissioner of management and
90.25 budget issues the ~~warrant~~ payment.

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

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

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

91.2 **127A.40 MANNER OF PAYMENT OF STATE AIDS.**

91.3 It shall be the duty of the commissioner to deliver to the commissioner of management
91.4 and budget a certificate for each district entitled to receive state aid under the provisions of
91.5 this chapter. Upon the receipt of such certificate, it shall be the duty of the commissioner
91.6 of management and budget to ~~draw a warrant in favor of~~ issue a payment to the district for
91.7 the amount shown by each certificate to be due to the district. The commissioner of
91.8 management and budget shall transmit such ~~warrants~~ payments to the district together with
91.9 a copy of the certificate prepared by the commissioner.

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

91.11 Subdivision 1. **Request; warrant payment.** The commissioner of management and
91.12 budget, upon the written request of an employee of the board, may deduct from an employee's
91.13 salary or wages the amount requested for payment to a nonprofit state college or university
91.14 foundation meeting the requirements in subdivision 2. The commissioner shall issue a
91.15 ~~warrant~~ payment for the deducted amount to the nonprofit foundation. The Penny Fellowship
91.16 and the Nellie Stone Johnson Scholarship Program of the Minnesota State University Student
91.17 Association shall be considered nonprofit state college and university foundations for
91.18 purposes of this section.

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

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

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

91.26 Subd. 10. **Project approval, reports.** When the county board of any county determines
91.27 to do any construction work on a county state-aid highway or other road eligible for the
91.28 expenditure of state aid funds within the county, and desires to expend on such work a
91.29 portion of the money apportioned or allocated to it out of the county state-aid highway fund,
91.30 the county shall first obtain approval of the project by the commissioner. Thereafter the
91.31 county engineer shall make such reports in such manner as the commissioner requires under
91.32 rules of the commissioner. Upon receipt of satisfactory reports, the commissioner shall

92.1 certify to the commissioner of management and budget the amount of money that is eligible
92.2 to be paid from the county's apportionment or allocation for the work under contract or
92.3 actually completed. The commissioner of management and budget shall thereupon issue a
92.4 ~~warrant~~ payment in that amount payable to the county treasurer. In no event shall the ~~warrant~~
92.5 payment with all other ~~warrants~~ payments issued exceed the amount apportioned and
92.6 allocated to the county.

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

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

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

92.12 Subd. 4. **Project approval and reports.** When the governing body of any such city
92.13 determines to do any construction work on any municipal state-aid street or other streets
92.14 within the city upon which money apportioned out of the municipal state-aid street fund
92.15 may be used as provided in subdivision 2, the governing body shall first obtain the approval
92.16 of the commissioner. Thereafter, the engineer of the city shall make reports in such manner
92.17 as the commissioner requires in accordance with the commissioner's rules. Upon receipt of
92.18 satisfactory reports the commissioner shall certify to the commissioner of management and
92.19 budget the amount of money that is eligible to be paid from the city's apportionment for the
92.20 work under contract or actually completed. The commissioner of management and budget
92.21 shall thereupon issue a ~~warrant~~ payment in that amount payable to the fiscal officers of the
92.22 city. In no event shall the ~~warrant~~ payment with all other ~~warrants~~ payments issued exceed
92.23 the amount apportioned to the city.

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

92.25 Subd. 5. **Certification required to issue ~~warrant~~ payment.** The commissioner of
92.26 management and budget shall not issue any ~~warrants~~ payments as provided for in subdivision
92.27 4 without the prior certification of the commissioner.

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

92.29 Subd. 4. **Certification to commissioner of money required.** Any municipality issuing
92.30 and selling bonds pursuant to this section shall certify to the commissioner the amount of
92.31 money required annually for the payment of principal and interest on the obligation. Upon

93.1 receipt thereof, the commissioner shall certify to the commissioner of management and
93.2 budget the sum of money needed annually by the municipality for the principal and interest,
93.3 provided that the amount certified by the commissioner shall not exceed the limit heretofore
93.4 specified. The commissioner of management and budget shall thereafter, until said bonds
93.5 are retired, issue a ~~warrant~~ warrant payment annually in the amount certified payable to the fiscal
93.6 officer of the municipality, and the amount thereof shall be deposited by the fiscal officer
93.7 in the sinking fund from which the obligations are payable.

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

93.9 Subd. 4. **Certification to commissioner of money required.** Any county issuing and
93.10 selling bonds pursuant to this section shall certify to the commissioner the amount of money
93.11 required annually for the payment of principal and interest on the obligation. Upon receipt
93.12 thereof, the commissioner shall certify to the commissioner of management and budget the
93.13 sum of money needed annually by the county for the principal and interest, provided that
93.14 the amount certified by the commissioner shall not exceed the limit heretofore specified.
93.15 The commissioner of management and budget shall thereafter, until said bonds are retired,
93.16 issue a ~~warrant~~ warrant payment annually in the amount certified payable to the county treasurer of
93.17 the county, and the amount thereof shall be deposited by the county treasurer in the sinking
93.18 fund from which the obligations are payable.

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

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

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

93.27 Subd. 2. **Compulsory insurance; self-insurers.** (a) Every employer, except the state
93.28 and its municipal subdivisions, liable under this chapter to pay compensation shall insure
93.29 payment of compensation with some insurance carrier authorized to insure workers'
93.30 compensation liability in this state, or obtain a written order from the commissioner of
93.31 commerce exempting the employer from insuring liability for compensation and permitting
93.32 self-insurance of the liability. The terms, conditions and requirements governing
93.33 self-insurance shall be established by the commissioner pursuant to chapter 14. The

94.1 commissioner of commerce shall also adopt, pursuant to paragraph (d), rules permitting
94.2 two or more employers, whether or not they are in the same industry, to enter into agreements
94.3 to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers.
94.4 With the approval of the commissioner of commerce, any employer may exclude medical,
94.5 chiropractic and hospital benefits as required by this chapter. An employer conducting
94.6 distinct operations at different locations may either insure or self-insure the other portion
94.7 of operations as a distinct and separate risk. An employer desiring to be exempted from
94.8 insuring liability for compensation shall make application to the commissioner of commerce,
94.9 showing financial ability to pay the compensation, whereupon by written order the
94.10 commissioner of commerce, on deeming it proper, may make an exemption. An employer
94.11 may establish financial ability to pay compensation by providing financial statements of
94.12 the employer to the commissioner of commerce. Upon ten days' written notice the
94.13 commissioner of commerce may revoke the order granting an exemption, in which event
94.14 the employer shall immediately insure the liability. As a condition for the granting of an
94.15 exemption the commissioner of commerce may require the employer to furnish security the
94.16 commissioner of commerce considers sufficient to insure payment of all claims under this
94.17 chapter, consistent with subdivision 2b. If the required security is in the form of currency
94.18 or negotiable bonds, the commissioner of commerce shall deposit it with the commissioner
94.19 of management and budget. In the event of any default upon the part of a self-insurer to
94.20 abide by any final order or decision of the commissioner of labor and industry directing and
94.21 awarding payment of compensation and benefits to any employee or the dependents of any
94.22 deceased employee, then upon at least ten days' notice to the self-insurer, the commissioner
94.23 of commerce may by written order to the commissioner of management and budget require
94.24 the commissioner of management and budget to sell the pledged and assigned securities or
94.25 a part thereof necessary to pay the full amount of any such claim or award with interest
94.26 thereon. This authority to sell may be exercised from time to time to satisfy any order or
94.27 award of the commissioner of labor and industry or any judgment obtained thereon. When
94.28 securities are sold the money obtained shall be deposited in the state treasury to the credit
94.29 of the commissioner of commerce and awards made against any such self-insurer by the
94.30 commissioner of commerce shall be paid to the persons entitled thereto by the commissioner
94.31 of management and budget upon ~~warrants prepared~~ payments requested by the commissioner
94.32 of commerce out of the proceeds of the sale of securities. Where the security is in the form
94.33 of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at
94.34 least ten days' notice and opportunity to be heard, may require the surety to pay the amount
94.35 of the award, the payments to be enforced in like manner as the award may be enforced.

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

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

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

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

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

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

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

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

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

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

95.30 **176.581 PAYMENT TO STATE EMPLOYEES.**

95.31 Upon a ~~warrant~~ request prepared by the commissioner of administration, and in
95.32 accordance with the terms of the order awarding compensation, the commissioner of

96.1 management and budget shall pay compensation to the employee or the employee's
96.2 dependent. These payments shall be made from money appropriated for this purpose.

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

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

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

96.8 **192.55 PAYMENTS TO BE MADE THROUGH ADJUTANT GENERAL.**

96.9 All pay and allowances and necessary expenses for any of the military forces shall, when
96.10 approved by the adjutant general, be paid by the commissioner of management and ~~budget's~~
96.11 ~~warrants issued~~ budget to the several officers and enlisted members entitled thereto; provided,
96.12 that upon the request of the adjutant general, approved by the governor, the sum required
96.13 for any such pay or allowances and necessary expenses shall be paid by the commissioner
96.14 of management and ~~budget's warrant~~ budget to the adjutant general, who shall immediately
96.15 pay and distribute the same to the several officers or enlisted members entitled thereto or
96.16 to their commanding officers or to a finance officer designated by the adjutant general. The
96.17 receipt of any such commanding officer or finance officer for any such payment shall
96.18 discharge the adjutant general from liability therefor. Every commanding officer or finance
96.19 officer receiving any such payment shall, as soon as practicable, pay and distribute the same
96.20 to the several officers or enlisted members entitled thereto. The officer making final payment
96.21 shall, as evidence thereof, secure the signature of the person receiving the same upon a
96.22 payroll or other proper voucher.

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

96.24 **196.052 GIFT ACCEPTANCE AND INVESTMENT.**

96.25 On the behalf of the state, the commissioner may accept any gift, grant, bequest, or
96.26 devise made for the purposes of this chapter and chapter 197. The commissioner must
96.27 administer the funds as directed by the donor. All funds must be deposited in the state
96.28 treasury and credited to the veterans affairs endowment, bequest, and devises fund. The
96.29 balance of the fund is annually appropriated to the commissioner of veterans affairs to
96.30 accomplish the purposes of this chapter and chapter 197. Funds received by the commissioner
96.31 under this section in excess of current needs must be invested by the State Board of
96.32 Investment in accordance with section 11A.24. Disbursements from this fund must be in

97.1 the manner provided for the issuance of other state ~~warrants~~ payments. The commissioner
97.2 may refuse to accept any gift, grant, bequest, or devise if acceptance would not be in the
97.3 best interest of the state or Minnesota's veterans.

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

97.5 **198.16 PLANNED GIVING.**

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

97.14 The commissioner shall maintain records of all gifts received, clearly showing the identity
97.15 of the donor, the purpose of the donation, and the ultimate disposition of the donation. Each
97.16 donation must be duly receipted and must be expended or used by the commissioner as
97.17 nearly in accordance with the condition of the gift or donation as is compatible with the
97.18 best interests of the residents of the homes. Money in the fund is appropriated to the
97.19 commissioner for the purposes for which it was received. Disbursements from this fund
97.20 shall be made in the manner provided for the issuance of other state ~~warrants~~ payments.

97.21 Whenever the commissioner shall deem it advisable, in accordance with law, to sell or
97.22 otherwise dispose of any real or personal property thus acquired, the commissioner of
97.23 administration upon the request of the commissioner shall sell or otherwise dispose of said
97.24 property in the manner provided by law for the sale or disposition of other state property
97.25 by the commissioner of administration.

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

97.27 **237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.**

97.28 A Minnesota Telephone Investigation Fund shall exist for the use of the Department of
97.29 Commerce and of the attorney general in investigations, valuations, and revaluations under
97.30 section 237.295. All sums paid by the telephone companies to reimburse the department
97.31 for its expenses pursuant to section 237.295 shall be credited to the revolving fund and shall
97.32 be deposited in a separate bank account and not commingled with any other state funds or

98.1 moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal
98.2 year shall be paid into the state treasury and credited to the general fund. All subsequent
98.3 credits to said revolving fund shall be paid ~~upon the warrant of~~ by the commissioner of
98.4 management and budget upon application of the department or of the attorney general to
98.5 an aggregate amount of not more than one-half of such sums to each of them, which
98.6 proportion shall be constantly maintained in all credits and withdrawals from the revolving
98.7 fund.

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

98.9 Subdivision 1. **Contingent account.** The commissioner of corrections may permit a
98.10 contingent account to remain in the hands of the accounting officer of any such institution
98.11 from which expenditures may be made in case of actual emergency requiring immediate
98.12 payment to prevent loss or danger to the institution or its inmates and for the purpose of
98.13 paying freight, purchasing produce, livestock and other commodities requiring a cash
98.14 settlement, and for the purpose of discounting bills incurred, but in all cases subject to
98.15 revision by the commissioner of corrections. An itemized statement of every expenditure
98.16 made during the month from such account shall be submitted to the commissioner under
98.17 rules established by the commissioner. If necessary, the commissioner shall make proper
98.18 requisition upon the commissioner of management and budget for a ~~warrant~~ payment to
98.19 secure the contingent account for each institution.

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

98.21 Subd. 7. **Certificate of counties entitled to state aid.** On or before January 1 of each
98.22 year, until 1970 and on or before April 1 thereafter, the commissioner of corrections shall
98.23 deliver to the commissioner of management and budget a certificate in duplicate for each
98.24 county of the state entitled to receive state aid under the provisions of this section. Upon
98.25 the receipt of such certificate, the commissioner of management and budget shall ~~draw a~~
98.26 ~~warrant in favor of~~ issue a payment to the county treasurer for the amount shown by each
98.27 certificate to be due to the county specified. The commissioner of management and budget
98.28 shall transmit such ~~warrant~~ payment to the county treasurer together with a copy of the
98.29 certificate prepared by the commissioner of corrections.

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

98.31 **256B.20 COUNTY APPROPRIATIONS.**

99.1 The providing of funds necessary to carry out the provisions hereof on the part of the
99.2 counties and the manner of administering the funds of the counties and the state shall be as
99.3 follows:

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

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

99.17 (3) Upon the order of the county agency the county auditor shall draw a warrant on the
99.18 proper fund in accordance with the order, and the county treasurer shall pay out the amounts
99.19 ordered to be paid out as medical assistance hereunder. When necessary by reason of failure
99.20 to levy sufficient taxes for the payment of the medical assistance in the county, the county
99.21 auditor shall carry any such payments as an overdraft on the medical assistance funds of
99.22 the county until sufficient tax funds shall be provided for such assistance payments. The
99.23 board of county commissioners shall include in the tax levy and tax rate in the year following
99.24 the year in which such overdraft occurred, an amount sufficient to liquidate such overdraft
99.25 in full.

99.26 (4) Claims for reimbursement and reports shall be presented to the state agency by the
99.27 respective counties as required under section 256.01, subdivision 2, paragraph (p). The state
99.28 agency shall audit such claims and certify to the commissioner of management and budget
99.29 the amounts due the respective counties without delay. The amounts so certified shall be
99.30 paid within ten days after such certification, from the state treasury upon ~~warrant~~ payment
99.31 of the commissioner of management and budget from any money available therefor. The
99.32 money available to the state agency to carry out the provisions hereof, including all federal
99.33 funds available to the state, shall be kept and deposited by the commissioner of management
99.34 and budget in the revenue fund and disbursed ~~upon warrants~~ in the same manner as other
99.35 state funds.

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

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

100.10 The commissioner of corrections shall establish procedures for reimbursement and certify
100.11 to the commissioner of management and budget each county entitled to receive state aid
100.12 under the provisions of this subdivision. Upon receipt of a certificate the commissioner of
100.13 management and budget shall issue a state ~~warrant~~ payment to the county treasurer for the
100.14 amount due, together with a copy of the certificate prepared by the commissioner of
100.15 corrections.

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

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

100.25 The commissioner of corrections shall establish procedures for reimbursement and certify
100.26 to the commissioner of management and budget each county entitled to receive state aid
100.27 under the provisions of this subdivision. Upon receipt of a certificate the commissioner of
100.28 management and budget shall issue a state ~~warrant~~ payment to the county treasurer for the
100.29 amount due, together with a copy of the certificate prepared by the commissioner of
100.30 corrections.

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

100.32 Subdivision 1. **Notice.** Any county assessor or city assessor having the powers of a
100.33 county assessor, valuing or classifying taxable real property shall in each year notify those

101.1 persons whose property is to be included on the assessment roll that year if the person's
101.2 address is known to the assessor, otherwise the occupant of the property. The notice shall
101.3 be in writing and shall be sent by ordinary mail at least ten days before the meeting of the
101.4 local board of appeal and equalization under section 274.01 or the review process established
101.5 under section 274.13, subdivision 1c. Upon written request by the owner of the property,
101.6 the assessor may send the notice in electronic form or by electronic mail instead of on paper
101.7 or by ordinary mail. It shall contain: (1) the market value for the current and prior assessment,
101.8 (2) the qualifying amount of any improvements under section 273.11, subdivision 16, for
101.9 the current assessment, (3) the market value subject to taxation after subtracting the amount
101.10 of any qualifying improvements for the current assessment, (4) the classification of the
101.11 property for the current and prior assessment, (5) the assessor's office address, and (6) the
101.12 dates, places, and times set for the meetings of the local board of appeal and equalization,
101.13 the review process established under section 274.13, subdivision 1c, and the county board
101.14 of appeal and equalization. If the classification of the property has changed between the
101.15 current and prior assessments, a specific note to that effect shall be prominently listed on
101.16 the statement. The commissioner of revenue shall specify the form of the notice. The assessor
101.17 shall attach to the assessment roll a statement that the notices required by this section have
101.18 been mailed. Any assessor who is not provided sufficient funds from the assessor's governing
101.19 body to provide such notices, may make application to the commissioner of revenue to
101.20 finance such notices. The commissioner of revenue shall conduct an investigation and, if
101.21 satisfied that the assessor does not have the necessary funds, issue a certification to the
101.22 commissioner of management and budget of the amount necessary to provide such notices.
101.23 The commissioner of management and budget shall issue a ~~warrant~~ warrant payment for such amount
101.24 and shall deduct such amount from any state payment to such county or municipality. The
101.25 necessary funds to make such payments are hereby appropriated. Failure to receive the
101.26 notice shall in no way affect the validity of the assessment, the resulting tax, the procedures
101.27 of any board of review or equalization, or the enforcement of delinquent taxes by statutory
101.28 means.

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

101.30 **287.08 TAX, HOW PAYABLE; RECEIPTS.**

101.31 (a) The tax imposed by sections 287.01 to 287.12 must be paid to the treasurer of any
101.32 county in this state in which the real property or some part is located at or before the time
101.33 of filing the mortgage for record. The treasurer shall endorse receipt on the mortgage and
101.34 the receipt is conclusive proof that the tax has been paid in the amount stated and authorizes
101.35 any county recorder or registrar of titles to record the mortgage. Its form, in substance, shall

102.1 be "registration tax hereon of dollars paid." If the mortgage is exempt from
102.2 taxation the endorsement shall, in substance, be "exempt from registration tax." In either
102.3 case the receipt must be signed by the treasurer. In case the treasurer is unable to determine
102.4 whether a claim of exemption should be allowed, the tax must be paid as in the case of a
102.5 taxable mortgage. For documents submitted electronically, the endorsements and tax amount
102.6 shall be affixed electronically and no signature by the treasurer will be required. The actual
102.7 payment method must be arranged in advance between the submitter and the receiving
102.8 county.

102.9 (b) The county treasurer may refund in whole or in part any mortgage registry tax
102.10 overpayment if a written application by the taxpayer is submitted to the county treasurer
102.11 within 3-1/2 years from the date of the overpayment. If the county has not issued a denial
102.12 of the application, the taxpayer may bring an action in Tax Court in the county in which
102.13 the tax was paid at any time after the expiration of six months from the time that the
102.14 application was submitted. A denial of refund may be appealed within 60 days from the
102.15 date of the denial by bringing an action in Tax Court in the county in which the tax was
102.16 paid. The action is commenced by the serving of a petition for relief on the county treasurer,
102.17 and by filing a copy with the court. The county attorney shall defend the action. The county
102.18 treasurer shall notify the treasurer of each county that has or would receive a portion of the
102.19 tax as paid.

102.20 (c) If the county treasurer determines a refund should be paid, or if a refund is ordered
102.21 by the court, the county treasurer of each county that actually received a portion of the tax
102.22 shall immediately pay a proportionate share of three percent of the refund using any available
102.23 county funds. The county treasurer of each county that received, or would have received,
102.24 a portion of the tax shall also pay their county's proportionate share of the remaining 97
102.25 percent of the court-ordered refund on or before the 20th day of the following month using
102.26 solely the mortgage registry tax funds that would be paid to the commissioner of revenue
102.27 on that date under section 287.12. If the funds on hand under this procedure are insufficient
102.28 to fully fund 97 percent of the court-ordered refund, the county treasurer of the county in
102.29 which the action was brought shall file a claim with the commissioner of revenue under
102.30 section 16A.48 for the remaining portion of 97 percent of the refund, and shall pay over the
102.31 remaining portion upon receipt of a warrant payment from the state issued pursuant to the
102.32 claim.

102.33 (d) When any mortgage covers real property located in more than one county in this
102.34 state the total tax must be paid to the treasurer of the county where the mortgage is first
102.35 presented for recording, and the payment must be receipted as provided in paragraph (a).

103.1 If the principal debt or obligation secured by such a multiple county mortgage exceeds
103.2 \$10,000,000, the nonstate portion of the tax must be divided and paid over by the county
103.3 treasurer receiving it, on or before the 20th day of each month after receipt, to the county
103.4 or counties entitled in the ratio that the estimated market value of the real property covered
103.5 by the mortgage in each county bears to the estimated market value of all the real property
103.6 in this state described in the mortgage. In making the division and payment the county
103.7 treasurer shall send a statement giving the description of the real property described in the
103.8 mortgage and the estimated market value of the part located in each county. For this purpose,
103.9 the treasurer of any county may require the treasurer of any other county to certify to the
103.10 former the estimated market value of any tract of real property in any mortgage.

103.11 (e) The mortgagor must pay the tax imposed by sections 287.01 to 287.12. The mortgagee
103.12 may undertake to collect and remit the tax on behalf of the mortgagor. If the mortgagee
103.13 collects money from the mortgagor to remit the tax on behalf of the mortgagor, the mortgagee
103.14 has a fiduciary duty to remit the tax on behalf of the mortgagor as to the amount of the tax
103.15 collected for that purpose and the mortgagor is relieved of any further obligation to pay the
103.16 tax as to the amount collected by the mortgagee for this purpose.

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

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

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

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

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

103.31 **299C.21 PENALTY ON LOCAL OFFICER REFUSING INFORMATION.**

104.1 If any public official charged with the duty of furnishing to the bureau fingerprint records,
104.2 biological specimens, reports, or other information required by sections 299C.06, 299C.10,
104.3 299C.105, 299C.11, 299C.17, shall neglect or refuse to comply with such requirement, the
104.4 bureau, in writing, shall notify the state, county, or city officer charged with the issuance
104.5 of ~~a warrant~~ for the payment of the salary of such official. Upon the receipt of the notice
104.6 the state, county, or city official shall withhold the issuance of ~~a warrant~~ for the payment
104.7 of the salary or other compensation accruing to such officer for the period of 30 days
104.8 thereafter until notified by the bureau that such suspension has been released by the
104.9 performance of the required duty.

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

104.11 **348.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO ISSUE**
104.12 **WARRANT PAYMENT.**

104.13 The commissioner of management and budget shall audit all such claims, and, on the
104.14 first Monday of October, in each year, shall issue a warrant payment to the several claimants
104.15 for the amount to which each is entitled; but, if the aggregate of compensation due to all
104.16 such claimants shall exceed the appropriation therefor, the commissioner shall distribute
104.17 the available amount amongst them pro rata, which distribution shall relieve the state from
104.18 further obligation to such claimants for the year.

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

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

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

104.30 (c) If erroneous employee deductions and employer contributions are caused by an error
104.31 in plan coverage involving the plan and any other plans specified in section 356.99, that
104.32 section applies. If the employee should have been covered by the plan governed by chapter
104.33 352D, 353D, 354B, or 354D, the employee deductions and employer contributions taken

105.1 in error must be directly transferred to the applicable employee's account in the correct
105.2 retirement plan, with interest at the rate of 0.71 percent per month until June 30, 2015, and
105.3 0.667 percent per month thereafter, compounded annually, from the first day of the month
105.4 following the month in which coverage should have commenced in the correct defined
105.5 contribution plan until the end of the month in which the transfer occurs.

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

105.7 **352.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO BE**
105.8 **TREASURER OF SYSTEM.**

105.9 The commissioner of management and budget is ex officio treasurer of the retirement
105.10 funds of the system. The general bond to the state shall cover all liability for actions as
105.11 treasurer of these funds. Funds of the system received by the commissioner of management
105.12 and budget must be set aside in the state treasury to the credit of the proper fund. The
105.13 commissioner of management and budget shall deliver to the director copies of all payroll
105.14 abstracts of the state together with the commissioner of management and budget's ~~warrants~~
105.15 payments covering the deductions made on these payroll abstracts for the retirement fund.
105.16 The director shall have a list made of the commissioner of management and budget's ~~warrants~~
105.17 payments. These ~~warrants~~ payments must then be credited to the retirement fund. The
105.18 commissioner of management and budget shall pay out of this fund only upon abstracts
105.19 signed by the director, or by the finance officer designated by the director during the disability
105.20 or the absence of the director from the city of St. Paul, Minnesota. Abstracts for investments
105.21 may be signed by the executive director of the State Board of Investment.

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

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

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

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

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

106.11 **353.05 CUSTODIAN OF FUNDS.**

106.12 The commissioner of management and budget shall be ex officio treasurer of the
106.13 retirement funds of the association and the general bond of the commissioner of management
106.14 and budget to the state must be so conditioned as to cover all liability for acts as treasurer
106.15 of these funds. All money of the association received by the commissioner of management
106.16 and budget must be set aside in the state treasury to the credit of the proper fund or account.
106.17 The commissioner of management and budget shall transmit monthly to the executive
106.18 director a detailed statement of all amounts so received and credited to the funds. Payments
106.19 out of the funds may only be made ~~on warrants~~ as payments issued by the commissioner of
106.20 management and budget, upon abstracts signed by the executive director; provided that
106.21 abstracts for investment may be signed by the executive director of the State Board of
106.22 Investment.

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

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

106.30 (1) valid if the initial erroneous deduction began before January 1, 1990. Upon
106.31 determination of the error by the association, the person may continue membership in the
106.32 association while employed in the same position for which erroneous deductions were taken,

107.1 or file a written election to terminate membership and apply for a refund upon termination
107.2 of public service or defer an annuity under section 353.34; or

107.3 (2) invalid, if the initial erroneous employee deduction began on or after January 1,
107.4 1990. Upon determination of the error, the association shall refund all erroneous employee
107.5 deductions and all erroneous employer contributions as specified in paragraph (e). No person
107.6 may claim a right to continued or past membership in the association based on erroneous
107.7 deductions which began on or after January 1, 1990.

107.8 (b) Erroneous deductions taken from the salary of a person who did not qualify for
107.9 membership in the general employees retirement plan of the Public Employees Retirement
107.10 Association or in the public employees police and fire retirement plan by virtue of concurrent
107.11 employment before July 1, 1978, which required contributions to another retirement fund
107.12 or relief association established for the benefit of officers and employees of a governmental
107.13 subdivision, are invalid. Upon discovery of the error, allowable service credit for all invalid
107.14 service is forfeited and, upon termination of public service, the association shall refund all
107.15 erroneous employee deductions to the person, with interest as determined under section
107.16 353.34, subdivision 2, and all erroneous employer contributions without interest to the
107.17 employer. This paragraph has both retroactive and prospective application.

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

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

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

107.32 (1) for a member, provide a refund in the amount of the invalid employee deductions
107.33 with interest on the invalid employee deductions at the rate specified under section 353.34,

108.1 subdivision 2, from the received date of each invalid salary transaction through the date the
108.2 credit or refund is made;

108.3 (2) for a former member who:

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

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

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

108.15 (f) In the event that a salary ~~warrant or check~~ payment from which a deduction for the
108.16 retirement fund was taken has been canceled or the amount of the ~~warrant or check~~ payment
108.17 returned to the funds of the department making the payment, a refund of the sum deducted,
108.18 or any portion of it that is required to adjust the deductions, must be made to the department
108.19 or institution.

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

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

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

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

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

109.11 (b) If salary deductions and employer contributions were erroneously transmitted to the
109.12 retirement fund and should have been transmitted to the plan covered by chapter 352D,
109.13 353D, 354B, or 354D, the executive director must transfer these salary deductions and
109.14 employer contributions to the account of the appropriate person under the applicable plan.
109.15 The transfer to the applicable defined contribution plan account must include interest at the
109.16 rate of 0.71 percent per month, compounded annually, from the first day of the month
109.17 following the month in which coverage should have commenced in the defined contribution
109.18 plan until the end of the month in which the transfer occurs.

109.19 (c) A potential transfer under paragraph (b) that would cause the plan to fail to be a
109.20 qualified plan under section 401(a) of the Internal Revenue Code, as amended, must not be
109.21 made by the executive director. Within 30 days after being notified by the Teachers
109.22 Retirement Association of an unmade potential transfer under this paragraph, the employer
109.23 of the affected person must transmit an amount representing the applicable salary deductions
109.24 and employer contributions, without interest, to the account of the applicable person under
109.25 the appropriate plan. The retirement association must provide a credit for the amount of the
109.26 erroneous salary deductions and employer contributions against future contributions from
109.27 the employer.

109.28 (d) If a salary ~~warrant or check~~ payment from which a deduction for the retirement fund
109.29 was taken has been canceled or the amount of the ~~warrant or if a check~~ payment has been
109.30 returned to the funds of the employing unit making the payment, a refund of the amount
109.31 deducted, or any portion of it that is required to adjust the salary deductions, must be made
109.32 to the employing unit.

109.33 (e) Erroneous direct payments of member-paid contributions or erroneous salary
109.34 deductions that were not refunded during the regular payroll cycle processing must be

110.1 refunded to the member, plus interest computed using the rate and method specified in
110.2 section 354.49, subdivision 2.

110.3 (f) Any refund under this subdivision that would cause the plan to fail to be a qualified
110.4 plan under section 401(a) of the Internal Revenue Code, as amended, may not be refunded
110.5 and instead must be credited against future contributions payable by the employer. The
110.6 employer is responsible for refunding to the applicable employee any amount that was
110.7 erroneously deducted from the salary of the employee, with interest as specified in paragraph
110.8 (e).

110.9 (g) If erroneous employee deductions and employer contributions are caused by an error
110.10 in plan coverage involving the plan and any other plan specified in section 356.99, that
110.11 section applies.

110.12 Sec. 73. Minnesota Statutes 2016, section 354.52, subdivision 4, is amended to read:

110.13 Subd. 4. **Reporting and remittance requirements.** An employer shall remit all amounts
110.14 due to the association and furnish a statement indicating the amount due and transmitted
110.15 with any other information required by the executive director. If an amount due is not
110.16 received by the association within 14 calendar days of the payroll ~~warrant~~ payment, the
110.17 amount accrues interest at an annual rate of 8.5 percent compounded annually from the due
110.18 date until the amount is received by the association. All amounts due and other employer
110.19 obligations not remitted within 60 days of notification by the association must be certified
110.20 to the commissioner of management and budget who shall deduct the amount from any state
110.21 aid or appropriation amount applicable to the employing unit.

110.22 Sec. 74. Minnesota Statutes 2016, section 354.52, subdivision 4b, is amended to read:

110.23 Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide the
110.24 following data to the association for payroll ~~warrants~~ payments on an ongoing basis within
110.25 14 calendar days after the date of the payroll ~~warrant~~ payments in a format prescribed by
110.26 the executive director:

110.27 (1) association member number;

110.28 (2) employer-assigned employee number;

110.29 (3) Social Security number;

110.30 (4) amount of each salary deduction;

- 111.1 (5) amount of salary as defined in section 354.05, subdivision 35, from which each
111.2 deduction was made;
- 111.3 (6) reason for payment;
- 111.4 (7) the beginning and ending dates of the payroll period covered and the date of actual
111.5 payment;
- 111.6 (8) fiscal year of salary earnings;
- 111.7 (9) total remittance amount including employee, employer, and additional employer
111.8 contributions;
- 111.9 (10) reemployed annuitant salary under section 354.44, subdivision 5; and
- 111.10 (11) other information as may be required by the executive director.

111.11 Sec. 75. Minnesota Statutes 2016, section 401.15, subdivision 1, is amended to read:

111.12 Subdivision 1. **Certified statements; determinations; adjustments.** Within 60 days
111.13 of the end of each calendar quarter, participating counties which have received the payments
111.14 authorized by section 401.14 shall submit to the commissioner certified statements detailing
111.15 the amounts expended and costs incurred in furnishing the correctional services provided
111.16 in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall,
111.17 in the manner provided in sections 401.10 and 401.12, determine the amount each
111.18 participating county is entitled to receive, making any adjustments necessary to rectify any
111.19 disparity between the amounts received pursuant to the estimate provided in section 401.14
111.20 and the amounts actually expended. If the amount received pursuant to the estimate is greater
111.21 than the amount actually expended during the quarter, the commissioner may withhold the
111.22 difference from any subsequent monthly payments made pursuant to section 401.14. Upon
111.23 certification by the commissioner of the amount a participating county is entitled to receive
111.24 under the provisions of section 401.14 or of this subdivision the commissioner of
111.25 management and budget shall thereupon issue a state warrant payment to the chief fiscal
111.26 officer of each participating county for the amount due together with a copy of the certificate
111.27 prepared by the commissioner.

111.28 Sec. 76. Minnesota Statutes 2016, section 446A.086, subdivision 4, is amended to read:

111.29 Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a
111.30 default or potential default in payment of principal or interest in debt obligations covered
111.31 by this section or an agreement under this section, and after consultation with the
111.32 governmental unit and the paying agent, and after verification of the accuracy of the

112.1 information provided, the authority shall notify the commissioner of the potential default.
112.2 The notice must include a final figure as to the amount due that the governmental unit will
112.3 be unable to repay on the date due.

112.4 (b) Upon receipt of this notice from the authority, the commissioner shall issue a ~~warrant~~
112.5 payment and authorize the authority to pay to the bond holders or paying agent for the debt
112.6 obligation the specified amount on or before the date due. The amounts needed for the
112.7 purposes of this subdivision are annually appropriated to the authority from the general
112.8 fund.

112.9 Sec. 77. Minnesota Statutes 2016, section 446A.16, subdivision 1, is amended to read:

112.10 Subdivision 1. **Functions of commissioner of management and budget.** Except as
112.11 otherwise provided in this section, money of the authority must be paid to the commissioner
112.12 of management and budget as agent of the authority and the commissioner shall not
112.13 commingle the money with other money. The money in the accounts of the authority must
112.14 be paid out only ~~on warrants drawn~~ by the commissioner of management and budget on
112.15 requisition of the chair of the authority or of another officer or employee as the authority
112.16 authorizes. Deposits of the authority's money must, if required by the commissioner or the
112.17 authority, be secured by obligations of the United States or of the state of a market value
112.18 equal at all times to the amount of the deposit and all banks and trust companies are
112.19 authorized to give security for the deposits.

112.20 Sec. 78. Minnesota Statutes 2016, section 462A.18, subdivision 1, is amended to read:

112.21 Subdivision 1. **Functions of commissioner of management and budget.** All moneys
112.22 of the agency, except as otherwise authorized or provided in this section, shall be paid to
112.23 the commissioner of management and budget as agent of the agency, who shall not
112.24 commingle such moneys with any other moneys. The moneys in such accounts shall be
112.25 paid out ~~on warrants drawn~~ by the commissioner on requisition of the chair of the agency
112.26 or of such other officer or employee as the agency shall authorize to make such requisition.
112.27 All deposits of such moneys shall, if required by the commissioner or the agency, be secured
112.28 by obligations of the United States or of the state of a market value equal at all times to the
112.29 amount of the deposit and all banks and trust companies are authorized to give such security
112.30 for such deposits.

113.1 Sec. 79. Minnesota Statutes 2016, section 475A.04, subdivision 1, is amended to read:

113.2 Subdivision 1. **Procedure.** In the event that funds sufficient to pay all of the principal
113.3 and interest due on any guaranteed bond are not in the hands of the municipal treasurer or
113.4 the paying agent at least 15 days before the due date, the treasurer or agent shall report the
113.5 amount of the deficiency to the paying agent and the auditor who shall grant a loan to the
113.6 issuer in this amount and shall certify to the issuer, the paying agent, and the auditor and
113.7 treasurer of each county in which property subject to taxation by the issuer is situated, the
113.8 amount of the loan and interest to accrue thereon to the due date of the loan, and the
113.9 commissioner of management and budget shall issue a ~~warrant~~ payment for the principal
113.10 amount and shall remit it to the paying agent on or before the due date. If the municipal
113.11 treasurer fails to deposit funds with the paying agent sufficient to pay all principal and
113.12 interest due on any guaranteed bond on any date, without having previously given the notice
113.13 herein required, the paying agent may report the amount of the deficiency to the
113.14 commissioner of management and budget, who shall forthwith grant a loan to the issuer for
113.15 this amount plus interest to accrue thereon for one month at the rate represented by the
113.16 coupons then due, and the loan shall be certified and remitted as provided above. The paying
113.17 agent may advance its own funds for the payment of any guaranteed bonds and interest due
113.18 for which it has not received sufficient funds from the municipality, and may contract with
113.19 the municipality to make such advances, and shall be entitled to reimbursement therefor
113.20 from the proceeds of the loan, with interest at the rate represented by the coupons due. The
113.21 issuing municipality shall give a receipt to the commissioner of management and budget
113.22 for the amount of the loan and interest.

113.23 Sec. 80. Minnesota Statutes 2016, section 525.841, is amended to read:

113.24 **525.841 ESCHEAT RETURNED.**

113.25 In all such cases the commissioner of management and budget shall be furnished with
113.26 a certified copy of the court's order assigning the escheated property to the persons entitled
113.27 thereto, and upon notification of payment of the estate tax, the commissioner of management
113.28 and budget shall ~~draw a warrant~~ issue a payment or execute a proper conveyance to the
113.29 persons designated in such order. In the event any escheated property has been sold pursuant
113.30 to sections 11A.04, clause (9), and 11A.10, subdivision 2, or 16B.281 to 16B.287, then the
113.31 ~~warrant~~ payment shall be for the appraised value as established during the administration
113.32 of the decedent's estate. There is hereby annually appropriated from any moneys in the state
113.33 treasury not otherwise appropriated an amount sufficient to make payment to all such
113.34 designated persons. No interest shall be allowed on any amount paid to such persons.

114.1

ARTICLE 4

114.2

ADMINISTRATIVE RULEMAKING

114.3

Section 1. Minnesota Statutes 2016, section 3.842, subdivision 4a, is amended to read:

114.4

Subd. 4a. **Objections to rules or proposed rules.** (a) For purposes of this subdivision,

114.5

"committee" means the house of representatives policy committee or senate policy committee

114.6

with primary jurisdiction over state governmental operations. The commission or a committee

114.7

may object to a rule or proposed rule as provided in this subdivision. ~~If the commission or~~

114.8

~~a committee objects to all or some portion of a rule because the commission or committee~~

114.9

~~considers it to be~~ on the grounds that the rule or proposed rule:

114.10

(1) is beyond the procedural or substantive authority delegated to the agency, including

114.11

~~a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3,~~

114.12

~~paragraph (e);~~

114.13

(2) is inconsistent with the enabling statute;

114.14

(3) is unnecessary or redundant;

114.15

(4) has a substantial economic impact as defined in section 14.02, subdivision 5;

114.16

(5) is not based on sound, reasonably available scientific, technical, economic, or other

114.17

information;

114.18

(6) is not cost-effective;

114.19

(7) is unduly burdensome; or

114.20

(8) is more restrictive than the standard, limitation, or requirement imposed by federal

114.21

law or rule pertaining to the same subject matter.

114.22

If the commission or committee objects to all or some portion of a rule or proposed rule,

114.23

the commission or committee ~~may~~ shall file that objection in the Office of the Secretary of

114.24

State. The filed objection must contain a concise statement of the commission's or

114.25

committee's reasons for its action. ~~An objection to a proposed rule submitted by the~~

114.26

~~commission or a committee under section 14.15, subdivision 4, or 14.26, subdivision 3,~~

114.27

~~paragraph (e), may not be filed before the rule is adopted~~ For a proposed rule, the objection

114.28

must be filed within 30 days of receipt of the notice under section 14.14, 14.22, 14.386,

114.29

14.388, 14.389, or 14.3895.

114.30

(b) The secretary of state shall affix to each objection a certification of the date and time

114.31

of its filing and as soon after the objection is filed as practicable shall electronically transmit

114.32

a ~~certified~~ copy of it to the agency issuing the rule in question and to the revisor of statutes.

115.1 The secretary of state shall also maintain a permanent register open to public inspection of
115.2 all objections by the commission or committee.

115.3 (c) The commission or committee shall publish and index an objection filed under this
115.4 section in the next issue of the State Register. The revisor of statutes shall indicate the
115.5 existence of the objection adjacent to the rule in question when that rule is published in
115.6 Minnesota Rules.

115.7 (d) Within 14 days after the filing of an objection by the commission or committee to a
115.8 rule or proposed rule, the issuing agency shall respond in writing to the objecting entity.
115.9 After receipt of the response, the commission or committee may withdraw or modify its
115.10 objection. After the filing of an objection that is not subsequently withdrawn, the agency
115.11 may not adopt the rule until the legislature adjourns the annual legislative session that began
115.12 after the objection was filed. If the commission files an objection that is not subsequently
115.13 withdrawn, the commission must, as soon as practical, make a recommendation on a bill
115.14 that approves the proposed rule, prohibits adoption of the proposed rule, or amends or repeals
115.15 the law governing a previously adopted rule for which an objection was filed.

115.16 (e) After the filing of an objection by the commission or committee that is not
115.17 subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review
115.18 or for enforcement of the rule to establish that the whole or portion of the rule objected to
115.19 is valid and demonstrates that the objection raised under paragraph (a) is not justified, based
115.20 on the criteria for objecting to a rule under paragraph (a).

115.21 (f) The failure of the commission or a committee to object to a rule is not an implied
115.22 legislative authorization of its validity.

115.23 (g) In accordance with sections 14.44 and 14.45, the commission or a committee may
115.24 petition for a declaratory judgment to determine the validity of a rule objected to by the
115.25 commission or committee. The action must be started within two years after an objection
115.26 is filed in the Office of the Secretary of State.

115.27 (h) The commission or a committee may intervene in litigation arising from agency
115.28 action. For purposes of this paragraph, agency action means the whole or part of a rule, or
115.29 the failure to issue a rule.

115.30 Sec. 2. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

115.31 Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry
115.32 out the purposes of this chapter if, before June 1, 2017, the board has published a notice of
115.33 intent to adopt a rule without public hearing under section 14.22, subdivision 1, 14.389,

116.1 subdivision 2, or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2;
116.2 or a notice of hearing on a proposed rule under section 14.14.

116.3 (b) After May 31, 2017, the board may only adopt rules that:

116.4 (1) incorporate specific changes set forth in applicable statutes when no interpretation
116.5 of law is required; or

116.6 (2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

116.7 (c) In addition to the notice required under chapter 14, the board shall notify the chairs
116.8 and ranking minority members of the committees or subcommittees in the senate and house
116.9 of representatives with primary jurisdiction over elections within seven calendar days of
116.10 taking the following actions:

116.11 (1) publication of a notice of intent to adopt rules or a notice of hearing;

116.12 (2) publication of proposed rules in the State Register;

116.13 (3) issuance of a statement of need and reasonableness; or

116.14 (4) adoption of final rules.

116.15 **EFFECTIVE DATE.** This section is effective the day following final enactment for
116.16 rules for which a notice of intent to adopt a rule without public hearing under Minnesota
116.17 Statutes, section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a
116.18 dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a notice of hearing
116.19 on a proposed rule under Minnesota Statutes, section 14.14, was published before June 1,
116.20 2017.

116.21 Sec. 3. Minnesota Statutes 2016, section 10A.025, subdivision 1a, is amended to read:

116.22 Subd. 1a. **Electronic filing.** A report or statement required to be filed under this chapter
116.23 may be filed electronically. The board shall adopt rules ~~to regulate~~ on the technical aspects
116.24 of regulating electronic filing and ~~to ensure~~ ensuring that the electronic filing process is
116.25 secure.

116.26 Sec. 4. Minnesota Statutes 2016, section 14.002, is amended to read:

116.27 **14.002 STATE REGULATORY POLICY.**

116.28 The legislature recognizes the important and sensitive role for administrative rules in
116.29 implementing policies and programs created by the legislature. However, the legislature
116.30 finds that some regulatory rules and programs have become overly prescriptive and inflexible,

117.1 thereby increasing costs to the state, local governments, and the regulated community and
117.2 decreasing the effectiveness of the regulatory program. Therefore, ~~whenever feasible~~, state
117.3 agencies must develop rules and regulatory programs that emphasize superior achievement
117.4 in meeting the agency's regulatory objectives and maximum flexibility for the regulated
117.5 party and the agency in meeting those goals.

117.6 Sec. 5. Minnesota Statutes 2016, section 14.02, is amended by adding a subdivision to
117.7 read:

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

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

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

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

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

117.21 Sec. 6. Minnesota Statutes 2016, section 14.05, subdivision 1, is amended to read:

117.22 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency shall
117.23 adopt, amend, suspend, or repeal its rules:

117.24 (1) in accordance with the procedures specified in sections 14.001 to 14.69, ~~and~~;

117.25 (2) only pursuant to authority delegated by law; and

117.26 (3) in full compliance with its duties and obligations.

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

118.1 (c) Except as provided in ~~section~~ sections 14.055, 14.06, 14.388, 14.389, and 14.3895,
118.2 sections 14.001 to 14.69 shall not be authority for an agency to adopt, amend, suspend, or
118.3 repeal rules.

118.4 Sec. 7. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to
118.5 read:

118.6 **Subd. 1a. Limitation regarding certain policies, guidelines, and other interpretive**
118.7 **statements.** An agency shall not seek to implement or enforce against any person a policy,
118.8 guideline, or other interpretive statement that meets the definition of a rule under this chapter
118.9 if the policy, guideline, or other interpretive statement has not been adopted as a rule in
118.10 accordance with this chapter including but not limited to solid waste policy plan revisions
118.11 authorized by other law. In any proceeding under chapter 14 challenging an agency action
118.12 prohibited by this subdivision, the reviewing authority must independently and without
118.13 deference to the agency determine if the agency has violated this subdivision. The agency
118.14 must overcome the presumption that its action may not be enforced as a rule.

118.15 Sec. 8. Minnesota Statutes 2016, section 14.05, subdivision 2, is amended to read:

118.16 **Subd. 2. Authority to modify proposed rule.** (a) An agency may modify a proposed
118.17 rule in accordance with the procedures of the Administrative Procedure Act. However, an
118.18 agency may not modify a proposed rule so that it is substantially different from the proposed
118.19 rule in the notice of intent to adopt rules or notice of hearing.

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

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

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

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

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

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

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

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

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

119.9 Sec. 9. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to
119.10 read:

119.11 Subd. 5a. **Review and repeal of rules.** By December 1 of each odd-numbered year,
119.12 beginning December 1, 2017, an agency must submit to the governor, the Legislative
119.13 Coordinating Commission, the policy and funding committees and divisions with jurisdiction
119.14 over the agency, and the revisor of statutes, a list of any rules or portions of rules that are
119.15 obsolete, unnecessary, or duplicative of other state or federal statutes or rules. The list must
119.16 also include an explanation of why the rule or portion of the rule is obsolete, unnecessary,
119.17 or duplicative of other state or federal statutes or rules. The agency must either report a
119.18 timetable for repeal of the rule or portion of the rule, or must develop a bill for submission
119.19 to the appropriate policy committee to repeal the obsolete, unnecessary, or duplicative rule.
119.20 A report submitted under this subdivision must be signed by the person in the agency who
119.21 is responsible for identifying and initiating repeal of obsolete rules. The report also must
119.22 identify the status of any rules identified in the prior report as obsolete, unnecessary, or
119.23 duplicative. If none of an agency's rules are obsolete, unnecessary, or duplicative, an agency's
119.24 report must state that conclusion.

119.25 Sec. 10. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to
119.26 read:

119.27 Subd. 5b. **Review and repeal of environmental assessment worksheets and impact**
119.28 statements. By December 1, 2017, and each odd-numbered year thereafter, the
119.29 Environmental Quality Board, Pollution Control Agency, Department of Natural Resources,
119.30 and Department of Transportation, after consultation with political subdivisions, shall submit
119.31 to the governor, the Legislative Coordinating Commission, the chairs and ranking minority
119.32 members of the house of representatives and senate committees having jurisdiction over
119.33 environment and natural resources, and the revisor of statutes a list of mandatory

120.1 environmental assessment worksheets or mandatory environmental impact statements for
120.2 which the agency or a political subdivision is designated as the responsible government
120.3 unit, and for each worksheet or statement, a document including:

120.4 (1) intended outcomes of the specific worksheet or statement;

120.5 (2) the cost to state and local government and the private sector;

120.6 (3) the relationship of the worksheet or statement to other local, state, and federal permits;
120.7 and

120.8 (4) a justification for why the mandatory worksheet or statement should not be eliminated
120.9 and its intended outcomes achieved through an existing permit or other federal, state, or
120.10 local law.

120.11 Sec. 11. Minnesota Statutes 2016, section 14.05, subdivision 6, is amended to read:

120.12 Subd. 6. **Veto of adopted rules.** The governor may veto all or a severable portion of a
120.13 rule of an agency as defined in section 14.02, subdivisions 2 and 4, by submitting notice of
120.14 the veto to the State Register within 14 days of receiving a copy of the rule from the secretary
120.15 of state under section 14.16, subdivision 3, 14.26, subdivision ~~3~~ 5, ~~or 14.386~~₂, or the agency
120.16 under section 14.389, subdivision 3, or section 14.3895. The veto is effective when the veto
120.17 notice is submitted to the State Register. This authority applies only to the extent that the
120.18 agency itself would have authority, through rulemaking, to take such action. If the governor
120.19 vetoes a rule or portion of a rule under this section, the governor shall notify the chairs of
120.20 the legislative committees having jurisdiction over the agency whose rule was vetoed.

120.21 Sec. 12. Minnesota Statutes 2016, section 14.05, subdivision 7, is amended to read:

120.22 Subd. 7. **Electronic documents permitted.** (a) If sections 14.05 to 14.3895 require an
120.23 agency to provide notice or documents to the public, the legislature, or other state agency,
120.24 the agency may send the notice or document, or a link to the notice or document, using any
120.25 reliable method of electronic transmission.

120.26 (b) The agency must also send a paper copy of the notice or document if requested to
120.27 do so by a member of the public, legislature, or other state agency.

120.28 (c) An agency may file rule-related documents with the Office of Administrative Hearings
120.29 by electronic transmission in the manner approved by that office and the Office of the
120.30 Revisor of Statutes by electronic transmission in the manner approved by that office.

121.1 Sec. 13. Minnesota Statutes 2016, section 14.101, subdivision 1, is amended to read:

121.2 Subdivision 1. **Required notice.** In addition to seeking information by other methods
121.3 designed to reach persons or ~~classes~~ categories of persons who might be affected by the
121.4 proposal, an agency, at least 60 days before publication of a notice of intent to adopt or a
121.5 notice of hearing, shall solicit comments from the public on the subject matter of a possible
121.6 rulemaking proposal under active consideration within the agency by causing notice to be
121.7 published in the State Register. The notice must include a description of the subject matter
121.8 of the proposal and the types of groups and individuals likely to be affected, and must
121.9 indicate where, when, and how persons may comment on the proposal and whether and
121.10 how drafts of any proposal may be obtained from the agency.

121.11 This notice must be published within 60 days of the effective date of any new or
121.12 amendatory law requiring rules to be adopted, amended, or repealed.

121.13 An agency intending to adopt an expedited rule under section 14.389 is exempt from
121.14 the requirements of this section.

121.15 Sec. 14. [14.105] RULE NOTIFICATION.

121.16 Subdivision 1. **Rule notification list.** (a) Each agency shall maintain a list of all persons
121.17 who have registered with the agency for the purpose of receiving notice of rule proceedings.
121.18 A person may register to receive notice of rule proceedings by submitting to the agency:

121.19 (1) the person's electronic mail address; or

121.20 (2) the person's name and United States mail address, along with a request to receive
121.21 copies of the notices by mail.

121.22 (b) The agency shall post information on its Web site describing the registration process.

121.23 (c) The agency may inquire as to whether those persons on the list in paragraph (a) wish
121.24 to remain on it and may remove persons for whom there is a negative reply or no reply
121.25 within 60 days.

121.26 Subd. 2. **Additional notice.** (a) Each agency shall make reasonable efforts to notify
121.27 persons or categories of persons who may be significantly affected by the rule being proposed
121.28 by giving notice of its rule proceedings in newsletters, newspapers, or other publications,
121.29 or through other means of communication.

121.30 (b) For each rulemaking, the agency shall develop an additional notice plan describing
121.31 its efforts to provide additional notification to persons or categories of persons who may be
121.32 affected by the proposed rule or must explain why these efforts were not made. The additional

122.1 notice plan must be submitted to the administrative law judge with the other submissions
 122.2 required by section 14.14, subdivision 2a, or 14.26. The agency also may seek prior approval
 122.3 of the additional notice plan under the rules of the Office of Administrative Hearings.

122.4 Sec. 15. Minnesota Statutes 2016, section 14.116, is amended to read:

122.5 **14.116 NOTICE TO LEGISLATURE.**

122.6 (a) By January 15 each year, each agency must submit its current rulemaking docket
 122.7 maintained under section 14.366, ~~and the official rulemaking record required under section~~
 122.8 ~~14.365 for any rule adopted during the preceding calendar year,~~ to the chairs and ranking
 122.9 minority members of the legislative policy and budget committees with jurisdiction over
 122.10 the subject matter of the proposed rule and to the Legislative Coordinating Commission.
 122.11 Each agency must post a link to its rulemaking docket on the agency Web site home page.

122.12 (b) When an agency ~~mails~~ sends a notice of ~~intent to adopt rules~~ hearing under section
 122.13 14.14 or a notice of intent to adopt rules or dual notice under section 14.22, the agency must
 122.14 send a copy of the same notice ~~and a copy of the statement of need and reasonableness~~ to
 122.15 the chairs and ranking minority party members of the legislative policy and budget
 122.16 committees with jurisdiction over the subject matter of the proposed rules and to the
 122.17 Legislative Coordinating Commission.

122.18 ~~(e) In addition, if the mailing of the notice is within two years of the effective date of~~
 122.19 ~~the law granting the agency authority to adopt the proposed rules, the agency shall make~~
 122.20 ~~reasonable efforts to send a copy of the notice and the statement to all sitting legislators~~
 122.21 ~~who were chief house of representatives and senate authors of the bill granting the rulemaking~~
 122.22 ~~authority. If the bill was amended to include this rulemaking authority, the agency shall~~
 122.23 ~~make reasonable efforts to send the notice and the statement to the chief house of~~
 122.24 ~~representatives and senate authors of the amendment granting rulemaking authority, rather~~
 122.25 ~~than to the chief authors of the bill.~~

122.26 Sec. 16. Minnesota Statutes 2016, section 14.125, is amended to read:

122.27 **14.125 TIME LIMIT ON AUTHORITY TO ADOPT, AMEND, OR REPEAL**
 122.28 **RULES.**

122.29 An agency shall publish a ~~notice of intent to adopt rules or a notice of hearing~~ under
 122.30 section 14.14, or a notice of intent to adopt rules or dual notice under section 14.22, within
 122.31 18 months of the effective date of the law authorizing or requiring rules to be adopted,
 122.32 amended, or repealed. If the notice is not published within the time limit imposed by this

123.1 section, the authority for the rules expires. The agency shall not use other law in existence
 123.2 at the time of the expiration of rulemaking authority under this section as authority to adopt,
 123.3 amend, or repeal these rules agency shall report to the Legislative Coordinating Commission,
 123.4 other appropriate committees of the legislature, and the governor its failure to publish a
 123.5 notice and the reasons for that failure.

123.6 ~~An agency that publishes a notice of intent to adopt rules or a notice of hearing within~~
 123.7 ~~the time limit specified in this section may subsequently amend or repeal the rules without~~
 123.8 ~~additional legislative authorization.~~

123.9 Sec. 17. Minnesota Statutes 2016, section 14.127, is amended to read:

123.10 **14.127 LEGISLATIVE APPROVAL REQUIRED.**

123.11 Subdivision 1. ~~Cost thresholds~~ **Substantial economic impact.** An agency must
 123.12 determine if the cost of complying with a proposed rule in the first year after the rule takes
 123.13 effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time employees;
 123.14 or (2) any one statutory or home rule charter city that has less than ten full-time employees.
 123.15 For purposes of this section, "business" means a business entity organized for profit or as
 123.16 a nonprofit, and includes an individual, partnership, corporation, joint venture, association,
 123.17 or cooperative has a substantial economic impact, as defined in section 14.02, subdivision
 123.18 5.

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

123.24 Subd. 3. **Legislative approval required.** (a) If the agency determines that a proposed
 123.25 rule has a substantial economic impact, the agency must request the legislative auditor to
 123.26 convene a five-person peer review advisory panel to conduct an impact analysis of the
 123.27 proposed rule. Within 30 days of receipt of the agency's request, the legislative auditor shall
 123.28 convene a peer review advisory panel. The advisory panel must be made up of individuals
 123.29 who have not directly or indirectly been involved in the work conducted or contracted by
 123.30 the agency and who are not employed by the agency. The agency must pay each panel
 123.31 member for the costs of the person's service on the panel, as determined by the legislative
 123.32 auditor. The agency shall transfer an amount from the agency's operating budget to the
 123.33 legislative auditor to pay for costs for convening the peer review advisory panel process.
 123.34 The panel may receive written and oral comments from the public during its review. The

124.1 panel must submit its report within 60 days of being convened. The agency must receive a
124.2 final report from the panel before the agency conducts a public hearing on a proposed rule
124.3 or, if no hearing is held, before the rule is submitted to the administrative law judge. The
124.4 panel's report must include its conclusions on the extent to which the proposed rule:

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

124.7 (2) is more restrictive than a standard, limitation, or requirement imposed by federal law
124.8 or rule pertaining to the same subject matter, and a justification based on sound, reasonably
124.9 available scientific, technical, economic, or other information and rationale that the more
124.10 stringent standard is necessary to protect the public's health, safety, or welfare.

124.11 (b) If the agency determines that a rule does not have a substantial economic impact,
124.12 the administrative law judge must review this determination. If the administrative law judge
124.13 determines that a rule may have a substantial economic impact, the agency must have the
124.14 legislative auditor arrange for the analysis required by paragraph (a), and the agency must
124.15 give new notice of intent to adopt the proposed rule after receiving this analysis. The
124.16 administrative law judge may make this determination as part of the administrative law
124.17 judge's report on the proposed rule, or at any earlier time after the administrative law judge
124.18 is assigned to the rule proceeding.

124.19 (c) If the agency determines that the ~~cost exceeds the threshold in subdivision 1~~ proposed
124.20 rule has a substantial economic impact, or if the administrative law judge disapproves the
124.21 agency's determination that the ~~cost rule~~ does not ~~exceed the threshold in subdivision 1,~~
124.22 ~~any business that has less than 50 full-time employees or any statutory or home rule charter~~
124.23 ~~city that has less than ten full-time employees may file a written statement with the agency~~
124.24 ~~claiming a temporary exemption from the rules. Upon filing of such a statement with the~~
124.25 ~~agency, the rules do not apply to that business or that city until the rules are~~ have a substantial
124.26 economic impact, the agency or the administrative law judge shall deliver the determination
124.27 and peer review advisory panel report to the Legislative Coordinating Commission and to
124.28 the chairs and ranking minority members of the house of representatives and senate
124.29 committees and divisions with jurisdiction over the subject matter of the rule, and the
124.30 proposed rule does not take effect until the rule is approved by a law enacted after the agency
124.31 determination or administrative law judge disapproval.

124.32 Subd. 4. **Exceptions.** (a) ~~Subdivision 3 does not apply if the administrative law judge~~
124.33 ~~approves an agency's determination that the legislature has appropriated money to sufficiently~~

125.1 ~~fund the expected cost of the rule upon the business or city proposed to be regulated by the~~
125.2 ~~rule.~~

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

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

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

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

125.15 Subd. 5. **Severability.** If an administrative law judge determines that part of a proposed
125.16 rule ~~exceeds the threshold specified in subdivision 1~~ has a substantial economic impact, but
125.17 that a severable portion of a proposed rule does not ~~exceed the threshold in subdivision 1~~
125.18 have a substantial economic impact, the administrative law judge may provide that the
125.19 severable portion of the rule that does not ~~exceed the threshold~~ have a substantial economic
125.20 impact may take effect without legislative approval.

125.21 Sec. 18. **[14.129] IMPACT ANALYSIS OF PROPOSED RULE.**

125.22 (a) Within 30 days of receipt of the notice required under section 14.116, paragraph (b),
125.23 a standing committee with jurisdiction over the subject matter of a proposed rule may request
125.24 the legislative auditor to conduct an impact analysis of the proposed rule. The request must
125.25 be sent in writing to the legislative auditor and the agency. Upon receipt of the request, the
125.26 agency may not proceed to adopt the proposed rule until it has received a positive declaration
125.27 from the requesting standing committee. Within 60 days of receipt of a request, the legislative
125.28 auditor shall convene a five-person peer review panel to review the proposed rule. The
125.29 advisory panel must be made up of individuals who have not directly or indirectly been
125.30 involved in work conducted or contracted by the agency and who are not employed by the
125.31 agency. The panel may receive written and oral comments from the public during its review
125.32 of the proposed rule. The panel must prepare a report that includes a conclusion on whether
125.33 the proposed rule:

126.1 (1) is based on sound, reasonably available scientific, technical, economic, and other
 126.2 information and rationale; and

126.3 (2) if the proposed rule is more restrictive than a standard, limitation, or requirement
 126.4 imposed by federal law or rule pertaining to the same subject matter, a justification based
 126.5 on sound, reasonably available scientific, technical, economic, or other information and
 126.6 rationale that the more stringent standard is necessary to protect the public's health, safety,
 126.7 or welfare.

126.8 (b) Within 150 days of being convened, the panel must submit its report to the chairs
 126.9 and ranking minority members of the requesting committee and the legislative auditor.

126.10 Within five days of receipt of the panel's report, the requesting standing committee shall
 126.11 send the report to the agency along with either:

126.12 (1) a positive declaration that the agency may proceed with the proposed rule; or

126.13 (2) a negative declaration that the agency may not proceed with the proposed rule in its
 126.14 current form.

126.15 (c) If the requesting standing committee issues a negative declaration to an agency under
 126.16 paragraph (b), clause (2), the agency may not adopt the rule until the legislature adjourns
 126.17 the annual legislative session that began after the issuance of the negative declaration.

126.18 Sec. 19. Minnesota Statutes 2016, section 14.131, is amended to read:

126.19 **14.131 STATEMENT OF NEED AND REASONABLENESS.**

126.20 By the date of the section 14.14, subdivision 1a, notice, the agency must prepare, review,
 126.21 and make available for public review a statement of the need for and reasonableness of the
 126.22 rule. The statement of need and reasonableness must be prepared under rules adopted by
 126.23 the chief administrative law judge and must include a citation to the most specific statutory
 126.24 authority for the rule and the following to the extent the agency, through reasonable effort,
 126.25 can ascertain this information:

126.26 ~~(1) a description of the classes of persons who probably will be affected by the proposed~~
 126.27 ~~rule, including classes that will bear the costs of the proposed rule and classes that will~~
 126.28 ~~benefit from the proposed rule;~~

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

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

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

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

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

127.10 (1) a description of the persons or classifications of persons who will probably be affected
 127.11 by the proposed rule;

127.12 (2) the probable costs of the rule to affected persons and the agency, including those
 127.13 costs or consequences borne by identifiable categories of affected parties, such as separate
 127.14 classes of government units, businesses, or individuals, and the probable benefits of adopting
 127.15 the rule;

127.16 ~~(7)~~ (3) an assessment of any differences between the proposed rule and existing or
 127.17 proposed federal regulations standards and similar standards in relevant states bordering
 127.18 Minnesota or within Environmental Protection Agency Region 5 and a specific analysis of
 127.19 the need for and reasonableness of each difference; and

127.20 ~~(8)~~ (4) an assessment of the cumulative effect of the rule with other federal and state
 127.21 regulations related to the specific purpose of the rule. all rules adopted by the agency or any
 127.22 other agency, and all federal regulations and local ordinances or regulations, related to the
 127.23 specific purpose for which the rule is being adopted; and

127.24 (5) the agency's findings and conclusions that support its determination that the proposed
 127.25 rule is based on sound, reasonably available scientific, technical, economic, or other
 127.26 information and rationale; and if the proposed rule is more restrictive than a standard,
 127.27 limitation, or requirement imposed by federal law or rule pertaining to the same subject
 127.28 matter, a justification based on sound, reasonably available scientific, technical, economic,
 127.29 or other information and rationale that the more stringent standard is necessary to protect
 127.30 the public's health, safety, or welfare.

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

128.1 For purposes of clause ~~(8)~~ (4), "cumulative effect" means the impact that results from
128.2 incremental impact of the proposed rule in addition to other rules, regardless of what state
128.3 or federal agency has adopted the other rules. Cumulative effects can result from individually
128.4 minor but collectively significant rules adopted over a period of time.

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

128.8 The statement must describe, with reasonable particularity, the scientific, technical, and
128.9 economic information that supports the proposed rule.

128.10 The agency must consult with the commissioner of management and budget to help
128.11 evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local
128.12 government. The agency must send a copy of the statement of need and reasonableness to
128.13 the Legislative Reference Library no later than when the notice of hearing is ~~mailed under~~
128.14 ~~section 14.14, subdivision 1a~~ sent.

128.15 Sec. 20. Minnesota Statutes 2016, section 14.14, subdivision 1a, is amended to read:

128.16 Subd. 1a. **Notice of rule hearing.** (a) ~~Each agency shall maintain a list of all persons~~
128.17 ~~who have registered with the agency for the purpose of receiving notice of rule proceedings.~~
128.18 ~~Persons may register to receive notice of rule proceedings by submitting to the agency:~~

128.19 ~~(1) their electronic mail address; or~~

128.20 ~~(2) their name and United States mail address.~~

128.21 ~~The agency may inquire as to whether those persons on the list wish to remain on it and~~
128.22 ~~may remove persons for whom there is a negative reply or no reply within 60 days. The~~
128.23 agency shall, at least 30 days before the date set for the hearing, give notice of its intention
128.24 to ~~adopt~~ hold a hearing on the proposed rules by United States mail or electronic mail to all
128.25 persons ~~on its list~~ who have registered with the agency under section 14.105, and by
128.26 publication in the State Register.

128.27 ~~The mailed notice must include either a copy of the proposed rule or an easily readable~~
128.28 ~~and understandable description of its nature and effect and an announcement that a free~~
128.29 ~~copy of the proposed rule is available on request from the agency. In addition, each agency~~
128.30 ~~shall make reasonable efforts to notify persons or classes of persons who may be significantly~~
128.31 ~~affected by the rule being proposed by giving notice of its intention in newsletters,~~
128.32 ~~newspapers, or other publications, or through other means of communication. The notice~~
128.33 in the State Register must include the proposed rule or an amended rule in the form required

129.1 by the revisor under section 14.07, together with an easily readable and understandable
129.2 summary of the overall nature and effect of the proposed rule, a citation to the most specific
129.3 statutory authority for the proposed rule, a statement of the place, date, and time of the
129.4 public hearing, a statement that a free copy of the proposed rule and the statement of need
129.5 and reasonableness may be requested from the agency, a statement that persons may register
129.6 with the agency for the purpose of receiving notice of rule proceedings ~~and notice that the~~
129.7 ~~agency intends to adopt a rule,~~ and other information required by law or rule. When an
129.8 entire rule is proposed to be repealed, the agency need only publish that fact, along with an
129.9 easily readable and understandable summary of the overall nature of the rules proposed for
129.10 repeal, and a citation to the rule to be repealed.

129.11 The mailed notice of hearing must be the same as the notice published in the State
129.12 Register, except that the mailed notice may omit the text of the proposed rule if it includes
129.13 an announcement of where a copy of the proposed rule may be obtained.

129.14 (b) The chief administrative law judge may authorize an agency to omit from the notice
129.15 of rule hearing the text of any proposed rule, the publication of which would be unduly
129.16 cumbersome, expensive, or otherwise inexpedient if:

129.17 (1) knowledge of the rule is likely to be important to only a small class of persons;

129.18 (2) the notice of rule hearing states that a free copy of the entire rule is available upon
129.19 request to the agency; and

129.20 (3) the notice of rule hearing states in detail the specific subject matter of the omitted
129.21 rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose
129.22 and motivation.

129.23 Sec. 21. Minnesota Statutes 2016, section 14.14, subdivision 2a, is amended to read:

129.24 Subd. 2a. **Hearing procedure.** When a hearing is held on a proposed rule, it shall be
129.25 conducted by an administrative law judge assigned by the chief administrative law judge.
129.26 The administrative law judge shall ensure that all persons involved in the rule hearing are
129.27 treated fairly and impartially. The agency shall submit into the record the jurisdictional
129.28 documents, including the statement of need and reasonableness, comments and hearing
129.29 requests received, and any written exhibits in support of the proposed rule. The agency may
129.30 also present additional oral evidence. Interested persons may present written and oral
129.31 evidence. The administrative law judge shall allow questioning of agency representatives
129.32 or witnesses, or of interested persons making oral statements, in order to explain the purpose
129.33 or intended operation of a proposed rule, or a suggested modification, or for other purposes

130.1 if material to the evaluation or formulation of the proposed rule. The administrative law
 130.2 judge may limit repetitive or immaterial oral statements and questioning.

130.3 Sec. 22. Minnesota Statutes 2016, section 14.19, is amended to read:

130.4 **14.19 DEADLINE TO COMPLETE RULEMAKING.**

130.5 Within 180 days after issuance of the administrative law judge's report or that of the
 130.6 chief administrative law judge, the agency shall submit its notice of adoption, amendment,
 130.7 or repeal to the State Register for publication. If the agency has not submitted its notice to
 130.8 the State Register within 180 days, the rule is automatically withdrawn. The agency may
 130.9 not adopt the withdrawn rules without again following the procedures of sections 14.05 to
 130.10 14.28, with the exception of section 14.101, if the noncompliance is approved by the chief
 130.11 administrative law judge. The agency shall report to the Legislative Coordinating
 130.12 Commission, other appropriate committees of the legislature, and the governor its failure
 130.13 to adopt rules and the reasons for that failure. The 180-day time limit of this section does
 130.14 not include:

130.15 (1) any days used for review by the chief administrative law judge or the commission
 130.16 if the review is required by law; or

130.17 (2) days during which the rule cannot be adopted, because of votes by legislative
 130.18 committees under section 14.126; or

130.19 ~~(3) days during which the rule cannot be adopted because approval of the legislature is~~
 130.20 ~~required under section 14.127.~~

130.21 Sec. 23. Minnesota Statutes 2016, section 14.22, subdivision 1, is amended to read:

130.22 Subdivision 1. **Contents.** (a) ~~Unless an agency proceeds directly to a public hearing on~~
 130.23 ~~a proposed rule and gives the notice prescribed in section 14.14, subdivision 1a, the agency~~
 130.24 ~~shall give notice of its intention to adopt a rule without public hearing. The agency shall~~
 130.25 give the notice required by this section, unless the agency gives notice of a hearing under
 130.26 section 14.14 or a notice under section 14.389, subdivision 2. The agency shall give notice
 130.27 ~~must be given~~ of its intention to adopt a rule by publication in the State Register and by
 130.28 United States mail or electronic mail to persons who have registered their names with the
 130.29 agency under section 14.14, subdivision 1a 14.105. The mailed notice must include either
 130.30 a copy of the proposed rule or an easily readable and understandable description of its nature
 130.31 and effect and an announcement that a free copy of the proposed rule is available on request
 130.32 ~~from the agency. In addition, each agency shall make reasonable efforts to notify persons~~

131.1 ~~or classes of persons who may be significantly affected by the rule by giving notice of its~~
 131.2 ~~intention in newsletters, newspapers, or other publications, or through other means of~~
 131.3 ~~communication.~~ The notice in the State Register must include the proposed rule or the
 131.4 amended rule in the form required by the revisor under section 14.07₂; an easily readable
 131.5 and understandable summary of the overall nature and effect of the proposed rule₂; a citation
 131.6 to the most specific statutory authority for the proposed rule₂; a statement that a free copy
 131.7 of the statement of need and reasonableness may be requested from the agency; a statement
 131.8 that persons may register with the agency ~~for the purpose of receiving~~ to receive notice of
 131.9 rule proceedings and ~~notice that a rule has been submitted to the chief administrative law~~
 131.10 ~~judge;~~₂ and other information required by law or rule. When an entire rule is proposed to
 131.11 be repealed, the notice need only state that fact, along with an easily readable and
 131.12 understandable summary of the overall nature of the ~~rules~~ rule proposed for repeal, and a
 131.13 citation to the rule to be repealed. The notice must include a statement advising the public:

131.14 (1) that the public has at least 30 days in which to submit comment in support of or in
 131.15 opposition to the proposed rule and that comment is encouraged;

131.16 (2) that each comment should identify the ~~portion~~ part and subpart, if any, of the proposed
 131.17 rule addressed, the reason for the comment, and any change proposed;

131.18 (3) that the requester is encouraged to propose any change desired;

131.19 ~~(3)~~ (4) that if 25 or more persons submit a written request for a public hearing within
 131.20 the ~~30-day~~ comment period, a public hearing will be held and the agency will use the process
 131.21 under section 14.14;

131.22 ~~(4)~~ (5) of the manner in which persons must request a public hearing on the proposed
 131.23 rule, including the requirements contained in section 14.25 relating to a written request for
 131.24 a public hearing; and

131.25 ~~(5) of the requirements contained in section 14.25 relating to a written request for a~~
 131.26 ~~public hearing, and that the requester is encouraged to propose any change desired;~~

131.27 (6) that the agency may modify the proposed rule ~~may be modified~~ if the modifications
 131.28 are supported by the data and views submitted; ~~and.~~

131.29 ~~(7) that if a hearing is not required, notice of the date of submission of the proposed rule~~
 131.30 ~~to the chief administrative law judge for review will be mailed to any person requesting to~~
 131.31 ~~receive the notice.~~

131.32 In connection with the statements required in clauses (1) and ~~(3)~~ (4), the notice must
 131.33 also include the date on which the ~~30-day~~ comment period ends. The mailed notice of intent

132.1 to adopt a rule must be the same as the notice published in the State Register, except that
132.2 the mailed notice may omit the text of the proposed rule if it includes an announcement of
132.3 where a copy of the proposed rule may be obtained.

132.4 (b) The chief administrative law judge may authorize an agency to omit from the notice
132.5 of intent to adopt the text of any proposed rule, the publication of which would be unduly
132.6 cumbersome, expensive, or otherwise inexpedient if:

132.7 (1) knowledge of the rule is likely to be important to only a small class of persons;

132.8 (2) the notice of intent to adopt states that a free copy of the entire rule is available upon
132.9 request to the agency; and

132.10 (3) the notice of intent to adopt states in detail the specific subject matter of the omitted
132.11 rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose
132.12 and motivation.

132.13 Sec. 24. Minnesota Statutes 2016, section 14.23, is amended to read:

132.14 **14.23 STATEMENT OF NEED AND REASONABLENESS.**

132.15 By the date of the section 14.22 notice, the agency shall prepare a statement of need and
132.16 reasonableness, which must be available to the public. The statement of need and
132.17 reasonableness must include the analysis information required in section 14.131. ~~The~~
132.18 ~~statement must also describe the agency's efforts to provide additional notification under~~
132.19 ~~section 14.22 to persons or classes of persons who may be affected by the proposed rules~~
132.20 ~~or must explain why these efforts were not made. For at least 30 days following the notice,~~
132.21 ~~the agency shall afford the public an opportunity to request a public hearing and to submit~~
132.22 ~~data and views on the proposed rule in writing.~~

132.23 The agency shall send a copy of the statement of need and reasonableness to the
132.24 Legislative Reference Library no later than when the notice of intent to adopt is ~~mailed~~ sent.

132.25 Sec. 25. Minnesota Statutes 2016, section 14.25, subdivision 1, is amended to read:

132.26 Subdivision 1. **Requests for hearing.** If, during the ~~30-day~~ period allowed for comment
132.27 under section 14.22, 25 or more persons submit to the agency a written request for a public
132.28 hearing of the proposed rule, the agency shall proceed under the provisions of sections 14.14
132.29 to 14.20. The written request must include:

132.30 (1) the name and address of the person requesting the public hearing; ~~and~~

133.1 (2) ~~the portion or portions~~ part or subpart, if any, of the rule to which the person objects
 133.2 ~~or a statement that the person opposes the entire rule. If not previously published under~~
 133.3 ~~section 14.22, subdivision 2, a notice of the public hearing must be published in the State~~
 133.4 ~~Register and mailed to those persons who submitted a written request for the public hearing.~~
 133.5 ~~Unless the agency has modified the proposed rule, the notice need not include the text of~~
 133.6 ~~the proposed rule but only a citation to the State Register pages where the text appears; and~~

133.7 (3) the reasons for the objection to each portion of the rule identified.

133.8 A written request for a public hearing that does not comply with the requirements of this
 133.9 section is invalid and may not be counted by the agency for purposes of determining whether
 133.10 a public hearing must be held. A written request for a public hearing is not invalid due to
 133.11 failure of the request to correctly identify the portion of the rule to which the person objects
 133.12 if the agency reasonably can determine which portion of the rule is the basis for the objection.

133.13 Sec. 26. Minnesota Statutes 2016, section 14.26, is amended to read:

133.14 **14.26 ADOPTION OF PROPOSED RULE; SUBMISSION TO ADMINISTRATIVE**
 133.15 **LAW JUDGE.**

133.16 Subdivision 1. **Submission.** If no hearing is required, the agency shall submit to an
 133.17 administrative law judge assigned by the chief administrative law judge the proposed rule
 133.18 and notice as published, the rule as adopted, any written comments received by the agency,
 133.19 and a statement of need and reasonableness for the rule. The agency shall give notice to all
 133.20 persons who requested to be informed that these materials have been submitted to the
 133.21 administrative law judge. This notice must be given on the same day that the record is
 133.22 submitted. If the proposed rule has been modified, the notice must state that fact, and must
 133.23 also state that a free copy of the proposed rule, as modified, is available upon request from
 133.24 the agency. The rule and these materials must be submitted to the administrative law judge
 133.25 within 180 days of the day that the comment period for the rule is over or the rule is
 133.26 automatically withdrawn. The agency may not adopt the withdrawn rules without again
 133.27 following the procedures of sections 14.05 to 14.28, with the exception of section 14.101,
 133.28 if the noncompliance is approved by the chief administrative law judge. The agency shall
 133.29 report its failure to adopt the rules and the reasons for that failure to the Legislative
 133.30 Coordinating Commission, other appropriate legislative committees, and the governor.

133.31 ~~Subd. 2. **Resubmission.** Even if the 180-day period expires while the administrative~~
 133.32 ~~law judge reviews the rule, if the administrative law judge rejects the rule, the agency may~~
 133.33 ~~resubmit it after taking corrective action. The resubmission must occur within 30 days of~~
 133.34 ~~when the agency receives written notice of the disapproval. If the rule is again disapproved,~~

134.1 ~~the rule is withdrawn. An agency may resubmit at any time before the expiration of the~~
134.2 ~~180-day period. If the agency withholds some of the proposed rule, it may not adopt the~~
134.3 ~~withheld portion without again following the procedures of sections 14.14 to 14.28.~~

134.4 Subd. 3. **Review.** ~~(a)~~ Within 14 days of receiving a submission under subdivision 1, the
134.5 administrative law judge shall approve or disapprove the rule as to its legality and its form
134.6 to the extent that the form relates to legality, including the issues of whether the rule if
134.7 modified is substantially different, as determined under section 14.05, subdivision 2, from
134.8 the rule as originally proposed, whether the agency has the authority to adopt the rule, and
134.9 whether the record demonstrates a rational basis for the need for and reasonableness of the
134.10 proposed rule. ~~If the rule is approved, the administrative law judge shall promptly file four~~
134.11 ~~paper copies or an electronic copy of the adopted rule in the Office of the Secretary of State.~~
134.12 ~~The secretary of state shall forward one copy of each rule to the revisor of statutes, to the~~
134.13 ~~agency, and to the governor.~~ If the rule is disapproved, the administrative law judge shall
134.14 state in writing the reasons for the disapproval and make recommendations to overcome
134.15 the defects.

134.16 Subd. 3b. **Harmless error.** The administrative law judge shall disregard any error or
134.17 defect in the proceeding due to the agency's failure to satisfy any procedural requirements
134.18 imposed by law or rule if the administrative law judge finds:

134.19 (1) that the failure did not deprive any person or entity of an opportunity to participate
134.20 meaningfully in the rulemaking process; or

134.21 (2) that the agency has taken corrective action to cure the error or defect so that the
134.22 failure did not deprive any person or entity of an opportunity to participate meaningfully
134.23 in the rulemaking process.

134.24 Subd. 3c. **Correction of defects.** ~~(b)~~ (a) The written disapproval must be submitted to
134.25 the chief administrative law judge for approval. If the chief administrative law judge approves
134.26 of the findings of the administrative law judge, the chief administrative law judge shall send
134.27 the statement of the reasons for disapproval of the rule to the agency, the Legislative
134.28 Coordinating Commission, the house of representatives and senate policy committees with
134.29 primary jurisdiction over state governmental operations, and the revisor of statutes and
134.30 advise the agency and the revisor of statutes of actions that will correct the defects. The rule
134.31 may not be filed in the Office of the Secretary of State, nor be published, until the chief
134.32 administrative law judge determines that the defects have been corrected or, if applicable,
134.33 that the agency has satisfied the rule requirements for the adoption of a substantially different
134.34 rule.

135.1 (b) The agency may resubmit the disapproved rule under paragraph (a) to the chief
135.2 administrative law judge after correcting the defects. If the 180-day period expires while
135.3 the chief administrative law judge is reviewing the rule, the agency may resubmit the rule
135.4 within 30 days of the date the agency received written notice of disapproval. In all other
135.5 cases, the agency may resubmit the rule at any time before the expiration of the 180-day
135.6 period in subdivision 1. If the resubmitted rule is disapproved by the chief administrative
135.7 law judge, the rule is withdrawn. If the agency does not resubmit a portion of the rule, it
135.8 may not adopt that portion of the rule without again following the procedures of sections
135.9 14.14 to 14.28.

135.10 Subd. 3d. **Need or reasonableness not established.** (e) If the chief administrative law
135.11 judge determines that the need for or reasonableness of the rule has not been established,
135.12 and if the agency does not elect to follow the suggested actions of the chief administrative
135.13 law judge to correct that defect, then the agency shall submit the proposed rule to the
135.14 Legislative Coordinating Commission and to the house of representatives and senate policy
135.15 committees with primary jurisdiction over state governmental operations for advice and
135.16 comment. The agency may not adopt the rule until it has received and considered the advice
135.17 of the commission and committees. However, the agency need not wait for advice for more
135.18 than 60 days after the commission and committees have received the agency's submission.

135.19 ~~(d) The administrative law judge shall disregard any error or defect in the proceeding~~
135.20 ~~due to the agency's failure to satisfy any procedural requirements imposed by law or rule~~
135.21 ~~if the administrative law judge finds:~~

135.22 ~~(1) that the failure did not deprive any person or entity of an opportunity to participate~~
135.23 ~~meaningfully in the rulemaking process; or~~

135.24 ~~(2) that the agency has taken corrective action to cure the error or defect so that the~~
135.25 ~~failure did not deprive any person or entity of an opportunity to participate meaningfully~~
135.26 ~~in the rulemaking process.~~

135.27 ~~Subd. 3a. **Filing.** If the rule is approved, the administrative law judge shall promptly~~
135.28 ~~file four paper copies or an electronic copy of the adopted rule in the Office of the Secretary~~
135.29 ~~of State. The secretary of state shall forward one copy of each rule to the revisor of statutes,~~
135.30 ~~to the agency, and to the governor.~~

135.31 ~~Subd. 4. **Costs.** The Office of Administrative Hearings shall assess an agency for the~~
135.32 ~~actual cost of processing rules under this section. Each agency shall include in its budget~~
135.33 ~~money to pay the assessment. Receipts from the assessment must be deposited in the~~
135.34 ~~administrative hearings account created in section 14.54.~~

136.1 Subd. 5. Filing. If the rule is approved, the chief administrative law judge shall promptly
 136.2 file four paper copies or an electronic copy of it in the Office of the Secretary of State. The
 136.3 secretary of state shall forward one copy of the rule to the revisor of statutes, one copy to
 136.4 the agency, and one copy to the governor.

136.5 Subd. 6. Costs. The Office of Administrative Hearings shall assess an agency for the
 136.6 actual cost of processing rules under this section. Each agency shall include in its budget
 136.7 money to pay the assessment. Receipts from the assessment must be deposited in the
 136.8 administrative hearings account created in section 14.54.

136.9 Sec. 27. Minnesota Statutes 2016, section 14.365, is amended to read:

136.10 **14.365 OFFICIAL RULEMAKING RECORD.**

136.11 The agency shall maintain the official rulemaking record for every rule adopted under
 136.12 sections 14.05 to ~~14.389~~ 14.3895. The record must be available for public inspection. The
 136.13 record required by this section constitutes the official and exclusive agency rulemaking
 136.14 record with respect to agency action on or judicial review of the rule. The record must
 136.15 contain:

136.16 (1) copies of all publications in the State Register pertaining to the rule;

136.17 (2) all written petitions, and all requests, submissions, or comments received by the
 136.18 agency or the administrative law judge after publication of the notice of intent to adopt or
 136.19 the notice of hearing in the State Register pertaining to the rule;

136.20 (3) the statement of need and reasonableness for the rule;

136.21 (4) any report prepared by the peer review panel pursuant to section 14.129;

136.22 ~~(4)~~ (5) the official transcript of the hearing if one was held, or the tape recording of the
 136.23 hearing if a transcript was not prepared;

136.24 ~~(5)~~ (6) the report of the administrative law judge, if any;

136.25 ~~(6)~~ (7) the rule in the form last submitted to the administrative law judge under sections
 136.26 14.14 to 14.20 or first submitted to the administrative law judge under sections 14.22 to
 136.27 14.28;

136.28 ~~(7)~~ (8) the administrative law judge's written statement of required modifications and
 136.29 of approval or disapproval by the chief administrative law judge, if any;

136.30 ~~(8)~~ (9) any documents required by applicable rules of the Office of Administrative
 136.31 Hearings;

- 137.1 ~~(9)~~ (10) the agency's order adopting the rule;
- 137.2 ~~(10)~~ (11) the revisor's certificate approving the form of the rule; and
- 137.3 ~~(11)~~ (12) a copy of the adopted rule as filed with the secretary of state.

137.4 Sec. 28. Minnesota Statutes 2016, section 14.381, subdivision 3, is amended to read:

137.5 Subd. 3. **Costs.** The agency is liable for all Office of Administrative Hearings costs
137.6 associated with review of the petition. If the administrative law judge rules in favor of the
137.7 agency, the agency may recover all or a portion of the costs from the petitioner unless the
137.8 petitioner is entitled to proceed in forma pauperis under section 563.01 or the administrative
137.9 law judge determines that the petition was brought in good faith and that an assessment of
137.10 the costs would constitute an undue hardship for the petitioner. ~~If an agency has reason to
137.11 believe it will prevail in the consideration of a petition, and that an effort to recover costs
137.12 from the petitioner will be unsuccessful, it may request the chief administrative law judge
137.13 to require the petitioner to provide bond or a deposit to the agency in an amount the chief
137.14 administrative law judge estimates will be the cost to the Office of Administrative Hearings
137.15 to review the petition.~~

137.16 Sec. 29. Minnesota Statutes 2016, section 14.388, subdivision 1, is amended to read:

137.17 Subdivision 1. **Requirements.** If an agency for good cause finds that the rulemaking
137.18 provisions of this chapter are unnecessary, impracticable, or contrary to the public interest
137.19 when adopting, amending, or repealing a rule to:

- 137.20 (1) address a serious and immediate threat to the public health, safety, or welfare;
- 137.21 (2) comply with a court order or a requirement in federal law in a manner that does not
137.22 allow for compliance with sections 14.14 to 14.28;
- 137.23 (3) incorporate specific changes set forth in applicable statutes when no interpretation
137.24 of law is required; or
- 137.25 (4) make changes that do not alter the sense, meaning, or effect of a rule,
- 137.26 the agency may adopt, amend, or repeal the rule after satisfying the requirements of
137.27 subdivision 2 and section 14.386, paragraph (a), clauses (1) to (4). The agency shall
137.28 incorporate its findings and a brief statement of its supporting reasons in its order adopting,
137.29 amending, or repealing the rule.

138.1 After considering the agency's statement and any comments received, the Office of
138.2 Administrative Hearings shall determine whether the agency has provided adequate
138.3 justification for its use of this section.

138.4 Rules adopted, amended, or repealed under ~~clauses~~ clause (1) ~~and (2)~~ are effective for
138.5 a period of two years from the date of publication of the rule in the State Register.

138.6 Rules adopted, amended, or repealed under clause (2), (3), or (4) are effective upon
138.7 publication in the State Register.

138.8 Sec. 30. Minnesota Statutes 2016, section 14.388, subdivision 2, is amended to read:

138.9 Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this section
138.10 must give notice to the chairs and ranking minority members of the legislative policy and
138.11 budget committees with jurisdiction over the subject matter of the proposed rules and to
138.12 the Legislative Coordinating Commission, must give electronic notice of its intent in
138.13 accordance with section 16E.07, subdivision 3, and must give notice by United States mail
138.14 or electronic mail to persons who have registered their names with the agency under section
138.15 14.14, subdivision 1a. The notice must be given no later than the date the agency submits
138.16 the proposed rule to the Office of Administrative Hearings for review of its legality and
138.17 must include:

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

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

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

138.23 Sec. 31. Minnesota Statutes 2016, section 14.44, is amended to read:

138.24 **14.44 DETERMINATION OF VALIDITY OF RULE.**

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

139.1 question, whether or not the petitioner has petitioned the Office of Administrative Hearings
139.2 under section 14.381, and whether or not the agency has commenced an action against the
139.3 petitioner to enforce the rule.

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

139.12 Sec. 32. Minnesota Statutes 2016, section 14.45, is amended to read:

139.13 **14.45 RULE DECLARED INVALID.**

139.14 In proceedings under section 14.44, the court shall declare the rule or agency policy,
139.15 guideline, bulletin, criterion, manual standard, or similar pronouncement invalid if it finds
139.16 that it violates constitutional provisions or exceeds the statutory authority of the agency or
139.17 if the rule was adopted or the policy, guideline, bulletin, criterion, manual standard, or
139.18 similar pronouncement was improperly implemented without compliance with statutory
139.19 rulemaking procedures. Any party to proceedings under section 14.44, including the agency,
139.20 may appeal an adverse decision of the Court of Appeals to the Supreme Court as in other
139.21 civil cases.

139.22 Sec. 33. Minnesota Statutes 2016, section 14.51, is amended to read:

139.23 **14.51 PROCEDURAL RULES.**

139.24 The chief administrative law judge shall adopt rules to govern: (1) the procedural conduct
139.25 of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings,
139.26 contested case hearings, and workers' compensation hearings, and to govern the conduct of
139.27 voluntary mediation sessions for rulemaking and contested cases other than those within
139.28 the jurisdiction of the Bureau of Mediation Services; and (2) the review of rules adopted
139.29 without a public hearing. The chief administrative law judge may adopt rules to govern the
139.30 procedural conduct of other hearings conducted by the Office of Administrative Hearings.
139.31 The procedural rules shall be binding upon all agencies and shall supersede any other agency
139.32 procedural rules with which they may be in conflict. The procedural rules shall include in
139.33 addition to normal procedural matters provisions relating to the procedure to be followed

140.1 when the proposed final rule of an agency is substantially different, as determined under
140.2 section 14.05, subdivision 2, from that which was proposed. The procedural rules shall
140.3 establish a procedure whereby the proposed final rule of an agency shall be reviewed by
140.4 the chief administrative law judge on the issue of whether the proposed final rule of the
140.5 agency is substantially different than that which was proposed or failure of the agency to
140.6 meet the requirements of chapter 14. The rules must also provide: (1) an expedited procedure,
140.7 consistent with section 14.001, clauses (1) to (5), for the adoption of substantially different
140.8 rules by agencies; and (2) a procedure to allow an agency to receive prior binding approval
140.9 of its plan regarding the additional notice contemplated under sections 14.101, 14.131,
140.10 14.14, 14.22, ~~and 14.23~~, and 14.389. Upon the chief administrative law judge's own initiative
140.11 or upon written request of an interested party, the chief administrative law judge may issue
140.12 a subpoena for the attendance of a witness or the production of books, papers, records or
140.13 other documents as are material to any matter being heard by the Office of Administrative
140.14 Hearings. The subpoenas shall be enforceable through the district court in the district in
140.15 which the subpoena is issued.

140.16 Sec. 34. **REPEALER.**

140.17 Minnesota Statutes 2016, section 14.05, subdivision 5, is repealed.

140.18 Sec. 35. **EFFECTIVE DATE; APPLICATION.**

140.19 Except where otherwise provided, this article is effective August 1, 2017, and applies
140.20 to rules for which a notice of hearing under Minnesota Statutes, section 14.14; a notice of
140.21 intent to adopt under Minnesota Statutes, section 14.22; or a dual notice under Minnesota
140.22 Statutes, section 14.225, is published in the State Register on or after that date.

140.23 **ARTICLE 5**

140.24 **MINNESOTA SPORTS FACILITIES AUTHORITY**

140.25 Section 1. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

140.26 Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1
140.27 shall become public upon the occurrence of any of the following:

140.28 ~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into
140.29 between the facility and the inquiring party or parties or the event which was the subject of
140.30 inquiry occurs at the facility, whichever occurs earlier;

140.31 ~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

141.1 ~~(e)~~ (3) the event which was the subject of inquiry occurs elsewhere.

141.2 (b) Data regarding persons receiving free or discounted admission, tickets, or other gifts
141.3 from publicly owned and operated convention facilities, civic center authorities, or the
141.4 Minnesota Sports Facilities Authority is public data unless the data is subject to the provisions
141.5 of subdivision 1 or 4, paragraph (b).

141.6 Sec. 2. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to
141.7 read:

141.8 Subd. 11. **Prepayment of bonds.** Each fiscal year in which there is a reduction in the
141.9 amount of the payment for stadium operating expenses as a result of the provisions of section
141.10 473J.09, subdivision 15, the commissioner shall set aside the amount of the savings in a
141.11 separate account in the general fund for that purpose. When a sufficient amount of savings
141.12 have been accumulated in that account to make it practicable, the commissioner must use
141.13 amounts in the account to prepay or defease bonds issued under this subdivision in a manner
141.14 that preserves the tax exempt status of the bonds.

141.15 Sec. 3. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

141.16 Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the
141.17 general fund the following amounts, as required by subdivision 3, clause (3):

141.18 (1) for state bond debt service support beginning in calendar year 2021, and for each
141.19 calendar year thereafter through calendar year 2046, periodic amounts so that not later than
141.20 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been
141.21 deposited in the general fund. To determine aggregate present value, the commissioner must
141.22 consult with the commissioner of management and budget regarding the present value dates,
141.23 discount rate or rates, and schedules of annual amounts. The present value date or dates
141.24 must be based on the date or dates bonds are sold under section 16A.965, or the date or
141.25 dates other state funds, if any, are deposited into the construction fund. The discount rate
141.26 or rates must be based on the true interest cost of the bonds issued under section 16A.965,
141.27 or an equivalent 30-year bond index, as determined by the commissioner of management
141.28 and budget. The schedule of annual amounts must be certified to the commissioner by the
141.29 commissioner of management and budget and the finance officer of the city;

141.30 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities
141.31 Authority beginning in calendar year 2021, and for each calendar year thereafter through
141.32 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for
141.33 this purpose in that calendar year under section 473J.13, subdivision 4;

142.1 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority
142.2 beginning in calendar year 2021, and for each calendar year thereafter through calendar
142.3 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose
142.4 in that calendar year under section 473J.13, subdivision 2, determined without regard to the
142.5 reduction in that amount for any amounts reported under section 473J.09, subdivision 15,
142.6 paragraph (c);

142.7 (4) for recapture of state advances for capital improvements and operating expenses for
142.8 calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar
142.9 year thereafter until all amounts under this clause have been paid, proportionate amounts
142.10 periodically until an aggregate amount equal to the present value of all amounts paid by the
142.11 state have been deposited in the general fund. To determine the present value of the amounts
142.12 paid by the state to the authority and the present value of amounts deposited to the general
142.13 fund under this clause, the commissioner shall consult with the commissioner of management
142.14 and budget regarding the present value dates, discount rate or rates, and schedule of annual
142.15 amounts. The present value dates must be based on the dates state funds are paid to the
142.16 authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause
142.17 to the general fund. The discount rates must be based on the reasonably equivalent cost of
142.18 state funds as determined by the commissioner of management and budget. The schedule
142.19 of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision
142.20 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and
142.21 taxes deposited to the general fund from time to time under this clause, and the schedule
142.22 and revised schedules must be certified to the commissioner by the commissioner of
142.23 management and budget and the finance officer of the city, and are transferred as accrued
142.24 from the general fund for repayment of advances made by the state to the authority.
142.25 Determination of the present value amounts must be made without regard to any reduction
142.26 in the state advances resulting from amounts reported under section 473J.09, subdivision
142.27 15, paragraph (c); and

142.28 (5) to capture increases in taxes imposed under the special law, for the benefit of the
142.29 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar
142.30 year thereafter through 2046, there shall be deposited to the general fund in proportionate
142.31 periodic payments in the following year, an amount equal to the following:

142.32 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for
142.33 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus
142.34 \$1,000,000, inflated at two percent per year since 2011, minus

143.1 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for
143.2 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus
143.3 \$3,000,000, inflated at two percent per year since 2011.

143.4 Sec. 4. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

143.5 Subd. 2. **Membership.** (a) The authority shall consist of ~~five~~ seven members.

143.6 (b) ~~The chair and two members~~ One member shall be appointed by the governor. ~~One~~
143.7 This member appointed by the governor shall serve until December 31 of the third year
143.8 following appointment ~~and one member shall serve until December 31 of the fourth year~~
143.9 ~~following appointment~~. Thereafter, members appointed by the governor shall serve four-year
143.10 terms, beginning January 1. Each member serves until a successor is appointed and takes
143.11 office. ~~The chair serves at the pleasure of the governor.~~

143.12 (c) The mayor of the city shall appoint ~~two members~~ one member to the authority. ~~One~~
143.13 This member appointed by the mayor of the city shall serve until December 31 of the ~~third~~
143.14 second year following appointment ~~and one member shall serve until December 31 of the~~
143.15 ~~fourth year following appointment~~. Thereafter, members appointed under this paragraph
143.16 shall serve four-year terms beginning January 1. Each member serves until a successor is
143.17 appointed and takes office. Members appointed under this paragraph may reside within the
143.18 city and may be appointed officials of a political subdivision.

143.19 (d) ~~The initial members of the authority must be appointed not later than June 13, 2012.~~
143.20 The legislature shall appoint the remaining members of the authority, who may not be
143.21 members of the legislature, as follows:

143.22 (1) the speaker of the house shall appoint one member;

143.23 (2) the majority leader of the senate shall appoint one member;

143.24 (3) the minority leader of the house of representatives shall appoint one member; and

143.25 (4) the minority leader of the senate shall appoint one member.

143.26 (e) The chair of the Legislative Coordinating Commission shall appoint a voting member
143.27 of the board, who must be a certified public accountant. Members appointed by the legislature
143.28 shall serve for three-year terms.

143.29 Sec. 5. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

143.30 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~
143.31 ~~chair~~, as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by~~

144.1 ~~other law, a salary in an amount fixed by the authority,~~ the same compensation as other
144.2 board members and shall be reimbursed for reasonable expenses to the same extent as a
144.3 member.

144.4 Sec. 6. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

144.5 Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and
144.6 performs all other assigned duties and functions. The members of the board shall biennially
144.7 elect a chair from among its members. The authority may appoint from among its members
144.8 a vice-chair to act for the chair during the temporary absence or disability of the chair, and
144.9 any other officers the authority determines are necessary or convenient.

144.10 Sec. 7. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

144.11 Subd. 8. **Executive director; employees.** The authority may appoint an executive director
144.12 to serve as the chief executive officer of the authority. The executive director serves at the
144.13 pleasure of the authority and receives compensation as determined by the authority, but in
144.14 no instance may the compensation of the executive director exceed that of the governor.
144.15 The executive director may be responsible for the operation, management, and promotion
144.16 of activities of the authority, as prescribed by the authority. The executive director has the
144.17 powers necessarily incident to the performance of duties required and powers granted by
144.18 the authority, but does not have authority to incur liability or make expenditures on behalf
144.19 of the authority without general or specific directions by the authority, as shown by the
144.20 bylaws or minutes of a meeting of the authority. The executive director is responsible for
144.21 hiring, supervision, and dismissal of all other employees of the authority. The authority
144.22 must conduct an annual employee evaluation of the executive director, which must be
144.23 reviewed and approved by the entire board.

144.24 Sec. 8. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to
144.25 read:

144.26 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget
144.27 to the commissioner of management and budget and to the chairs and ranking minority
144.28 members of the senate finance and house of representatives ways and means committees.
144.29 All elements of the authority budget, meeting minutes, policies, and procedures must be
144.30 available on the authority Web site.

145.1 Sec. 9. Minnesota Statutes 2016, section 473J.09, subdivision 6, is amended to read:

145.2 Subd. 6. **Employees; contracts for services.** The authority may employ persons and
145.3 contract for services necessary to carry out its functions, including the utilization of
145.4 employees and consultants retained by other governmental entities. As a condition of
145.5 employment, employees selected by the authority may not engage in partisan political
145.6 activities. The authority shall enter into an agreement with the city regarding traffic control
145.7 for the stadium.

145.8 Sec. 10. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

145.9 Subd. 13. **Legislative report.** The authority must report to the chairs and ranking minority
145.10 members of the legislative committees with jurisdiction over state government finance by
145.11 January 15 of each year on the following:

- 145.12 (1) any recommended increases in the rate or dollar amount of tax;
- 145.13 (2) any recommended increases in the debt of the authority;
- 145.14 (3) the overall work and role of the authority;
- 145.15 (4) the authority's proposed and past operating and capital budgets; and
- 145.16 (5) the authority's implementation of the operating and capital budgets.

145.17 Sec. 11. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
145.18 to read:

145.19 Subd. 15. **Use of stadium suites.** (a) The authority's marketing vendor may enter into
145.20 agreements for the use of game and event tickets, and stadium suites, for the purpose of
145.21 marketing the stadium to potential users. Use of stadium suites is subject to the following
145.22 requirements:

145.23 (1) stadium suites may not be used by board members, except when participating in a
145.24 marketing effort arranged by the authority's marketing vendor, or conducting oversight of
145.25 authority responsibilities. The executive director shall ensure that use of the suite does not
145.26 violate open meeting laws. A board member may not use a suite more than twice per year
145.27 for oversight duties, and must pay the fair market value for use of the suite;

145.28 (2) stadium suite use must be limited to only those persons and activities with a legitimate
145.29 business purpose. Family members and friends of board members and authority staff are
145.30 presumed not to have a legitimate business purpose for attendance in a suite unless the

146.1 attendance has been approved by public vote of the authority, and the stated business purpose
146.2 made a part of the public record;

146.3 (3) if the authority has contracted or contracts for stadium marketing services and access
146.4 to a suite is included in the existing or future contract, the contract terms must require that
146.5 the contractor determine when suites are needed for marketing purposes and transmits to
146.6 the authority all data regarding its suite use, including but not limited to:

146.7 (i) the costs of use;

146.8 (ii) the identity of each attendee and their legitimate business purpose for attendance;

146.9 (iii) the date, time, and a general description of the stadium event at which the suite was
146.10 used, if applicable; and

146.11 (iv) the value and a description of any food, parking, or other benefits provided to
146.12 attendees.

146.13 The data required by this clause must be transmitted to the authority within 30 days after
146.14 each event at which a suite was used;

146.15 (4) authority staff may not use a suite except with the express written assignment of
146.16 duties by the executive director, may not be provided free food, and may not be provided
146.17 free parking unless necessary to complete the assigned duties; and

146.18 (5) provision of tickets to events and use of suites for a purpose other than marketing or
146.19 oversight must be reported to the legislative auditor.

146.20 (b) The authority must negotiate a return of all stadium suites to the primary tenant, or
146.21 other interested parties, in return for fair market value. A provision may be negotiated
146.22 allowing limited access to suites for marketing purposes. Any revenues received pursuant
146.23 to this paragraph must be deposited in the authority's operating reserves, established under
146.24 section 473J.13, subdivision 2, paragraph (c).

146.25 (c) No later than 60 days after the close of each fiscal year, the authority must report to
146.26 the commissioner of management and budget the amount deposited in the authority's reserves
146.27 under the provisions of paragraph (b).

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

147.1 Sec. 12. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
147.2 to read:

147.3 Subd. 16. Code of conduct. The authority shall adopt and comply with the latest version
147.4 of the state code of conduct promulgated by Minnesota Management and Budget.

147.5 Sec. 13. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

147.6 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating
147.7 expenses of the stadium. The authority must require in the lease or use agreement with the
147.8 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as
147.9 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000
147.10 each year, increased by a three percent annual inflation rate.

147.11 (b) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,
147.12 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000
147.13 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year
147.14 beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds
147.15 as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall
147.16 assume this payment, using funds generated in accordance with the city of Minneapolis as
147.17 specified under section 297A.994, subdivision 4, clause (3). The amount of the payment
147.18 obligation under this paragraph for any fiscal year is reduced by the dollar amount for the
147.19 prior fiscal year reported to the commissioner of management and budget under section
147.20 473J.09, subdivision 15, paragraph (c).

147.21 (c) The authority may establish an operating reserve to cover operating expense shortfalls
147.22 and may accept funds from any source for deposit in the operating reserve. The establishment
147.23 or funding of an authority operating reserve must not decrease the amounts required to be
147.24 paid to the authority toward operating costs under this subdivision unless agreed to by the
147.25 authority.

147.26 (d) The authority will be responsible for operating cost overruns.

147.27 (e) After the joint selection of the third-party manager or program manager, the authority
147.28 may agree with a program manager or other third-party manager of the stadium on a fixed
147.29 cost operating, management, or employment agreement with operating cost protections
147.30 under which the program manager or third-party manager assumes responsibility for stadium
147.31 operating costs and shortfalls. The agreement with the manager must require the manager
147.32 to prepare an initial and ongoing operating plan and operating budgets for approval by the

148.1 authority in consultation with the NFL team. The manager must agree to operate the stadium
148.2 in accordance with the approved operating plan and operating budget.

148.3 Sec. 14. **RECOVERY.**

148.4 The Minnesota Sports Facilities Authority must recover the fair market value of any
148.5 food, parking, tickets, and access to stadium suites provided to a person prior to January 1,
148.6 2017, if the provision of those benefits to the person was not in the public interest. The
148.7 authority shall report on recovery efforts to the commissioner of management and budget
148.8 and to the chairs and ranking minority members of the senate finance and house of
148.9 representatives ways and means committees on the second Monday of each month until a
148.10 full recovery is completed.

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

148.12 Sec. 15. **LEGISLATIVE AUDITOR REVIEW.**

148.13 (a) No later than January 15, 2018, the legislative auditor is requested to review the
148.14 operations and management structure of major sports event facilities in Minnesota that are
148.15 both publicly owned and publicly operated. Upon completion, the review must be submitted
148.16 to the chairs and ranking minority members of the legislative committees with jurisdiction
148.17 over state government finance, and to the Legislative Commission on Minnesota Sports
148.18 Facilities.

148.19 (b) At a minimum, the review must consider:

148.20 (1) the structure and oversight responsibilities of each facility's public governing body;

148.21 (2) whether the public governing bodies have access to tickets, suites, or other premium
148.22 amenities for events conducted in the facilities they oversee, including the terms under
148.23 which the access is provided; and

148.24 (3) whether the public governing bodies have adopted policies or procedures to ensure
148.25 their oversight activities, including those of individual members acting on behalf of the
148.26 governing body, are transparent and in furtherance of the public interest.

148.27 (c) The review must compare and contrast the practices of each public governing body
148.28 and may recommend best practices for improving the governance, operations, and public
148.29 accountability of each body. As necessary, the review may also propose any changes in law
148.30 necessary to implement these best practices.

149.1 Sec. 16. **REPEALER.**

149.2 Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

149.3 Sec. 17. **EFFECTIVE DATE.**

149.4 Except where otherwise provided, this article is effective July 1, 2017, and,
149.5 notwithstanding any law to the contrary, the appointment of the current executive director
149.6 of the Minnesota Sports Facilities Authority and the terms of all current members of the
149.7 authority terminate on that date. New appointments as required by Minnesota Statutes,
149.8 section 473J.07, subdivision 2, must be made no later than July 15, 2017.

APPENDIX
Article locations in H0691-1

ARTICLE 1	STATE GOVERNMENT APPROPRIATIONS	Page.Ln 2.30
ARTICLE 2	STATE GOVERNMENT OPERATIONS	Page.Ln 26.13
ARTICLE 3	STATE BUDGETING TECHNICAL	Page.Ln 73.23
ARTICLE 4	ADMINISTRATIVE RULEMAKING	Page.Ln 114.1
ARTICLE 5	MINNESOTA SPORTS FACILITIES AUTHORITY	Page.Ln 140.23

3.886 LEGISLATIVE WATER COMMISSION.

Subdivision 1. **Establishment.** A Legislative Water Commission is established.

Subd. 2. **Membership.** (a) The Legislative Water Commission consists of 12 members appointed as follows:

(1) six members of the senate, including three majority party members appointed by the majority leader and three minority party members appointed by the minority leader; and

(2) six members of the house of representatives, including three majority party members appointed by the speaker of the house and three minority party members appointed by the minority leader.

(b) Members serve at the pleasure of the appointing authority and continue to serve until their successors are appointed or until a member is no longer a member of the legislative body that appointed the member to the commission. Vacancies shall be filled in the same manner as the original positions. Vacancies occurring on the commission do not affect the authority of the remaining members of the Legislative Water Commission to carry out the function of the commission.

(c) Members shall elect a chair, vice chair, and other officers as determined by the commission. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

Subd. 3. **Commission staffing.** The Legislative Coordinating Commission must employ staff and contract with consultants as necessary to enable the Legislative Water Commission to carry out its duties and functions.

Subd. 4. **Powers and duties.** (a) The Legislative Water Commission shall review water policy reports and recommendations of the Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural Resources, the Metropolitan Council, and other water-related reports as may be required by law or the legislature.

(b) The commission may conduct public hearings and otherwise secure data and comments.

(c) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

(d) Data or information compiled by the Legislative Water Commission or its subcommittees shall be made available to the Legislative-Citizen Commission on Minnesota Resources, the Clean Water Council, and standing and interim committees of the legislature on request of the chair of the respective commission, council, or committee.

(e) The commission shall coordinate with the Clean Water Council.

Subd. 5. **Compensation.** Members of the commission may receive per diem and expense reimbursement incurred doing the work of the commission in the manner and amount prescribed for per diem and expense payments by the senate Committee on Rules and Administration and the house of representatives Committee on Rules and Legislative Administration.

Subd. 6. **Expiration.** This section expires July 1, 2019.

6.581 STATE AUDITOR ENTERPRISE FUND.

Subdivision 1. **State auditor enterprise fund.** A state auditor enterprise fund is established in the state treasury. All amounts received for the costs and expenses of examinations performed under this chapter shall be credited to the fund. Amounts credited to the fund are annually appropriated to the state auditor to pay the costs and expenses related to the examinations performed, including, but not limited to, salaries, office overhead, equipment, authorized contracts, and other expenses.

10A.30 STATE ELECTIONS CAMPAIGN ACCOUNT.

Subdivision 1. **Establishment.** An account is established in the special revenue fund of the state known as the "state elections campaign account."

Subd. 2. **Separate account.** Within the state elections campaign account there must be maintained a separate political party account for the state committee and the candidates of each political party and a general account.

Subd. 3. **Special elections account.** An account is established in the special revenue fund of the state known as the "state special elections campaign account."

10A.31 DESIGNATION OF INCOME TAX PAYMENTS.

APPENDIX

Repealed Minnesota Statutes: H0691-1

Subdivision 1. **Designation.** An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 be paid from the general fund of the state into the state elections campaign account. If a husband and wife file a joint return, each spouse may designate that \$5 be paid. No individual is allowed to designate \$5 more than once in any year. The taxpayer may designate that the amount be paid into the account of a political party or into the general account.

Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Subd. 3a. **Qualification of political parties.** (a) A major political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a major political party by July 1 of the taxable year.

(b) A minor political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a minor party statewide by July 1 of the taxable year.

(c) The secretary of state shall notify each major and minor political party by the first Monday in January of each odd-numbered year of the conditions necessary for the party to participate in income tax form and property tax refund return programs.

(d) The secretary of state shall notify each political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board by July 1 of each year and following certification of the results of each general election of the political parties that qualify for inclusion on the income tax form and property tax refund return as provided in subdivision 3.

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign account.

Subd. 5. **Allocation.** (a) General account. In each calendar year the money in the general account must be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 4.2 percent for the office of attorney general;
- (3) 2.4 percent each for the offices of secretary of state and state auditor;
- (4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

(b) Party account. In each calendar year the money in each party account must be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.8 percent for the office of attorney general;
- (3) 1.6 percent each for the offices of secretary of state and state auditor;
- (4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and

(6) ten percent or \$50,000, whichever is less, for the state committee of a political party; one-third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two-thirds must be allocated to the office of state representative under clause (4).

APPENDIX

Repealed Minnesota Statutes: H0691-1

Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the Department of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

Subd. 5a. **Party account for legislative candidates.** To ensure that money will be returned to the counties from which it was collected and to ensure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed as provided in this subdivision.

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account allocated to candidates for the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district, the candidate's share of the dollars designated by taxpayers who resided in that county and credited to the candidate's party account and allocated to that office must be:

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in the entire county in the last general election for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For a party under whose name no candidate's name appeared on the ballot statewide in the last general election, amounts in the party's account must be allocated based on (i) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (ii) the number of the people voting in the entire county in the last general election, multiplied by (iii) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

In the first general election after the legislature is redistricted, "the candidate's district" means the newly drawn district and voting data from the last general election must be applied to the area encompassing the newly drawn district, notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party is the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (1) and (2). The average vote must be added to the sums in clauses (1) and (2) before the calculation is made for all districts in the county.

Subd. 6. **Distribution of party accounts.** As soon as the board has obtained from the secretary of state the results of the primary election, but no later than one week after certification by the State Canvassing Board of the results of the primary, the board must distribute the available money in each party account, as certified by the commissioner of revenue one week before the state primary, to the candidates of that party who have signed a spending limit agreement under section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were

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opposed in either the primary election or the general election, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10.

Subd. 6a. **Party account money not distributed.** Money from a party account not distributed to candidates for state senator or representative in any election year must be returned to the general fund of the state, except that the subsidy from the party account an unopposed candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under subdivision 5, paragraph (b), clause (6), and used for only those items permitted under section 10A.275. Money from a party account not distributed to candidates for other offices in an election year must be returned to the party account for reallocation to candidates as provided in subdivision 5, paragraph (b), in the following year.

Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the results of the primary election from the secretary of state, but no later than one week after certification of the primary results by the State Canvassing Board, the board must distribute the available money in the general account, as certified by the commissioner of revenue one week before the state primary and according to allocations set forth in subdivision 5, in equal amounts to all candidates of a major political party whose names are to appear on the ballot in the general election and who:

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323; and
- (3) were opposed in either the primary election or the general election.

(b) The public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account to exceed 50 percent of the expenditure limit for the candidate or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted.

Subd. 7a. **Withholding of public subsidy.** If a candidate who is eligible for payment of public subsidy under this section has not filed the report of receipts and expenditures required under section 10A.20 before a primary election, any public subsidy for which that candidate is eligible must be withheld by the board until the candidate complies with the filing requirements of section 10A.20 and the board has sufficient time to review or audit the report. If a candidate who is eligible for public subsidy does not file the report due before the primary election under section 10A.20 by the date that the report of receipts and expenditures filed before the general election is due, that candidate shall not be paid public subsidy for that election.

Subd. 10. **December distribution.** In the event that on the date of either certification by the commissioner of revenue as provided in subdivision 6 or 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue must certify to the board by December 1 the amount accumulated in each account since the previous certification. By December 15, the board must distribute to each candidate according to the allocations in subdivisions 5 and 5a the amounts to which the candidates are entitled.

Subd. 10a. **Form of distribution.** A distribution to a candidate must be in the form of a check made "payable to the campaign fund of(name of candidate)....."

Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept in the respective accounts for distribution in the next general election year.

Subd. 11. **Write-in candidate.** For the purposes of this section, a write-in candidate is a candidate only upon complying with sections 10A.322 and 10A.323.

10A.315 SPECIAL ELECTION SUBSIDY.

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

- (1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and
- (2) the general account money paid to a candidate for the same office at the last general election.

(b) A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board and must meet the contribution requirements of section

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10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.

(c) The amount necessary to make the payments required by this section is appropriated from the general fund for transfer to the state special elections campaign account for distribution by the board as set forth in this section.

10A.321 ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue must calculate and certify to the board one week before the first day for filing for office in each election year an estimate of the total amount in the state general account of the state elections campaign account and the amount of money each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign account. This estimate must be based upon the allocations and formulas in section 10A.31, subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5a, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. **Publication, certification, and notification procedures.** Before the first day of filing for office, the board must publish and forward to all filing officers the estimates calculated and certified under subdivision 1 along with a copy of section 10A.25, subdivision 10. Within one week after the last day for filing for office, the secretary of state must certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county must certify to the board the same information for each candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. Within two weeks after the last day for filing for office, the board must notify all candidates of their estimated minimum amount. The board must include with the notice a form for the agreement provided in section 10A.322 along with a copy of section 10A.25, subdivision 10.

10A.322 SPENDING LIMIT AGREEMENTS.

Subd. 2. **How long agreement is effective.** The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, and the contribution limit in section 10A.27, subdivision 10, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the end of the first election cycle completed after the agreement was filed, whichever occurs first.

Subd. 4. **Refund receipt forms; penalty.** (a) The board must make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that:

(1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23; and

(2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section.

The forms must provide duplicate copies of the receipt to be attached to the contributor's claim.

(b) The willful issuance of an official refund receipt form or a facsimile of one to any of the candidate's contributors by a candidate or treasurer of a candidate who did not sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed by the board.

(c) The willful issuance of an official refund receipt form or a facsimile to an individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to a civil penalty of up to \$3,000 imposed by the board.

(d) A violation of paragraph (b) or (c) is a misdemeanor.

10A.323 AFFIDAVIT OF CONTRIBUTIONS.

(a) In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must:

(1) between January 1 of the previous year and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election, accumulate contributions from individuals eligible to vote in this state in at least the amount indicated for the office sought, counting only the first \$50 received from each contributor, excluding in-kind contributions:

(i) candidates for governor and lieutenant governor running together, \$35,000;

(ii) candidates for attorney general, \$15,000;

(iii) candidates for secretary of state and state auditor, separately, \$6,000;

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- (iv) candidates for the senate, \$3,000; and
- (v) candidates for the house of representatives, \$1,500;
- (2) file an affidavit with the board stating that the principal campaign committee has complied with this paragraph. The affidavit must state the total amount of contributions that have been received from individuals eligible to vote in this state, excluding:
 - (i) the portion of any contribution in excess of \$50;
 - (ii) any in-kind contribution; and
 - (iii) any contribution for which the name and address of the contributor is not known and recorded; and
- (3) submit the affidavit required by this section to the board in writing by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, subdivision 4.
- (b) A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the filing period for the general election must accumulate the contributions specified in paragraph (a) and must submit the affidavit required by this section to the board within five days after the close of the filing period for the special election for which the candidate filed.

10A.324 RETURN OF PUBLIC SUBSIDY.

Subdivision 1. **When return required.** A candidate must return all or a portion of the public subsidy received from the state elections campaign account or the public subsidy received under section 10A.315, under the circumstances in this section or section 10A.257, subdivision 1.

To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee must return an amount equal to the difference to the board. The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned. Expenditures in excess of the candidate's spending limit do not count in determining aggregate expenditures under this paragraph.

Subd. 3. **How return determined.** Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. An amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board must deposit the check or money order in the state treasury for credit to the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate.

14.05 GENERAL AUTHORITY.

Subd. 5. **Review and repeal of rules.** By December 1 of each year, an agency must submit to the governor, the Legislative Coordinating Commission, the policy and funding committees and divisions with jurisdiction over the agency, and the revisor of statutes, a list of any rules or portions of rules that are obsolete, unnecessary, or duplicative of other state or federal statutes or rules. The list must also include an explanation of why the rule or portion of the rule is obsolete, unnecessary, or duplicative of other state or federal statutes or rules. By December 1, the agency must either report a timetable for repeal of the rule or portion of the rule, or must develop a bill for submission to the appropriate policy committee to repeal the obsolete, unnecessary, or duplicative rule. Such a bill must include proposed authorization to use the expedited procedures of section 14.389 to repeal or amend the obsolete, unnecessary, or duplicative rule. A report submitted under this subdivision must be signed by the person in the agency who is responsible for identifying and initiating repeal of obsolete rules. The report also must identify the status of any rules identified in the prior year's report as obsolete, unnecessary, or duplicative. If none of an agency's rules are obsolete, unnecessary, or duplicative, an agency's December 1 report must state that conclusion.

161.1419 MISSISSIPPI RIVER PARKWAY COMMISSION.

Subdivision 1. **Policy.** It is declared to be the policy of the state and to be in the best public interest for the promotion of public safety, recreation, travel, trade, and the general welfare of the people to cooperate with the federal government and with the interstate Mississippi River Parkway Planning Commission. To carry out such policy and to aid in the promotion and securement of a scenic parkway and highway for the state of Minnesota and to aid in securing the location of federal parks within Minnesota a Mississippi River Parkway Commission is created. Such commission shall also work toward the planning, construction, maintenance, and improvement of

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the Great River Road or Mississippi River Parkway which is to follow generally the course of the Mississippi River and extend from Canada to the Gulf of Mexico.

Subd. 2. **Members.** (a) The commission shall be composed of 15 members of whom:

- (1) one shall be appointed by the commissioner of transportation;
- (2) one shall be appointed by the commissioner of natural resources;
- (3) one shall be appointed by the director of Explore Minnesota Tourism;
- (4) one shall be appointed by the commissioner of agriculture;
- (5) one shall be appointed by the director of the Minnesota Historical Society;
- (6) two shall be members of the senate to be appointed by the Committee on Committees;
- (7) two shall be members of the house of representatives to be appointed by the speaker;
- (8) one shall be the secretary appointed pursuant to subdivision 3; and
- (9) five shall be citizen members appointed by five citizen committees established by the

members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi River:

- (i) Lake Itasca to but not including the city of Grand Rapids;
- (ii) Grand Rapids to but not including the city of Brainerd;
- (iii) Brainerd to but not including the city of Elk River;
- (iv) Elk River to but not including the city of Hastings; and
- (v) Hastings to the Iowa border.

Each citizen committee member shall be a resident of the geographic segment that the committee and member represents.

(b) The members of the commission shall serve for a term expiring at the close of each regular session of the legislature and until their successors are appointed. Successor members shall be appointed by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota Historical Society shall be ex officio members, and shall be in addition to the 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River Parkway Commission, hereinafter called the National Commission, giving the names and addresses of the members so appointed.

Subd. 3. **Chair, vice-chair, and secretary.** The commission may hold meetings and hearings at such time and places as it may designate to accomplish the purposes set forth in this section. It shall select a chair, a vice-chair, and such other officers from its membership as it deems necessary. The commission shall appoint a secretary who shall also serve as a commission member.

Subd. 3a. **Gifts, grants, and endowments.** The commission may accept gifts of money, property, or services; may apply for and accept grants from the United States, the state, a subdivision of the state, or a person for any of its purposes; may enter into an agreement required in connection with it; and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, or agreement relating to it. The commission may also make grants, gifts, and bequests of money, property, or services and enter into contracts to carry out the same. The gift acceptance procedures of sections 16A.013 to 16A.016 do not apply to this section.

Subd. 4. **Compensation, supplies, staff.** Compensation of legislative members of the commission is as provided in section 3.101. Compensation of the remaining members is as provided in section 15.0575. The commission may purchase supplies, employ part-time or full-time employees, and do all things reasonably necessary and convenient in carrying out the purposes of this section.

Subd. 5. **Staff from other agencies.** The commissioner of transportation shall designate one employee of the Department of Transportation who is an engineer or who has engineering experience and the commissioner of natural resources shall appoint one staff member who shall advise with and assist the commission in carrying out its functions and duties.

Subd. 6. **National Commission.** The commission shall be an affiliate of the National Commission and as a member of the National Commission may pay an annual fee for its equal share of the planning program of the National Commission.

Subd. 7. **Program review.** The commission may review the programs of the various interstate compacts, studies, planning groups and commissions involved in water and land use activities along the Mississippi River in Minnesota.

Subd. 8. **Expiration.** The commission expires on June 30, 2020.

473J.09 POWERS, DUTIES OF THE AUTHORITY.

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Subd. 14. **Study; raffle.** The authority shall study the feasibility of conducting a raffle for chances to win a pair or other limited numbers of prime seats (such as lower deck, 50 yard line seats) in the stadium for professional football games for the duration of the lease or use agreement. In conducting the study, the authority must consult with the NFL team. If the authority determines that conducting the raffle is financially feasible, the authority in cooperation with the director of the Gambling Control Board shall conduct the raffle. The proceeds of the raffle must be transmitted to the commissioner of revenue for deposit in the general fund and are appropriated to the commissioner of management and budget for prepayment of principal and interest on appropriation bonds under section 16A.965.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 2. **Period covered by agreement.** A public subsidy agreement is effective for the entire election cycle regardless of when the agreement is signed.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 3. **Effect of signing public subsidy agreement after first year of election cycle.** By signing a public subsidy agreement after the first year of an election cycle, a candidate agrees to abide by spending and contribution limits for candidates with public subsidy agreements for the entire election cycle. The candidate is subject to the same remedies for prior violations of contribution and spending limits as a candidate who signed a public subsidy agreement during the first year of the election cycle.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 4. **Effect on right to participate in political contribution refund program.** The right to issue receipts under the political contribution refund program established in Minnesota Statutes, section 290.06, subdivision 23, arises only when the public subsidy agreement is actually signed.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 5. **Expiration at end of special election cycle.** Public subsidy agreements for all candidates in a district in which a special election is held expire at the end of the special election cycle regardless of whether the candidate actually ran in the special election.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 6. **Return of public subsidy.** If a candidate who has received public subsidy money fails to file a year-end report of receipts and expenditures in an election year, the board may determine the amount of public subsidy which must be returned based on the last report filed by the candidate.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 7. **Nonreceipt of public subsidy funds.** A public subsidy agreement is binding regardless of whether the candidate actually receives funds from the state elections campaign fund.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 8. **Affidavit of contributions for special elections.** For a special election for which the filing period does not coincide with a general election, the candidate must submit the affidavit of contributions not later than five days after filing an affidavit of candidacy or nominating petition for the office sought.

4503.1400 PUBLIC SUBSIDY AGREEMENTS.

Subp. 9. **Increase for first-time candidates.** Candidates who qualify for first-time candidate status receive a ten percent increase in the campaign expenditure limit in all years of the applicable election cycle.

4503.1450 DISTRIBUTION OF GENERAL ACCOUNT PUBLIC SUBSIDY FUNDS.

Subpart 1. **Agreement.** The general account public subsidy agreement required in Minnesota Statutes, section 10A.31, subdivision 7, may be provided to candidates on a separate form, or incorporated into the public subsidy agreement. The agreement must require that the candidate spend or be legally obligated to spend at least 50 percent of the general account public subsidy payment by the end of the reporting period prior to the general election. The agreement must also provide that if the candidate does not meet this requirement, the candidate must repay the board the difference between the candidates general account public subsidy payment and the candidates total campaign expenditures as of the end of the reporting period prior to the general election. The agreement must further provide that the candidate must reimburse the board for any reasonable collection costs incurred in securing the repayment of the unused general account public subsidy payment.

Subp. 2. **Failure to repay.** A candidate who fails to repay money required by the agreement cannot be paid additional general account public subsidy funds during the current or future

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election cycles until the entirety of the unexpended general account funds, and any associated collection fees, are either repaid to the board or discharged by a court action.

Subp. 3. **Estimate of general account public subsidy payment.** For purposes of determining a candidate's fulfillment of the terms of the agreement, the board must use the September 1 certification of available funds from the commissioner of the Department of Revenue to estimate the general account public subsidy payment for the candidate's office. Using first class mail, the board must inform each candidate eligible for a general account payment of the minimum amount that must be spent to comply with the terms of the agreement.