

1.1 Senator ..... moves to amend S.F. No. 605 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **STATE GOVERNMENT APPROPRIATIONS**

1.5 Section 1. **APPROPRIATIONS.**

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
1.7 and for the purposes specified in this article. The appropriations are from the general fund,  
1.8 or another named fund, and are available for the fiscal years indicated for each purpose.

1.9 The figures "2018" and "2019" used in this article mean that the appropriations listed under  
1.10 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.  
1.11 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"  
1.12 is fiscal years 2018 and 2019.

1.13 **APPROPRIATIONS**  
1.14 **Available for the Year**  
1.15 **Ending June 30**  
1.16 **2018                      2019**

1.17 Sec. 2. **LEGISLATURE**

1.18 **Subdivision 1. Total Appropriation**                      **\$ 81,706,000** **\$ 81,512,000**

1.19 **Appropriations by Fund**

1.20		<u>2018</u>	<u>2019</u>
1.21	<u>General</u>	<u>81,578,000</u>	<u>81,384,000</u>
1.22	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

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

1.26 **Subd. 2. Senate**    **32,299,000**                      **32,105,000**

1.27 **Subd. 3. House of Representatives**                      **32,383,000**                      **32,383,000**

1.28 During the biennium ending June 30, 2019,  
1.29 any revenues received by the house of  
1.30 representatives from voluntary donations to  
1.31 support broadcast or print media are  
1.32 appropriated to the house of representatives.

1.33 **Subd. 4. Legislative Coordinating Commission**                      **17,024,000**                      **17,024,000**

2.1	<u>Appropriations by Fund</u>		
2.2		<u>2018</u>	<u>2019</u>
2.3	<u>General</u>	<u>16,896,000</u>	<u>16,896,000</u>
2.4	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

2.5 \$6,564,000 the first year and \$6,564,000 the  
 2.6 second year are for the Office of the  
 2.7 Legislative Auditor.

2.8 \$6,180,000 the first year and \$6,180,000 the  
 2.9 second year are for the Office of the Revisor  
 2.10 of Statutes.

2.11 From its funds, \$10,000 each year is for  
 2.12 purposes of the legislators' forum, through  
 2.13 which Minnesota legislators meet with  
 2.14 counterparts from South Dakota, North  
 2.15 Dakota, and Manitoba to discuss issues of  
 2.16 mutual concern.

2.17 **Sec. 3. GOVERNOR AND LIEUTENANT**  
 2.18 **GOVERNOR** **\$ 4,605,000 \$ 4,605,000**

2.19 (a) This appropriation is to fund the Office of  
 2.20 the Governor and Lieutenant Governor.

2.21 (b) Up to \$19,000 the first year and up to  
 2.22 \$19,000 the second year are for necessary  
 2.23 expenses in the normal performance of the  
 2.24 Governor's and Lieutenant Governor's duties  
 2.25 for which no other reimbursement is provided.

2.26 (c) The following amounts that are  
 2.27 appropriated from the general fund in fiscal  
 2.28 years 2018 and 2019 to the specified agency  
 2.29 and are budgeted to be transferred to the  
 2.30 governor for personnel costs incurred by the  
 2.31 Offices of the Governor and the Lieutenant  
 2.32 Governor to support the agencies are cancelled  
 2.33 to the general fund and the base for each

3.1 agency is reduced by the specified amount for  
 3.2 fiscal years 2020 and 2021.

3.3	<u>Agency</u>	<u>2018</u>	<u>2019</u>
3.4	<u>Commerce</u>	<u>67,000</u>	<u>67,000</u>
3.5	<u>Employment and</u>		
3.6	<u>Economic Development</u>	<u>109,000</u>	<u>109,000</u>
3.7	<u>Education</u>	<u>58,000</u>	<u>58,000</u>
3.8	<u>Office of Higher</u>		
3.9	<u>Education</u>	<u>25,000</u>	<u>25,000</u>
3.10	<u>Administration</u>	<u>25,000</u>	<u>25,000</u>
3.11	<u>Management and</u>		
3.12	<u>Budget</u>	<u>21,000</u>	<u>21,000</u>
3.13	<u>MN.IT Services</u>	<u>25,000</u>	<u>25,000</u>
3.14	<u>Revenue</u>	<u>41,000</u>	<u>41,000</u>
3.15	<u>Health</u>	<u>58,000</u>	<u>58,000</u>
3.16	<u>Human Services</u>	<u>247,000</u>	<u>247,000</u>
3.17	<u>Veterans Affairs</u>	<u>16,000</u>	<u>16,000</u>
3.18	<u>Military Affairs</u>	<u>17,000</u>	<u>17,000</u>
3.19	<u>Corrections</u>	<u>58,000</u>	<u>58,000</u>
3.20	<u>Transportation</u>	<u>20,000</u>	<u>20,000</u>

3.21 (d) The following amounts that are budgeted  
 3.22 to be transferred from the specified fund for  
 3.23 the specified agencies to the governor for  
 3.24 personnel costs incurred by the Offices of the  
 3.25 Governor and Lieutenant Governor to support  
 3.26 the agencies during the previous fiscal year  
 3.27 are transferred from the specified fund to the  
 3.28 general fund.

3.29	<u>Agency</u>	<u>Fund</u>	<u>2018</u>	<u>2019</u>
3.30		<u>Miscellaneous Special</u>		
3.31	<u>Agriculture</u>	<u>Revenue Fund</u>	<u>41,000</u>	<u>41,000</u>
3.32		<u>Housing Finance Agency</u>		
3.33	<u>Housing Finance Agency</u>	<u>Fund</u>	<u>33,000</u>	<u>33,000</u>
3.34		<u>Restricted Special</u>		
3.35	<u>Labor and Industry</u>	<u>Revenue Fund</u>	<u>41,000</u>	<u>41,000</u>
3.36	<u>Iron Range Resources and</u>	<u>Iron Range Resources</u>		
3.37	<u>Rehabilitation Board</u>	<u>and Rehabilitation Fund</u>	<u>26,000</u>	<u>26,000</u>
3.38		<u>Office of Higher</u>		
3.39	<u>Higher Education</u>	<u>Education Fund</u>	<u>16,000</u>	<u>16,000</u>

4.1		<u>State Employee Group</u>		
4.2	<u>Management and Budget</u>	<u>Insurance Program Fund</u>	<u>21,000</u>	<u>21,000</u>
4.3		<u>Restricted Special</u>		
4.4	<u>Public Safety</u>	<u>Revenue Fund</u>	<u>41,000</u>	<u>41,000</u>
4.5		<u>Miscellaneous Special</u>		
4.6	<u>Natural Resources</u>	<u>Revenue Fund</u>	<u>84,000</u>	<u>84,000</u>
4.7		<u>Miscellaneous Special</u>		
4.8	<u>Pollution Control Agency</u>	<u>Revenue Fund</u>	<u>67,000</u>	<u>67,000</u>
4.9	<u>Transportation</u>	<u>Transit Assistance Fund</u>	<u>40,000</u>	<u>40,000</u>
4.10		<u>County State-Aid Roads</u>		
4.11	<u>Transportation</u>	<u>Fund</u>	<u>30,000</u>	<u>30,000</u>
4.12		<u>Municipal State-Aid</u>		
4.13	<u>Transportation</u>	<u>Roads Fund</u>	<u>9,000</u>	<u>9,000</u>
4.14	<b>Sec. 4. <u>STATE AUDITOR</u></b>			
4.15	<b><u>Subdivision 1. Total Appropriation</u></b>		<b><u>\$ 7,062,000</u></b>	<b><u>\$ 7,062,000</u></b>
4.16	<u>The amounts that may be spent for each</u>			
4.17	<u>purpose are specified in the following</u>			
4.18	<u>subdivisions.</u>			
4.19	<b><u>Subd. 2. Audit Practice</u></b>		<b><u>5,081,000</u></b>	<b><u>5,081,000</u></b>
4.20	<b><u>Subd. 3. Legal and Special Investigations</u></b>		<b><u>318,000</u></b>	<b><u>318,000</u></b>
4.21	<b><u>Subd. 4. Government Information</u></b>		<b><u>598,000</u></b>	<b><u>598,000</u></b>
4.22	<b><u>Subd. 5. Pension Oversight</u></b>		<b><u>448,000</u></b>	<b><u>448,000</u></b>
4.23	<b><u>Subd. 6. Operations Management</u></b>		<b><u>358,000</u></b>	<b><u>358,000</u></b>
4.24	<b><u>Subd. 7. Constitutional Office</u></b>		<b><u>259,000</u></b>	<b><u>259,000</u></b>
4.25	<b>Sec. 5. <u>ATTORNEY GENERAL</u></b>			
4.26	<b><u>Subdivision 1. Total Appropriation</u></b>		<b><u>\$ 23,247,000</u></b>	<b><u>\$ 23,247,000</u></b>
4.27	<u>Appropriations by Fund</u>			
4.28		<u>2018</u>	<u>2019</u>	
4.29	<u>General</u>	<u>20,465,000</u>	<u>20,465,000</u>	
4.30	<u>State Government</u>			
4.31	<u>Special Revenue</u>	<u>2,387,000</u>	<u>2,387,000</u>	
4.32	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>	
4.33	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>	

5.1 The amounts that may be spent for each  
 5.2 purpose are specified in the following  
 5.3 subdivisions.

5.4 Subd. 2. Government Legal Services 3,652,000 3,652,000

5.5 Subd. 3. Regulatory Law and Professions 4,984,000 4,984,000

5.6 Appropriations by Fund

5.7 2018 2019

5.8 General 2,223,000 2,223,000

5.9 State Government

5.10 Special Revenue 2,366,000 2,366,000

5.11 Environmental 250,000 250,000

5.12 Remediation 145,000 145,000

5.13 Subd. 4. State Government Services 6,157,000 6,157,000

5.14 Appropriations by Fund

5.15 2018 2019

5.16 General 6,136,000 6,136,000

5.17 State Government

5.18 Special Revenue 21,000 21,000

5.19 Subd. 5. Civil Law Section 3,010,000 3,010,000

5.20 Subd. 6. Civil Litigation 1,495,000 1,495,000

5.21 Subd. 7. Administrative Operations 3,949,000 3,949,000

5.22 Sec. 6. SECRETARY OF STATE

5.23 Subdivision 1. Total Appropriation \$ 7,933,000 \$ 6,240,000

5.24 The base for fiscal year 2020 is \$,6,129,000

5.25 and the base for fiscal year 2021 is

5.26 \$6,129,000.

5.27 The amounts that may be spent for each

5.28 purpose are specified in the following

5.29 subdivisions.

6.1	<u>Subd. 2. Administration</u>		<u>594,000</u>	<u>606,000</u>
6.2	<u>Subd. 3. Safe at Home</u>		<u>609,000</u>	<u>625,000</u>
6.3	<u>Subd. 4. Business Services</u>		<u>1,617,000</u>	<u>1,391,000</u>
6.4	<u>Subd. 5. Elections</u>		<u>5,113,000</u>	<u>3,618,000</u>
6.5	<u>\$1,804,000 the first year is for the voting</u>			
6.6	<u>equipment grant established in article 3,</u>			
6.7	<u>section 1. This is a onetime appropriation.</u>			
6.8	<b><u>Sec. 7. CAMPAIGN FINANCE AND PUBLIC</u></b>			
6.9	<b><u>DISCLOSURE BOARD</u></b>	<b><u>\$</u></b>	<b><u>976,000</u></b>	<b><u>\$ 976,000</u></b>
6.10	<b><u>Sec. 8. INVESTMENT BOARD</u></b>	<b><u>\$</u></b>	<b><u>139,000</u></b>	<b><u>\$ 139,000</u></b>
6.11	<b><u>Sec. 9. ADMINISTRATIVE HEARINGS</u></b>	<b><u>\$</u></b>	<b><u>7,633,000</u></b>	<b><u>\$ 7,633,000</u></b>
6.12	<u>Appropriations by Fund</u>			
6.13		<u>2018</u>	<u>2019</u>	
6.14	<u>General</u>	<u>383,000</u>	<u>383,000</u>	
6.15	<u>Workers'</u>			
6.16	<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>	
6.17	<b><u>Campaign Violations Hearings. \$115,000</u></b>			
6.18	<u>in fiscal year 2018 and \$115,000 in fiscal year</u>			
6.19	<u>2019 are appropriated from the general fund</u>			
6.20	<u>for the cost of considering complaints filed</u>			
6.21	<u>under Minnesota Statutes, section 211B.32.</u>			
6.22	<u>These amounts may be used in either year of</u>			
6.23	<u>the biennium.</u>			
6.24	<u>\$6,000 in fiscal year 2018 and \$6,000 in fiscal</u>			
6.25	<u>year 2019 are appropriated from the general</u>			
6.26	<u>fund to the Office of Administrative Hearings</u>			
6.27	<u>for the cost of considering data practices</u>			
6.28	<u>complaints filed under Minnesota Statutes,</u>			
6.29	<u>section 13.085. These amounts may be used</u>			
6.30	<u>in either year of the biennium.</u>			
6.31	<b><u>Sec. 10. MN.IT SERVICES</u></b>	<b><u>\$</u></b>	<b><u>4,622,000</u></b>	<b><u>\$ 2,622,000</u></b>

7.1 \$3,300,000 the first year and \$1,300,000 the  
7.2 second year are for enhancements to  
7.3 cybersecurity across state government.

7.4 \$5,000,000 of the unobligated balance as of  
7.5 March 15, 2017, in the information and  
7.6 telecommunications technology systems and  
7.7 services account in the special revenue fund  
7.8 must be used for enhancements to  
7.9 cybersecurity across state government. At the  
7.10 end of the fiscal year 2016-2017 biennium, an  
7.11 additional \$5,000,000 of unexpended agency  
7.12 operating dollars transferred into the account  
7.13 must be used for cybersecurity enhancements  
7.14 across state government. The state chief  
7.15 information officer must report to the chairs  
7.16 and ranking minority members of the  
7.17 committees in the senate and house of  
7.18 representatives with jurisdiction over state  
7.19 government finance by August 15, 2017, on  
7.20 how the \$10,000,000 in funds will be used to  
7.21 enhance cybersecurity.

7.22 The commissioner of management and budget  
7.23 is authorized to provide cash flow assistance  
7.24 of up to \$110,000,000 from the special  
7.25 revenue fund or other statutory general funds  
7.26 as defined in Minnesota Statutes, section  
7.27 16A.671, subdivision 3, paragraph (a), to the  
7.28 Office of MN.IT Services for the purpose of  
7.29 managing revenue and expenditure  
7.30 differences. These funds shall be repaid with  
7.31 interest by the end of the fiscal year 2019  
7.32 closing period.

7.33 During the biennium ending June 30, 2019,  
7.34 MN.IT Services must not charge fees to a  
7.35 public noncommercial educational television

8.1 broadcast station eligible for funding under  
 8.2 Minnesota Statutes, chapter 129D, for access  
 8.3 to the state broadcast infrastructure. If the  
 8.4 access fees not charged to public  
 8.5 noncommercial educational television  
 8.6 broadcast stations total more than \$400,000  
 8.7 for the biennium, the office may charge for  
 8.8 access fees in excess of these amounts.

8.9 **Sec. 11. ADMINISTRATION**

8.10 **Subdivision 1. Total Appropriation**                    **\$**            **20,036,000**   **\$**            **19,536,000**

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

8.14	<b><u>Subd. 2. Government and Citizen Services</u></b>		<b><u>6,901,000</u></b>	<b><u>6,901,000</u></b>
8.15	<b><u>(a) Council on Developmental Disabilities</u></b>		<b><u>74,000</u></b>	<b><u>74,000</u></b>
8.16	<b><u>(b) Materials Management</u></b>			
8.17	<b><u>Division</u></b>		<b><u>2,400,000</u></b>	<b><u>2,400,000</u></b>
8.18	<b><u>(c) Real Estate and</u></b>			
8.19	<b><u>Construction Services</u></b>		<b><u>2,466,000</u></b>	<b><u>2,466,000</u></b>
8.20	<b><u>(d) Enterprise Real Property</u></b>			
8.21	<b><u>Program</u></b>		<b><u>674,000</u></b>	<b><u>674,000</u></b>
8.22	<b><u>(e) State Archeologist</u></b>		<b><u>215,000</u></b>	<b><u>215,000</u></b>
8.23	<b><u>(f) Information Policy</u></b>			
8.24	<b><u>Analysis</u></b>		<b><u>525,000</u></b>	<b><u>525,000</u></b>
8.25	<b><u>(g) State Demographer</u></b>		<b><u>547,000</u></b>	<b><u>547,000</u></b>
8.26	<b><u>Subd. 3. Fiscal Agent</u></b>		<b><u>11,277,000</u></b>	<b><u>10,777,000</u></b>

8.27 The appropriations under this section are to  
 8.28 the commissioner of administration for the  
 8.29 purposes specified.

8.30 **In-Lieu of Rent. \$8,158,000 the first year and**  
 8.31 **\$8,158,000 the second year are for space costs**  
 8.32 **of the legislature and veterans organizations,**  
 8.33 **ceremonial space, and statutorily free space.**



9.1 **Public Broadcasting.** (a) \$1,550,000 the first  
9.2 year and \$1,550,000 the second year are for  
9.3 matching grants for public television.

9.4 (b) \$250,000 the first year and \$250,000 the  
9.5 second year are for public television  
9.6 equipment grants under Minnesota Statutes,  
9.7 section 129D.13.

9.8 (c) \$100,000 the first year is for a grant to  
9.9 Twin Cities Public Television to produce the  
9.10 Vietnam: Minnesota Remembers project.

9.11 (d) The commissioner of administration must  
9.12 consider the recommendations of the  
9.13 Minnesota Public Television Association  
9.14 before allocating the amount appropriated in  
9.15 paragraphs (a) and (b) for equipment or  
9.16 matching grants.

9.17 (e) \$392,000 the first year and \$392,000 the  
9.18 second year are for community service grants  
9.19 to public educational radio stations. This  
9.20 appropriation may be used to disseminate  
9.21 emergency information in foreign languages.

9.22 (f) \$117,000 the first year and \$117,000 the  
9.23 second year are for equipment grants to public  
9.24 educational radio stations. This appropriation  
9.25 may be used for the repair, rental, and  
9.26 purchase of equipment including equipment  
9.27 under \$500.

9.28 (g) \$310,000 the first year and \$310,000 the  
9.29 second year are for equipment grants to  
9.30 Minnesota Public Radio, Inc., including  
9.31 upgrades to Minnesota's Emergency Alert and  
9.32 AMBER Alert Systems.

9.33 (h) \$400,000 the first year is for a grant to  
9.34 Minnesota Public Radio, Inc. for upgrades to

10.1 Minnesota's Emergency Alert and AMBER  
10.2 Alert Systems.

10.3 (i) The appropriations in paragraphs (e), (f),  
10.4 (g), and (h), may not be used for indirect costs  
10.5 claimed by an institution or governing body.

10.6 (j) The commissioner of administration must  
10.7 consider the recommendations of the  
10.8 Minnesota Public Educational Radio Stations  
10.9 before awarding grants under Minnesota  
10.10 Statutes, section 129D.14, using the  
10.11 appropriations in paragraphs (e) and (f). No  
10.12 grantee is eligible for a grant unless they are  
10.13 a member of the Association of Minnesota  
10.14 Public Educational Radio Stations on or before  
10.15 July 1, 2015.

10.16 (k) Any unencumbered balance remaining the  
10.17 first year for grants to public television or  
10.18 radio stations does not cancel and is available  
10.19 for the second year.

10.20 **Sec. 12. CAPITOL AREA ARCHITECTURAL**  
10.21 **AND PLANNING BOARD**                    \$                    327,000 \$                    327,000

10.22 **Sec. 13. MINNESOTA MANAGEMENT AND**  
10.23 **BUDGET**

10.24 **Subdivision 1. Total Appropriation**                    \$                    21,922,000 \$                    21,922,000

10.25 The amounts that may be spent for each  
10.26 purpose are specified in the following  
10.27 subdivisions.

11.1	<u>Subd. 2. Accounting Services</u>		<u>4,489,000</u>	<u>4,489,000</u>
11.2	<u>Subd. 3. Budget Services</u>		<u>3,376,000</u>	<u>3,376,000</u>
11.3	<u>Subd. 4. Economic Analysis</u>		<u>507,000</u>	<u>507,000</u>
11.4	<u>Subd. 5. Debt Management</u>		<u>439,000</u>	<u>439,000</u>
11.5	<u>Subd. 6. Enterprise Human Resources</u>		<u>3,209,000</u>	<u>3,209,000</u>
11.6	<u>Subd. 7. Labor Relations</u>		<u>1,039,000</u>	<u>1,039,000</u>
11.7	<u>Subd. 8. Agency Administration</u>		<u>7,870,000</u>	<u>7,870,000</u>
11.8	<u>Subd. 9. Enterprise Communication and</u>			
11.9	<u>Planning</u>		<u>993,000</u>	<u>993,000</u>
11.10	<u>The commissioner must report to the chairs</u>			
11.11	<u>and ranking minority members of the</u>			
11.12	<u>committees in the senate and house of</u>			
11.13	<u>representatives with jurisdiction over state</u>			
11.14	<u>government finance by September 15 of each</u>			
11.15	<u>year on funding for the executive recruiter</u>			
11.16	<u>position that was supported by appropriations</u>			
11.17	<u>to other agencies during the previous fiscal</u>			
11.18	<u>year.</u>			
11.19	<b>Sec. 14. REVENUE</b>			
11.20	<b>Subdivision 1. Total Appropriation</b>	<b>\$</b>	<b><u>141,784,000</u></b>	<b>\$ <u>141,784,000</u></b>
11.21	<u>Appropriations by Fund</u>			
11.22		<u>2018</u>	<u>2019</u>	
11.23	<u>General</u>	<u>137,548,000</u>	<u>137,548,000</u>	
11.24	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>	
11.25	<u>Highway User Tax</u>			
11.26	<u>Distribution</u>	<u>2,184,000</u>	<u>2,184,000</u>	
11.27	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>	
11.28	<b>Subd. 2. Tax System Management</b>		<u>114,313,000</u>	<u>114,313,000</u>
11.29	<u>Appropriations by Fund</u>			
11.30		<u>2018</u>	<u>2019</u>	
11.31	<u>General</u>	<u>110,077,000</u>	<u>110,077,000</u>	
11.32	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>	
11.33	<u>Highway User Tax</u>			
11.34	<u>Distribution</u>	<u>2,184,000</u>	<u>2,184,000</u>	

12.1	<u>Environmental</u>	<u>303,000</u>	<u>30300</u>	
12.2	<b><u>(a) Operations Support</u></b>			
12.3	<u>General</u>			<u>9,627,000</u> <u>9,627,000</u>
12.4	<u>Health Care Access</u>			<u>126,000</u> <u>126,000</u>
12.5	<b><u>Taxpayer Assistance Grants. \$400,000 in</u></b>			
12.6	<u>fiscal year 2018 and \$400,000 in fiscal year</u>			
12.7	<u>2019 from the general fund are for grants to</u>			
12.8	<u>one or more nonprofit organizations,</u>			
12.9	<u>qualifying under section 501(c)(3) of the</u>			
12.10	<u>Internal Revenue Code of 1986, to coordinate,</u>			
12.11	<u>facilitate, encourage, and aid in the provision</u>			
12.12	<u>of taxpayer assistance services. The</u>			
12.13	<u>unencumbered balance in the first year does</u>			
12.14	<u>not cancel but is available for the second year.</u>			
12.15	<u>For purposes of this appropriation, "taxpayer</u>			
12.16	<u>assistance services" means accounting and tax</u>			
12.17	<u>preparation services provided by volunteers</u>			
12.18	<u>to low-income, elderly, and disadvantaged</u>			
12.19	<u>Minnesota residents to help them file federal</u>			
12.20	<u>and state income tax returns, Minnesota</u>			
12.21	<u>property tax refund claims, and to provide</u>			
12.22	<u>personal representation before the Department</u>			
12.23	<u>of Revenue and Internal Revenue Service.</u>			
12.24	<b><u>(b) Appeals, Legal Services, and Tax Research</u></b>			
12.25	<u>General</u>			<u>6,961,000</u> <u>6,961,000</u>
12.26	<u>Health Care Access</u>			<u>113,000</u> <u>113,000</u>
12.27	<b><u>(c) Payment and Return Processing</u></b>			
12.28	<u>General</u>			<u>12,650,000</u> <u>12,650,000</u>
12.29	<u>Health Care Access</u>			<u>51,000</u> <u>51,000</u>
12.30	<u>Highway User Tax</u>			
12.31	<u>Distribution</u>			<u>343,000</u> <u>343,000</u>
12.32	<b><u>(d) Administration of State Taxes</u></b>			
12.33	<u>General</u>			<u>54,958,000</u> <u>54,958,000</u>
12.34	<u>Health Care Access</u>			<u>1,407,000</u> <u>1,407,000</u>
12.35	<u>Highway User Tax</u>			
12.36	<u>Distribution</u>			<u>1,621,000</u> <u>1,621,000</u>

13.1	<u>Environmental</u>		<u>303,000</u>	<u>303,000</u>
13.2	<b><u>(e) Technology Development, Implementation,</u></b>			
13.3	<b><u>and Support</u></b>			
13.4	<u>General</u>		<u>21,873,000</u>	<u>21,873,000</u>
13.5	<u>Health Care Access</u>		<u>52,000</u>	<u>52,000</u>
13.6	<u>Highway User Tax</u>			
13.7	<u>Distribution</u>		<u>220,000</u>	<u>220,000</u>
13.8	<b><u>(f) Property Tax Administration and State Aid</u></b>			
13.9	<u>General</u>		<u>4,008,000</u>	<u>4,008,000</u>
13.10	<b><u>Subd. 3. Debt Collection Management</u></b>		<u>27,471,000</u>	<u>27,471,000</u>
13.11	Sec. 15. <b><u>GAMBLING CONTROL</u></b>	<b><u>\$</u></b>	<b><u>3,324,000</u></b>	<b><u>\$ 3,324,000</u></b>
13.12	<u>These appropriations are from the lawful</u>			
13.13	<u>gambling regulation account in the special</u>			
13.14	<u>revenue fund.</u>			
13.15	Sec. 16. <b><u>RACING COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>835,000</u></b>	<b><u>\$ 890,000</u></b>
13.16	<u>These appropriations are from the racing and</u>			
13.17	<u>card playing regulation accounts in the special</u>			
13.18	<u>revenue fund.</u>			
13.19	Sec. 17. <b><u>STATE LOTTERY</u></b>			
13.20	<u>Notwithstanding Minnesota Statutes, section</u>			
13.21	<u>349A.10, subdivision 3, the operating budget</u>			
13.22	<u>must not exceed \$32,500,000 in fiscal year</u>			
13.23	<u>2018 and \$33,000,000 in fiscal year 2019.</u>			
13.24	Sec. 18. <b><u>AMATEUR SPORTS COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>7,458,000</u></b>	<b><u>\$ 292,000</u></b>
13.25	<b><u>Mighty Ducks.</u></b> \$7,166,000 in fiscal year 2018			
13.26	<u>is appropriated from the general fund for the</u>			
13.27	<u>purpose of making grants under Minnesota</u>			
13.28	<u>Statutes, section 240A.09, paragraph (b). This</u>			
13.29	<u>appropriation is onetime and is available until</u>			
13.30	<u>June 30, 2019.</u>			

14.1	<b>Sec. 19. <u>COUNCIL ON MINNESOTANS OF</u></b>			
14.2	<b><u>AFRICAN HERITAGE</u></b>	<b>\$</b>	<b><u>401,000</u></b>	<b>\$ <u>401,000</u></b>
14.3	<b>Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u></b>	<b>\$</b>	<b><u>386,000</u></b>	<b>\$ <u>386,000</u></b>
14.4	<b>Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC</u></b>			
14.5	<b><u>MINNESOTANS</u></b>	<b>\$</b>	<b><u>364,000</u></b>	<b>\$ <u>364,000</u></b>
14.6	<b>Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u></b>	<b>\$</b>	<b><u>576,000</u></b>	<b>\$ <u>576,000</u></b>
14.7	<b>Sec. 23. <u>MINNESOTA HISTORICAL</u></b>			
14.8	<b><u>SOCIETY</u></b>			
14.9	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>21,013,000</u></b>	<b>\$ <u>21,013,000</u></b>
14.10	<b><u>The amounts that may be spent for each</u></b>			
14.11	<b><u>purpose are specified in the following</u></b>			
14.12	<b><u>subdivisions.</u></b>			
14.13	<b><u>Subd. 2. Operations and Programs</u></b>		<b><u>20,731,000</u></b>	<b><u>20,731,000</u></b>
14.14	<b><u>Notwithstanding Minnesota Statutes, section</u></b>			
14.15	<b><u>138.668, the Minnesota Historical Society may</u></b>			
14.16	<b><u>not charge a fee for its general tours at the</u></b>			
14.17	<b><u>Capitol, but may charge fees for special</u></b>			
14.18	<b><u>programs other than general tours.</u></b>			
14.19	<b><u>Subd. 3. Fiscal Agent</u></b>			
14.20	<b><u>(a) Minnesota Air National Guard Museum</u></b>		<b><u>17,000</u></b>	<b><u>17,000</u></b>
14.21	<b><u>(b) Hockey Hall of Fame</u></b>		<b><u>100,000</u></b>	<b><u>100,000</u></b>
14.22	<b><u>(c) Minnesota Military Museum</u></b>		<b><u>50,000</u></b>	<b><u>50,000</u></b>
14.23	<b><u>(d) Farmamerica</u></b>		<b><u>115,000</u></b>	<b><u>115,000</u></b>
14.24	<b><u>Balances Forward. Any unencumbered</u></b>			
14.25	<b><u>balance remaining in this subdivision the first</u></b>			
14.26	<b><u>year does not cancel but is available for the</u></b>			
14.27	<b><u>second year of the biennium.</u></b>			
14.28	<b>Sec. 24. <u>BOARD OF THE ARTS</u></b>			
14.29	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>7,500,000</u></b>	<b>\$ <u>7,500,000</u></b>

15.1	<u>The amounts that may be spent for each</u>		
15.2	<u>purpose are specified in the following</u>		
15.3	<u>subdivisions.</u>		
15.4	<b><u>Subd. 2. Operations and Services</u></b>	<u>561,000</u>	<u>561,000</u>
15.5	<b><u>Subd. 3. Grants Program</u></b>	<u>4,800,000</u>	<u>4,800,000</u>
15.6	<b><u>Subd. 4. Regional Arts Councils</u></b>	<u>2,139,000</u>	<u>2,139,000</u>
15.7	<b><u>Unencumbered Balance Available. Any</u></b>		
15.8	<u>unencumbered balance remaining in this</u>		
15.9	<u>section the first year does not cancel, but is</u>		
15.10	<u>available for the second year of the biennium.</u>		
15.11	<b><u>Projects located in Minnesota; travel</u></b>		
15.12	<b><u>restriction.</u></b> <u>Money appropriated in this section</u>		
15.13	<u>and distributed as grants may only be spent</u>		
15.14	<u>on projects located in Minnesota. A recipient</u>		
15.15	<u>of a grant funded by an appropriation in this</u>		
15.16	<u>section must not use more than ten percent of</u>		
15.17	<u>the total grant for costs related to travel outside</u>		
15.18	<u>the state of Minnesota.</u>		
15.19	Sec. 25. <b><u>MINNESOTA HUMANITIES CENTER</u></b> \$	<u>316,000</u> \$	<u>316,000</u>
15.20	Sec. 26. <b><u>BOARD OF ACCOUNTANCY</u></b> \$	<u>609,000</u> \$	<u>609,000</u>
15.21	Sec. 27. <b><u>BOARD OF ARCHITECTURE</u></b>		
15.22	<b><u>ENGINEERING, LAND SURVEYING,</u></b>		
15.23	<b><u>LANDSCAPE ARCHITECTURE,</u></b>		
15.24	<b><u>GEOSCIENCE, AND INTERIOR DESIGN</u></b> \$	<u>754,000</u> \$	<u>754,000</u>
15.25	Sec. 28. <b><u>BOARD OF COSMETOLOGIST</u></b>		
15.26	<b><u>EXAMINERS</u></b> \$	<u>2,455,000</u> \$	<u>2,455,000</u>
15.27	<u>The executive director must report quarterly</u>		
15.28	<u>to the chairs and ranking minority members</u>		
15.29	<u>of the committees in the house of</u>		
15.30	<u>representatives and senate with jurisdiction</u>		
15.31	<u>over state government finance on the number</u>		
15.32	<u>of inspections conducted by license type in</u>		
15.33	<u>the past quarter, number and percent of total</u>		

16.1 salons and schools inspected within the last  
 16.2 year, total number of licensees by type, and  
 16.3 the number of inspectors employed by the  
 16.4 board. The first report must be submitted by  
 16.5 July 15, 2017.

16.6 Sec. 29. **BOARD OF BARBER EXAMINERS** \$ **308,000** \$ **308,000**

16.7 Sec. 30. **GENERAL CONTINGENT**  
 16.8 **ACCOUNTS** \$ **1,000,000** \$ **500,000**

<u>Appropriations by Fund</u>			
	<u>2018</u>	<u>2019</u>	
16.11 <u>General</u>	<u>500,000</u>	<u>-0-</u>	
16.12 <u>State Government</u>			
16.13 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>	
16.14 <u>Workers'</u>			
16.15 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>	

16.16 (a) The appropriations in this section may only  
 16.17 be spent with the approval of the governor  
 16.18 after consultation with the Legislative  
 16.19 Advisory Commission pursuant to Minnesota  
 16.20 Statutes, section 3.30.

16.21 (b) If an appropriation in this section for either  
 16.22 year is insufficient, the appropriation for the  
 16.23 other year is available for it.

16.24 (c) If a contingent account appropriation is  
 16.25 made in one fiscal year, it should be  
 16.26 considered a biennial appropriation.

16.27 Sec. 31. **TORT CLAIMS** \$ **161,000** \$ **161,000**

16.28 These appropriations are to be spent by the  
 16.29 commissioner of management and budget  
 16.30 according to Minnesota Statutes, section  
 16.31 3.736, subdivision 7. If the appropriation for  
 16.32 either year is insufficient, the appropriation  
 16.33 for the other year is available for it.





18.1 **Sec. 34. TEACHERS RETIREMENT**18.2 **ASSOCIATION** **\$ 29,831,000 \$ 29,831,000**18.3 The amounts estimated to be needed are as18.4 follows:18.5 **Special Direct State Aid. \$27,331,000 the**18.6 first year and \$27,331,000 the second year are18.7 for special direct state aid authorized under18.8 Minnesota Statutes, section 354.436.18.9 **Special Direct State Matching Aid.**18.10 **\$2,500,000 the first year and \$2,500,000 the**18.11 second year are for special direct state18.12 matching aid authorized under Minnesota18.13 Statutes, section 354.435.18.14 **Sec. 35. ST. PAUL TEACHERS RETIREMENT**18.15 **FUND** **\$ 9,827,000 \$ 9,827,000**18.16 The amounts estimated to be needed for18.17 special direct state aid to the first class city18.18 teachers retirement fund association authorized18.19 under Minnesota Statutes, section 354A.12,18.20 subdivisions 3a and 3c.18.21 **Sec. 36. SAVINGS FROM INSURANCE OPT OUT; APPROPRIATION**18.22 **REDUCTION FOR EXECUTIVE AGENCIES.**18.23 The commissioner of management and budget must reduce general fund appropriations18.24 to executive agencies, including constitutional offices, for agency operations for the biennium18.25 ending June 30, 2019, by \$4,394,000 due to savings from permitting employees to opt out18.26 of insurance coverage under the state employee group insurance coverage.18.27 If savings obtained through permitting employees to opt out of insurance coverage under18.28 the state employee group insurance coverage yield savings in nongeneral funds other than18.29 those established in the state constitution or protected by federal law, the commissioner of18.30 management and budget may transfer the amount of savings to the general fund. The amount18.31 transferred to the general fund from other funds reduces the required general fund reduction18.32 in this section. Reductions made in 2019 must be reflected as reductions in agency base18.33 budgets for fiscal years 2020 and 2021. The commissioner of management and budget must

19.1 report to the chairs and ranking minority members of the committees in the senate Finance  
19.2 Committee and the house of representatives Ways and Means Committee regarding the  
19.3 amount of reductions in spending by each agency under this subdivision.

19.4 **Sec. 37. SAVINGS FROM INFORMATION TECHNOLOGY CONSOLIDATION**  
19.5 **COMPLETION; APPROPRIATION REDUCTION FOR MN.IT.**

19.6 The appropriation to the Office of MN.IT Services for the biennium ending June 30,  
19.7 2019, is reduced by \$3,000,000 due to savings on personnel costs resulting from efficiencies  
19.8 achieved through completion of the executive branch information technology consolidation  
19.9 required by Laws 2011, First Special Session chapter 10, article 4, section 7, as amended  
19.10 by Laws 2013, chapter 134, section 29.

19.11 If savings obtained through completion of information technology consolidation yield  
19.12 savings in nongeneral funds other than those established in the state constitution or protected  
19.13 by federal law, the chief information officer may transfer the amount of savings to the  
19.14 general fund. The amount transferred to the general fund from other funds reduces the  
19.15 required general fund reduction in this section. Reductions made in 2019 must be reflected  
19.16 as reductions in agency base budgets for fiscal years 2020 and 2021.

19.17 **Sec. 38. APPROPRIATION CANCELLATIONS.**

19.18 All unspent funds of the James Metzen Mighty Ducks Ice Center Development Act,  
19.19 estimated to be \$7,166,000, as provided in Minnesota Statutes, section 240A.085, under  
19.20 Laws 2016, chapter 189, article 13, section 56, are canceled to the general fund on June 30,  
19.21 2017.

19.22 **ARTICLE 2**

19.23 **MISCELLANEOUS**

19.24 **Section 1.** Minnesota Statutes 2016, section 3.855, subdivision 2, is amended to read:

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

20.1 (b) The commissioner shall submit to the chair of the commission any negotiated  
20.2 collective bargaining agreements, arbitration awards, compensation plans, or salaries for  
20.3 legislative approval or disapproval. Negotiated agreements shall be submitted within five  
20.4 days of the date of approval by the commissioner or the date of approval by the affected  
20.5 state employees, whichever occurs later. Arbitration awards shall be submitted within five  
20.6 days of their receipt by the commissioner. If the commission disapproves a collective  
20.7 bargaining agreement, award, compensation plan, or salary, the commission shall specify  
20.8 in writing to the parties those portions with which it disagrees and its reasons. If the  
20.9 commission approves a collective bargaining agreement, award, compensation plan, or  
20.10 salary, it shall submit the matter to the legislature to be accepted or rejected under this  
20.11 section.

20.12 (c) When the legislature is not in session, the commission may give interim approval to  
20.13 a negotiated collective bargaining agreement, salary, compensation plan, or arbitration  
20.14 award. ~~When the legislature is not in session, failure of the commission to disapprove a~~  
20.15 ~~collective bargaining agreement or arbitration award within 30 days constitutes approval.~~  
20.16 The commission shall submit the negotiated collective bargaining agreements, salaries,  
20.17 compensation plans, or arbitration awards for which it has provided approval to the entire  
20.18 legislature for ratification at a special legislative session called to consider them or at its  
20.19 next regular legislative session as provided in this section. Approval or disapproval by the  
20.20 commission is not binding on the legislature.

20.21 (d) When the legislature is not in session, the proposed collective bargaining agreement,  
20.22 arbitration decision, salary, or compensation plan must be implemented upon its approval  
20.23 by the commission, and state employees covered by the proposed agreement or arbitration  
20.24 decision do not have the right to strike while the interim approval is in effect. Wages and  
20.25 economic fringe benefit increases provided for in the agreement or arbitration decision paid  
20.26 in accordance with the interim approval by the commission are not affected, but the wages  
20.27 or benefit increases must cease to be paid or provided effective upon the rejection of the  
20.28 agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the  
20.29 legislature without acting on it.

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

20.31 Sec. 2. Minnesota Statutes 2016, section 4.46, is amended to read:

20.32 **4.46 WASHINGTON OFFICE.**

20.33 The governor may appoint employees for the Washington, D.C., office of the state of  
20.34 Minnesota and may prescribe their duties. In the operation of the office, the governor may

21.1 expend money appropriated by the legislature to the governor for promotional purposes in  
21.2 the same manner as private persons, firms, corporations, and associations expend money  
21.3 for promotional purposes. Promotional expenditures for food, lodging, or travel are not  
21.4 governed by the travel rules of the commissioner of management and budget. An agency  
21.5 may not transfer money to the governor for services provided by the governor or expenses  
21.6 incurred in operating a Washington, D.C., office or for staff working on federal issues.

21.7 Sec. 3. Minnesota Statutes 2016, section 6.481, subdivision 6, is amended to read:

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

21.13 Sec. 4. Minnesota Statutes 2016, section 6.56, subdivision 2, is amended to read:

21.14 Subd. 2. **Billings by state auditor.** Upon the examination of the books, records, accounts,  
21.15 and affairs of any political subdivision, as provided by law, such political subdivision shall  
21.16 be liable to the state for the total cost and expenses of such examination, including the  
21.17 salaries paid to the examiners while actually engaged in making such examination. The  
21.18 state auditor may bill such political subdivision periodically for service rendered and the  
21.19 officials responsible for approving and paying claims are authorized to pay said bill promptly.  
21.20 Said payments shall be without prejudice to any defense against said claims that may exist  
21.21 or be asserted. The ~~state auditor enterprise~~ general fund shall be credited with all collections  
21.22 made for any such examinations, including interest payments made pursuant to subdivision  
21.23 3.

21.24 Sec. 5. Minnesota Statutes 2016, section 6.581, subdivision 4, is amended to read:

21.25 Subd. 4. **Reports to legislature.** At least 30 days before implementing increased charges  
21.26 for examinations, the state auditor must report the proposed increases to the chairs and  
21.27 ranking minority members of the committees in the house of representatives and the senate  
21.28 with jurisdiction over the budget of the state auditor. By January 15 of each odd-numbered  
21.29 year, the state auditor must report to the chairs and ranking minority members of the  
21.30 legislative committees and divisions with primary jurisdiction over the budget of the state  
21.31 auditor a summary of ~~the state auditor enterprise fund~~ anticipated revenues, and expenditures  
21.32 related to examinations for the biennium ending June 30 of that year. The report must also  
21.33 include for the biennium the number of full-time equivalents ~~paid by the fund~~ related to the

22.1 examinations, any audit rate changes stated as a percentage, the number of audit reports  
22.2 issued, and the number of counties audited.

22.3 **Sec. 6. [6.92] LITIGATION EXPENSES.**

22.4 (a) Unless funds are otherwise expressly provided by law for this purpose, all costs  
22.5 incurred by the state auditor in preparing and asserting a civil claim or appeal, or in defending  
22.6 against a civil claim or appeal, related to the proper exercise of the auditor's constitutionally  
22.7 authorized core functions must be paid by the auditor's constitutional office division. Only  
22.8 allocations made to the constitutional office division may be used to pay these costs. The  
22.9 state auditor must report to the chairs and ranking minority members of the committees in  
22.10 the house of representatives and the senate with jurisdiction over the Office of the State  
22.11 Auditor by May 1, 2017, and January 1, 2018, and each January 1 thereafter, on the state  
22.12 auditor's litigation expenses. The report must list each lawsuit the state auditor has brought  
22.13 or is defending, the grounds for each suit, the litigation expenses incurred since the previous  
22.14 report under this section, and the projected expenses to complete the suit.

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

22.18 **Sec. 7. Minnesota Statutes 2016, section 14.18, subdivision 1, is amended to read:**

22.19 **Subdivision 1. Generally. Unless a later date is required by section 14.126 or other law**  
22.20 **or is specified in the rule, a rule is effective after:**

22.21 (1) it has been subjected to all requirements described in sections 14.131 to 14.20 ~~and~~  
22.22 ~~five working days after;~~

22.23 (2) the notice of adoption is published in the State Register ~~unless a later date is required~~  
22.24 ~~by section 14.126 or other law or specified in the rule;~~ and

22.25 (3) it has been approved by a law enacted after publication of the notice of adoption- ~~if~~  
22.26 ~~any of the following applies:~~

22.27 (i) the rule is enacted ~~without a specific authorization of rulemaking to enact rules to~~  
22.28 ~~implement a specific statute section;~~

22.29 (ii) a sanction or penalty can be imposed for failure to comply with the rule; or

22.30 (iii) the regulating agency has the authority to adjudicate a dispute with a regulated entity  
22.31 about enforcement of or violation of the rule.

23.1 If the rule adopted is the same as the proposed rule, publication may be made by  
23.2 publishing notice in the State Register that the rule has been adopted as proposed and by  
23.3 citing the prior publication. If the rule adopted differs from the proposed rule, the portions  
23.4 of the adopted rule that differ from the proposed rule must be included in the notice of  
23.5 adoption together with a citation to the prior State Register publication of the remainder of  
23.6 the proposed rule. The nature of the modifications must be clear to a reasonable person  
23.7 when the notice of adoption is considered together with the State Register publication of  
23.8 the proposed rule, except that modifications may also be made that comply with the form  
23.9 requirements of section 14.07, subdivision 7.

23.10 If the agency omitted from the notice of proposed rule adoption the text of the proposed  
23.11 rule, as permitted by section 14.14, subdivision 1a, paragraph (b), the chief administrative  
23.12 law judge may provide that the notice of the adopted rule need not include the text of any  
23.13 changes from the proposed rule. However, the notice of adoption must state in detail the  
23.14 substance of the changes made from the proposed rule, and must state that a free copy of  
23.15 the portion of the adopted rule that was the subject of the rulemaking proceeding, not  
23.16 including any material adopted by reference as permitted by section 14.07, is available upon  
23.17 request to the agency.

23.18 Sec. 8. Minnesota Statutes 2016, section 14.27, is amended to read:

23.19 **14.27 PUBLICATION OF ADOPTED RULE; EFFECTIVE DATE.**

23.20 (a) Except as provided in paragraph (b), The rule is effective upon after publication of  
23.21 the notice of adoption in the State Register in the same manner as provided for adopted  
23.22 rules in section 14.18.

23.23 (b) A rule is effective after publication of the notice of adoption in the State Register  
23.24 and after approval by law in the same manner as provided for adopted rules in section 14.18,  
23.25 if any of the following applies:

23.26 (1) the rule is enacted without a specific authorization of rulemaking to enact rules to  
23.27 implement a specific statute section;

23.28 (2) a sanction or penalty can be imposed for failure to comply with the rule; or

23.29 (3) the regulating agency has the authority to adjudicate a dispute with a regulated entity  
23.30 about enforcement of or violation of the rule.

23.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
23.32 applies to rules for which a notice of adoption is published on or after that date.

24.1 Sec. 9. Minnesota Statutes 2016, section 14.389, subdivision 3, is amended to read:

24.2 Subd. 3. **Adoption.** (a) The agency may modify a proposed rule if the modifications do  
 24.3 not result in a substantially different rule, as defined in section 14.05, subdivision 2,  
 24.4 paragraphs (b) and (c). If the final rule is identical to the rule originally published in the  
 24.5 State Register, the agency must publish a notice of adoption in the State Register. If the  
 24.6 final rule is different from the rule originally published in the State Register, the agency  
 24.7 must publish a copy of the changes in the State Register. The agency must also file a copy  
 24.8 of the rule with the governor. ~~The rule is effective upon publication in the State Register.~~

24.9 (b) Except as provided in paragraph (c), the rule is effective upon publication in the  
 24.10 State Register.

24.11 (c) The rule is effective upon publication of the notice of adoption if it has been approved  
 24.12 by a law enacted after publication of the notice of adoption, if any of the following applies:

24.13 (1) the rule is enacted without a specific authorization of rulemaking to enact rules to  
 24.14 implement a specific statute section;

24.15 (2) a sanction or penalty can be imposed for failure to comply with the rule; or

24.16 (3) the regulating agency has the authority to adjudicate a dispute with a regulated entity  
 24.17 about enforcement of or violation of the rule.

24.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 24.19 applies to rules for which a notice of adoption is published on or after that date.

24.20 Sec. 10. Minnesota Statutes 2016, section 14.57, is amended to read:

24.21 **14.57 INITIATION; DECISION; AGREEMENT TO ARBITRATE.**

24.22 (a) An agency shall initiate a contested case proceeding when one is required by law.  
 24.23 ~~Unless otherwise provided by law, An agency shall decide~~ submit a contested case ~~only to~~  
 24.24 the Office of Administrative Hearings for disposition in accordance with the contested case  
 24.25 procedures of the Administrative Procedure Act. Upon initiation of a contested case  
 24.26 proceeding, ~~an agency may, by order, provide that~~ the report or order of the administrative  
 24.27 law judge constitutes the final decision in the case.

24.28 (b) As an alternative to initiating or continuing with a contested case proceeding, the  
 24.29 parties, subsequent to agency approval, may enter into a written agreement to submit the  
 24.30 issues raised to arbitration by an administrative law judge according to sections 572B.01  
 24.31 to 572B.31.



25.1 **EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to contested  
25.2 cases initiated on or after that date.

25.3 Sec. 11. **[14.605] AFFIRMATIVE DEFENSE.**

25.4 In a contested case or any other action to enforce a rule or to sanction or penalize a  
25.5 person for violation of a rule, a person shall have an affirmative defense if the person shows  
25.6 by a preponderance of the evidence that the cost for the person to comply with the rule  
25.7 exceeds \$50,000.

25.8 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
25.9 applies to rules for which a notice of adoption is published on or after that date.

25.10 Sec. 12. **[16A.1282] TRANSFERS TO THE GOVERNOR.**

25.11 An agency shall not transfer money to the governor for services provided by the governor  
25.12 or to reimburse expenses incurred by the governor.

25.13 Sec. 13. Minnesota Statutes 2016, section 16A.90, is amended to read:

25.14 **16A.90 EMPLOYEE GAINSHARING SYSTEM.**

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

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

25.25 (2) the award ~~must~~ may be paid in an amount up to \$2,500 per employee per award from  
25.26 the an appropriation to which the savings accrued the agency for operations that is not  
25.27 otherwise designated for a specific purpose by law; and

25.28 (3) employees whose primary job responsibility is to identify cost savings or ways of  
25.29 providing better or more efficient state services are generally not eligible for bonus  
25.30 compensation under this section except in extraordinary circumstances as defined by the  
25.31 commissioner.

26.1 Subd. 2. Biannual legislative report. No later than August 1, 2017, and biannually  
26.2 thereafter, the commissioner must report to the chairs and ranking minority members of the  
26.3 committees of the house of representatives and the senate with jurisdiction over Minnesota  
26.4 Management and Budget on the status of the program required by this section. The report  
26.5 must detail:

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

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

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

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

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

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

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

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

26.27 Sec. 14. Minnesota Statutes 2016, section 16B.371, is amended to read:

26.28 **16B.371 ASSISTANCE TO SMALL AGENCIES.**

26.29 (a) The commissioner may provide administrative support services to small agencies.  
26.30 To promote efficiency and cost-effective use of state resources, and to improve financial  
26.31 controls, the commissioner may require a small agency to receive administrative support  
26.32 services through the Department of Administration or through another agency designated

27.1 by the commissioner. Services subject to this section include finance, accounting, payroll,  
27.2 purchasing, human resources, and other services designated by the commissioner. The  
27.3 commissioner may determine what constitutes a small agency for purposes of this section.  
27.4 The commissioner, in consultation with the commissioner of management and budget and  
27.5 small agencies, shall evaluate small agencies' needs for administrative support services. If  
27.6 the commissioner provides administrative support services to a small agency, the  
27.7 commissioner must enter into a service level agreement with the agency, specifying the  
27.8 services to be provided and the costs and anticipated outcomes of the services.

27.9 (b) The Minnesota Council on Latino Affairs, the Council for Minnesotans of African  
27.10 Heritage, the Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the  
27.11 Minnesota State Council on Disability must use the services specified in paragraph (a).

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

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

27.18 Sec. 15. Minnesota Statutes 2016, section 16E.0466, is amended to read:

27.19 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

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

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

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

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

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

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

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

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

28.14 Sec. 16. Minnesota Statutes 2016, section 43A.17, subdivision 11, is amended to read:

28.15 Subd. 11. **Severance pay for certain employees.** (a) For purposes of this subdivision,  
28.16 "highly compensated employee" means an employee of the state whose estimated annual  
28.17 compensation is greater than 60 percent of the governor's annual salary, and who is not  
28.18 covered by a collective bargaining agreement negotiated under chapter 179A or a  
28.19 compensation plan authorized under section 43A.18, subdivision 3a.

28.20 (b) Severance pay for a highly compensated employee includes benefits or compensation  
28.21 with a quantifiable monetary value, that are provided for an employee upon termination of  
28.22 employment and are not part of the employee's annual wages and benefits and are not  
28.23 specifically excluded by this subdivision. Severance pay does not include payments for  
28.24 accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to  
28.25 cover the cost of group term insurance. Severance pay for a highly compensated employee  
28.26 does not include payments of periodic contributions by an employer toward premiums for  
28.27 group insurance policies. The severance pay for a highly compensated employee must be  
28.28 excluded from retirement deductions and from any calculations of retirement benefits.  
28.29 Severance pay for a highly compensated employee must be paid in a manner mutually  
28.30 agreeable to the employee and the employee's appointing authority over a period not to  
28.31 exceed five years from retirement or termination of employment. If a retired or terminated  
28.32 employee dies before all or a portion of the severance pay has been disbursed, the balance  
28.33 due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Except

29.1 as provided in paragraph (c), severance pay provided for a highly compensated employee  
29.2 leaving employment may not exceed ~~an amount equivalent to six months of pay~~ the lesser  
29.3 of:

29.4 (1) six months pay; or

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

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

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

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

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

29.21 (e) Severance pay shall not be paid to a highly compensated employee who has been  
29.22 employed by the appointing authority for less than six months or who voluntarily terminates  
29.23 employment.

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

29.25 Sec. 17. Minnesota Statutes 2016, section 43A.24, is amended by adding a subdivision to  
29.26 read:

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

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

30.5 Sec. 18. Minnesota Statutes 2016, section 155A.23, is amended by adding a subdivision  
30.6 to read:

30.7 Subd. 9a. **Salon manager.** A "salon manager" is any person who is a practitioner and  
30.8 licensed to serve as a designated licensed salon manager, as defined in section 155A.23,  
30.9 subdivision 15.

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

30.11 Sec. 19. Minnesota Statutes 2016, section 155A.23, subdivision 10, is amended to read:

30.12 Subd. 10. **School.** A "school" is a place where any person ~~operates and maintains a class~~  
30.13 ~~to teach~~ provides training on regulated cosmetology to the public for compensation services  
30.14 requiring licensure. "School" does not include a place where the only teaching of cosmetology  
30.15 is done by a licensed cosmetologist as part of a community education program of less than  
30.16 ten hours duration, provided that the program does not permit practice on persons other  
30.17 than students in the program, and provided that the program is intended solely for the  
30.18 self-improvement of the students and not as preparation for professional practice. a continuing  
30.19 education course required for license renewal, additional training offered to licensed  
30.20 individuals, or training intended solely for the self-improvement of the attendees and not  
30.21 as preparation for professional practice.

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

30.23 Sec. 20. Minnesota Statutes 2016, section 155A.23, subdivision 15, is amended to read:

30.24 Subd. 15. **Designated licensed salon manager.** A "designated licensed salon manager"  
30.25 is a licensed salon manager designated by a salon owner and registered with the board, who  
30.26 is responsible with the salon owner for salon and practitioner compliance.

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

30.28 Sec. 21. Minnesota Statutes 2016, section 155A.23, subdivision 16, is amended to read:

30.29 Subd. 16. **School manager.** A "school manager" is a ~~cosmetologist who is a salon~~  
30.30 ~~manager and who has a school manager license. A school manager must maintain an active~~

31.1 ~~salon manager's license~~ person who is licensed to serve as a designated school manager, as  
 31.2 defined in section 155A.23, subdivision 17.

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

31.4 Sec. 22. Minnesota Statutes 2016, section 155A.29, subdivision 1, is amended to read:

31.5 Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation  
 31.6 unless the services are provided by a licensee in a licensed salon or as otherwise provided  
 31.7 in this section. Each salon must be licensed as ~~a cosmetology salon, a nail salon, esthetician~~  
 31.8 ~~salon, advanced practice esthetician salon, or eyelash extension salon.~~ A salon may hold  
 31.9 more than one type of salon license.

31.10 Sec. 23. Minnesota Statutes 2016, section 155A.29, subdivision 2, is amended to read:

31.11 Subd. 2. **Requirements.** The conditions and process by which a salon is licensed shall  
 31.12 be established by the board by rule. In addition to those requirements, no license shall be  
 31.13 issued unless the board first determines that the conditions in clauses (1) to (5) have been  
 31.14 satisfied:

31.15 (1) compliance with all local and state laws, particularly relating to matters of infection  
 31.16 control, health, and safety;

31.17 (2) the ~~employment~~ appointment of a designated licensed salon manager, as defined in  
 31.18 section 155A.23, subdivision ~~8~~ 15;

31.19 (3) if applicable, evidence of compliance with workers' compensation section 176.182;  
 31.20 and

31.21 (4) evidence of continued professional liability insurance coverage of at least \$25,000  
 31.22 for each claim and \$50,000 total coverage for each policy year for each operator.

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

31.24 Sec. 24. Minnesota Statutes 2016, section 155A.30, subdivision 2, is amended to read:

31.25 Subd. 2. **Standards.** The board shall by rule establish minimum standards of course  
 31.26 content and length specific to the educational preparation prerequisite to testing and  
 31.27 practitioner licensing as cosmetologist, esthetician, and nail technician.

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

32.1 Sec. 25. Minnesota Statutes 2016, section 155A.30, subdivision 5, is amended to read:

32.2 Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the  
32.3 board first determines that the applicant has met the requirements in clauses (1) to ~~(8)~~ (9):

32.4 (1) the applicant must have a sound financial condition with sufficient resources available  
32.5 to meet the school's financial obligations; to refund all tuition and other charges, within a  
32.6 reasonable period of time, in the event of dissolution of the school or in the event of any  
32.7 justifiable claims for refund against the school; to provide adequate service to its students  
32.8 and prospective students; and to maintain proper use and support of the school;

32.9 (2) the applicant must have satisfactory training facilities with sufficient tools and  
32.10 equipment and the necessary number of work stations to adequately train the students  
32.11 currently enrolled, and those proposed to be enrolled;

32.12 (3) the applicant must employ a sufficient number of qualified instructors trained by  
32.13 experience and education to give the training contemplated;

32.14 (4) the premises and conditions under which the students work and study must be sanitary,  
32.15 healthful, and safe according to modern standards;

32.16 (5) each occupational course or program of instruction or study must be of such quality  
32.17 and content as to provide education and training that will adequately prepare enrolled  
32.18 students for testing, licensing, and entry level positions ~~as a cosmetologist, esthetician, or~~  
32.19 ~~nail technician~~;

32.20 (6) the school must have coverage by professional liability insurance of at least \$25,000  
32.21 per incident and an accumulation of \$150,000 for each premium year;

32.22 (7) the applicant shall provide evidence of the school's compliance with section 176.182;

32.23 (8) the applicant, except the state and its political subdivisions as described in section  
32.24 ~~471.617~~ 13.02, subdivision ~~1~~ 11, ~~shall~~ must file with the board a continuous corporate surety  
32.25 bond in the amount of no less than ten percent of the preceding year's gross income from  
32.26 student tuition, fees, and other required institutional charges, but in no event less than  
32.27 \$10,000, conditioned upon the faithful performance of all contracts and agreements with  
32.28 students made by the applicant. New schools must base the bond amount on the anticipated  
32.29 gross income from student tuition, fees, and other required institutional charges for the third  
32.30 year of operation, but in no event less than \$10,000. The applicant must compute the amount  
32.31 of the surety bond and verify that the amount of the surety bond complies with this  
32.32 subdivision. The bond shall run to the ~~state of Minnesota~~ board and to any person who may  
32.33 have a cause of action against the applicant arising at any time after the bond is filed and



33.1 before it is canceled for breach of any contract or agreement made by the applicant with  
 33.2 any student. ~~The aggregate liability of the surety for all breaches of the conditions of the~~  
 33.3 ~~bond shall not exceed \$10,000.~~ The surety of the bond may cancel it upon giving 60 days'  
 33.4 notice in writing to the board and shall be relieved of liability for any breach of condition  
 33.5 occurring after the effective date of cancellation; and

33.6 (9) the applicant must, ~~at all times during the term of the license, employ~~ appoint a  
 33.7 designated ~~licensed~~ school manager ~~who maintains a cosmetology salon manager license.~~

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

33.9 Sec. 26. Minnesota Statutes 2016, section 179A.20, is amended by adding a subdivision  
 33.10 to read:

33.11 **Subd. 2b. Limited by appropriation.** A public employer may not contract to pay more  
 33.12 to employees in compensation and benefits in a biennium than is permitted under an approved  
 33.13 spending plan as provided in section 16A.14.

33.14 Sec. 27. Minnesota Statutes 2016, section 240.15, subdivision 6, is amended to read:

33.15 **Subd. 6. Disposition of proceeds; account.** The commission shall distribute all money  
 33.16 received under this section, and, except as provided otherwise by section 240.131, all money  
 33.17 received from license fees, regulatory fees, and fines it collects, according to this subdivision.  
 33.18 All money designated for deposit in the Minnesota breeders fund must be paid into that  
 33.19 fund for distribution under section 240.18 except that all money generated by simulcasts  
 33.20 must be distributed as provided in section 240.18, subdivisions 2, paragraph (d), clauses  
 33.21 (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must  
 33.22 be paid to the local unit of government at whose request it was imposed, at times and in a  
 33.23 manner the commission determines. Taxes received under this section must be paid to the  
 33.24 commissioner of management and budget for deposit in the general fund. All revenues from  
 33.25 licenses and other fees imposed by the commission must be deposited in the state treasury  
 33.26 and credited to a racing and card playing regulation account in the special revenue fund.  
 33.27 Receipts in this account are available for the operations of the commission up to the amount  
 33.28 authorized in biennial appropriations from the legislature. If a fiscal biennium ends without  
 33.29 the enactment of an appropriation to the commission for the following biennium, receipts  
 33.30 in this account are annually appropriated to the commission for the operations of the  
 33.31 commission up to the amount authorized in the second year of the most recently enacted  
 33.32 biennial appropriation, until a biennial appropriation is enacted.

34.1 Sec. 28. Minnesota Statutes 2016, section 240.155, subdivision 1, is amended to read:

34.2 Subdivision 1. **Reimbursement account credit.** Money received by the commission as  
34.3 reimbursement for the costs of services provided by veterinarians, stewards, ~~and~~ medical  
34.4 testing of horses, and fees received by the commission in the form of fees for regulatory  
34.5 services must be deposited in the state treasury and credited to a racing reimbursement  
34.6 account in the special revenue fund, except as provided under subdivision 2. Receipts are  
34.7 appropriated, within the meaning of Article XI, section 1, of the Minnesota Constitution,  
34.8 to the commission to pay the costs of providing the services and all other costs necessary  
34.9 to allow the commission to fulfill its regulatory oversight duties required by chapter 240  
34.10 and commission rule. If the major appropriation bills needed to finance state government  
34.11 are not enacted by the beginning of a fiscal biennium, the commission shall continue  
34.12 operations as required by chapter 240 and commission rule.

34.13 Sec. 29. **[240.1561] APPROPRIATION FOR FUNCTIONS SUPPORTING ONGOING**  
34.14 **OPERATION OF THE RACING COMMISSION.**

34.15 If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate  
34.16 money for the next biennium to the commissioner of management and budget for central  
34.17 accounting, procurement, payroll, and human resources functions, amounts necessary to  
34.18 operate those functions associated with operation of the Racing Commission under chapter  
34.19 240 are appropriated for the next biennium from the general fund to the commissioner of  
34.20 management and budget. As necessary, the commissioner may transfer a portion of this  
34.21 appropriation to other state agencies to support carrying out these functions. Any subsequent  
34.22 appropriation to the commissioner of management and budget for a biennium in which this  
34.23 section has been applied shall supersede and replace the funding authorized in this section.

34.24 Sec. 30. Minnesota Statutes 2016, section 240A.09, is amended to read:

34.25 **240A.09 PLAN DEVELOPMENT; CRITERIA.**

34.26 The Minnesota Amateur Sports Commission shall develop a plan to promote the  
34.27 development of proposals for new statewide public ice facilities including proposals for ice  
34.28 centers and matching grants based on the criteria in this section.

34.29 (a) For ice center proposals, the commission will give priority to proposals that come  
34.30 from more than one local government unit. Institutions of higher education are not eligible  
34.31 to receive a grant.

35.1 (b) The commission must give priority to grant applications for indoor air quality  
35.2 improvements and projects that eliminate R-22. For purposes of this section:

35.3 (1) "indoor air quality improvements" means: (i) renovation or replacement of heating,  
35.4 ventilating, and air conditioning systems in existing indoor ice arenas whose ice resurfacing  
35.5 and ice edging equipment are not powered by electricity in order to reduce concentrations  
35.6 of carbon monoxide and nitrogen dioxide; and (ii) acquisition of zero-emission ice resurfacing  
35.7 and ice edging equipment. The new or renovated systems may include continuous electronic  
35.8 air monitoring devices to automatically activate the ventilation systems when the  
35.9 concentration of carbon monoxide or nitrogen dioxide reaches a predetermined level; and

35.10 (2) "projects that eliminate R-22," means replacement of ice-making systems in existing  
35.11 public facilities that use R-22 as a refrigerant, with systems that use alternative  
35.12 non-ozone-depleting refrigerants.

35.13 (c) In the metropolitan area as defined in section 473.121, subdivision 2, the commission  
35.14 is encouraged to give priority to the following proposals:

35.15 (1) proposals for construction of two or more ice sheets in a single new facility;

35.16 (2) proposals for construction of an additional sheet of ice at an existing ice center;

35.17 (3) proposals for construction of a new, single sheet of ice as part of a sports complex  
35.18 with multiple sports facilities; and

35.19 (4) proposals for construction of a new, single sheet of ice that will be expanded to a  
35.20 two-sheet facility in the future.

35.21 (d) The commission shall administer a site selection process for the ice centers. The  
35.22 commission shall invite proposals from cities or counties or consortia of cities. A proposal  
35.23 for an ice center must include matching contributions including in-kind contributions of  
35.24 land, access roadways and access roadway improvements, and necessary utility services,  
35.25 landscaping, and parking.

35.26 (e) Proposals for ice centers and matching grants must provide for meeting the demand  
35.27 for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to  
35.28 female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m.  
35.29 to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

35.30 (f) The location for all proposed facilities must be in areas of maximum demonstrated  
35.31 interest and must maximize accessibility to an arterial highway.

36.1 (g) To the extent possible, all proposed facilities must be dispersed equitably, must be  
36.2 located to maximize potential for full utilization and profitable operation, and must  
36.3 accommodate noncompetitive family and community skating for all ages.

36.4 (h) The commission may also use the money to upgrade current facilities, purchase girls'  
36.5 ice time, or conduct amateur women's hockey and other ice sport tournaments.

36.6 (i) To the extent possible, 50 percent of all grants must be awarded to communities in  
36.7 greater Minnesota.

36.8 (j) To the extent possible, technical assistance shall be provided to Minnesota  
36.9 communities by the commission on ice arena planning, design, and operation, including the  
36.10 marketing of ice time and on projects described in paragraph (b).

36.11 (k) A grant for new facilities may not exceed \$250,000.

36.12 (l) The commission may make grants for rehabilitation and renovation. A rehabilitation  
36.13 or renovation grant for air quality may not exceed \$200,000 and a rehabilitation or renovation  
36.14 grant for R-22 elimination may not exceed ~~\$50,000~~ \$250,000 for indirect cooling systems  
36.15 and may not exceed ~~\$400,000~~ \$500,000 for direct cooling systems. Priority must be given  
36.16 to grant applications for indoor air quality improvements, including zero emission ice  
36.17 resurfacing equipment, and for projects that eliminate R-22.

36.18 (m) Grant money may be used for ice centers designed for sports other than hockey.

36.19 (n) Grant money may be used to upgrade existing facilities to comply with the bleacher  
36.20 safety requirements of section 326B.112.

36.21 Sec. 31. Minnesota Statutes 2016, section 349A.08, subdivision 2, is amended to read:

36.22 Subd. 2. **Prizes not assignable.** A prize in the state lottery is not assignable ~~except as~~  
36.23 ~~provided in subdivision 3 and~~ except that:

36.24 (1) if a prize winner dies before the prize is paid, the director shall pay the prize to the  
36.25 prize winner's estate; and

36.26 (2) the director may pay a prize to a person other than the winner of that prize under an  
36.27 appropriate court order.

36.28 Sec. 32. Minnesota Statutes 2016, section 349A.10, subdivision 6, is amended to read:

36.29 Subd. 6. **Budget; plans.** (a) The director shall prepare and submit a biennial budget plan  
36.30 to the commissioner of management and budget. The governor shall recommend the  
36.31 maximum amount available for the lottery in the budget the governor submits to the

37.1 legislature under section 16A.11. The maximum amount available to the lottery for operating  
37.2 expenses and capital expenditures shall be determined by law. In addition, the director shall  
37.3 appear at least once each fiscal year before the senate and house of representatives committees  
37.4 having jurisdiction over gambling policy to present and explain the lottery's plans for future  
37.5 games and the related advertising and promotions and spending plans for the next fiscal  
37.6 year.

37.7 (b) For purposes of this section, operating expenses shall not include:

37.8 (1) expenses that are a direct function of lottery sales, which include the cost of lottery  
37.9 prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts  
37.10 paid to produce and deliver scratch lottery games, and amounts paid to an outside vendor  
37.11 to operate and maintain an online gaming system. ~~In addition, the director shall appear at~~  
37.12 ~~least once each fiscal year before the senate and house of representatives committees having~~  
37.13 ~~jurisdiction over gambling policy to present and explain the lottery's plans for future games~~  
37.14 ~~and the related advertising and promotions and spending plans for the next fiscal year.~~; and

37.15 (2) expenses related solely to the noncash year-end adjustment required for government  
37.16 agencies to adjust the net actuarially determined pension liability which includes deferred  
37.17 inflows, deferred outflows, noncash pension expense, unrestricted net deficit, and net pension  
37.18 liability, in accordance with Statement 68 of the Governmental Accounting Standards Board.

37.19 Sec. 33. **TRANSITION.**

37.20 Notwithstanding any law to the contrary, receipts received by the state auditor on or  
37.21 after July 1, 2017, from examinations conducted by the state auditor under Minnesota  
37.22 Statutes, chapter 6, must be credited to the general fund. Amounts in the state auditor  
37.23 enterprise fund at the end of fiscal year 2017 are transferred to the general fund.

37.24 Sec. 34. **ADVISORY TASK FORCE ON FISCAL NOTES.**

37.25 Subdivision 1. **Membership.** The Advisory Task Force on Fiscal Notes consists of the  
37.26 following 13 voting members:

37.27 (1) four senators, including two senators appointed by the senate majority leader and  
37.28 two senators appointed by the senate minority leader;

37.29 (2) four members of the house of representatives, including two members appointed by  
37.30 the speaker of the house of representatives and two members appointed by the minority  
37.31 leader of the house of representatives;

37.32 (3) the commissioner of management and budget or a designee;

- 38.1 (4) the state budget director or designee;  
38.2 (5) two fiscal note coordinators selected by the commissioner of management and budget;  
38.3 and  
38.4 (6) one member appointed by the governor from the Office of the Governor.

38.5 The lead fiscal analyst for the senate or a designee and the chief fiscal analyst for the  
38.6 house of representatives or a designee shall serve on the task force as nonvoting members.

38.7 Subd. 2. **Fiscal note.** As used in this section, "fiscal note" means a document containing  
38.8 the items listed in Minnesota Statutes, section 3.98, subdivision 2.

38.9 Subd. 3. **Duties.** The task force shall conduct a review of options for providing fiscal  
38.10 notes to the legislature and the executive branch. The task force shall compare the current  
38.11 fiscal note process with a fiscal note process coordinated by a new legislative budget office.  
38.12 In evaluating options and developing recommendations, the task force shall consider the  
38.13 following:

38.14 (1) the legislative auditor's 2012 report on fiscal notes;

38.15 (2) the needs of the legislature for timely, accurate, unbiased fiscal notes prepared in a  
38.16 cost-effective manner;

38.17 (3) the time it takes to obtain a fiscal note under the current system and the time it is  
38.18 expected to take to obtain a fiscal note through a new legislative budget office;

38.19 (4) the accuracy of fiscal notes under the current system and the anticipated accuracy  
38.20 of fiscal notes from a new legislative budget office;

38.21 (5) methods used by other states for preparing fiscal notes;

38.22 (6) the effect that legislative scheduling and amendments have on accuracy and timing  
38.23 of fiscal notes, under the current system or through a new legislative budget office;

38.24 (7) the extent to which legislative staff suggest changes and corrections to fiscal notes  
38.25 and the responsiveness of the executive branch to those suggestions under the current fiscal  
38.26 note process and the anticipated responsiveness of a new legislative budget office;

38.27 (8) the cost of generating fiscal notes under the current system and the cost for generating  
38.28 fiscal notes under a new legislative budget office;

38.29 (9) whether there are sufficient safeguards under the current fiscal note process to ensure  
38.30 that fiscal notes are generated without political or ideological bias or influence and what

39.1 safeguards would need to be put in place to ensure that a new legislative budget office would  
39.2 generate fiscal notes without political or ideological bias or influence; and

39.3 (10) options for additional duties for a new legislative budget office that would  
39.4 complement the duty to generate fiscal notes, including a role for the office in  
39.5 performance-based budgeting.

39.6 Subd. 4. **Report.** The task force shall report to the chairs and ranking minority members  
39.7 of the committees in the house of representatives and senate with jurisdiction over the fiscal  
39.8 note process by June 1, 2018, with recommendations for modifying the fiscal note process.  
39.9 The report must include any draft legislation needed to implement the recommendations.

39.10 Subd. 5. **Chair.** The task force shall elect a chair by a majority vote of those members  
39.11 present.

39.12 Subd. 6. **Meetings.** The meetings of the commission are subject to Minnesota Statutes,  
39.13 section 3.055.

39.14 Subd. 7. **Administration.** The Legislative Coordinating Commission shall provide  
39.15 administrative services for the task force.

39.16 Subd. 8. **Compensation.** Members who are not legislators serve without compensation.

39.17 Subd. 9. **Expiration.** This section expires the day after submitting the report required  
39.18 in subdivision 3.

39.19 Subd. 10. **First appointments.** Appointing authorities must make initial appointments  
39.20 to the Advisory Task Force on Fiscal Notes by June 1, 2017.

39.21 Subd. 11. **First meeting.** The majority leader of the senate shall designate one senate  
39.22 member of the Advisory Task Force on Fiscal Notes to convene the first meeting by August  
39.23 1, 2017. The commission must select a chair from among the senate members at the first  
39.24 meeting.

39.25 Sec. 35. **MN.IT; PERFORMANCE OUTCOMES REQUIRED.**

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

40.1 Subd. 2. **Information technology efficiencies and solutions.** No later than December  
40.2 31, 2018, the state chief information officer shall:

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

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

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

40.6 Subd. 3. **Personnel efficiencies.** No later than June 30, 2019, the state chief information  
40.7 officer shall reduce the Office of MN.IT Services' total cost for personnel by at least  
40.8 \$3,000,000.

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

40.17 Sec. 36. **REIMBURSEMENT OF LEGAL COSTS FOR WRIGHT, BECKER, AND**  
40.18 **RAMSEY COUNTIES.**

40.19 The state auditor shall reimburse Wright, Becker, and Ramsey Counties for legal fees  
40.20 incurred and costs and disbursements made as a result of defending against the state auditor's  
40.21 lawsuit against them.

40.22 Sec. 37. **SCHEDULE OF CHARGES.**

40.23 Notwithstanding Minnesota Statutes, section 6.581, subdivision 3, or any other law to  
40.24 the contrary, the rates included in the state auditor's schedule of charges for examinations  
40.25 conducted in calendar year 2017 must be no greater than the rates included in the schedule  
40.26 of charges established for examinations conducted in calendar year 2016.

40.27 Sec. 38. **LEGISLATIVE COMMISSION TO REVIEW CONSOLIDATION OF THE**  
40.28 **STATE'S INFORMATION TECHNOLOGY.**

40.29 Subdivision 1. **Definitions.** As used in this section, "information technology" means  
40.30 information and telecommunications technology systems and services; and "consolidation"



41.1 means the reorganization of the state's information technology under a single agency as  
41.2 provided under Laws 1997, chapter 202.

41.3 Subd. 2. **Membership.** The Legislative Commission to Review Consolidation of the  
41.4 State's Information Technology consists of the following eight members:

41.5 (1) four senators, including two senators appointed by the senate majority leader and  
41.6 two senators appointed by the senate minority leader; and

41.7 (2) four members of the house of representatives, including two members appointed by  
41.8 the speaker of the house of representatives and two members appointed by the house minority  
41.9 leader.

41.10 Subd. 3. **Terms; vacancies.** Members of the commission serve until the commission  
41.11 sunsets. A vacancy in the membership of the commission must be filled for the unexpired  
41.12 term in a manner that preserves the representation established by this section.

41.13 Subd. 4. **Duties.** The commission shall review the results achieved by the state's  
41.14 consolidation of its information technology under one agency.

41.15 Subd. 5. **Chair.** The commission shall elect a chair by a majority vote of those members  
41.16 present.

41.17 Subd. 6. **Meetings.** The meetings of the commission are subject to Minnesota Statutes,  
41.18 section 3.055, except that the commission may close a meeting when necessary to safeguard  
41.19 the state's cyber security.

41.20 Subd. 7. **Administration.** The Legislative Coordinating Commission shall provide  
41.21 administrative services for the commission.

41.22 Subd. 8. **Compensation.** Members may receive per diem for attending commission  
41.23 meetings in accordance with the rules of their respective bodies and may be reimbursed for  
41.24 their reasonable expenses as provided by the rules of their respective legislative bodies.

41.25 Subd. 9. **Report.** By April 30, 2018, the commission shall report the results of the  
41.26 commission's review to the chairs and ranking minority members of the committees in the  
41.27 senate and in the house of representatives with jurisdiction over state government policy  
41.28 and state government finance. The report should address the following topics:

41.29 (1) the number of full-time employees that provided information technology services to  
41.30 state agencies prior to the consolidation and the number of full-time employees that provide  
41.31 information technology services to state agencies in fiscal year 2017;

42.1 (2) the cost to the state of information technology in the year prior to consolidation and  
42.2 the cost in fiscal year 2017;

42.3 (3) the usefulness, effectiveness, and efficiency of information technology now used by  
42.4 state agencies and how this compares to prior consolidation;

42.5 (4) the responsiveness of MN.IT staff to requests for service from state agencies, and  
42.6 how this compares to the responsiveness of information technology staff prior to  
42.7 consolidation; and

42.8 (5) a conclusion as to whether a consolidated information technology office is the best  
42.9 option for supplying information technology to state agencies.

42.10 Subd. 10. **Sunset.** The commission sunsets April 30, 2018, or the day after submission  
42.11 of the report required in subdivision 9, whichever is earlier.

42.12 Subd. 11. **First appointments.** Appointing authorities must make initial appointments  
42.13 to the Legislative Commission to Review Consolidation of the State's Information  
42.14 Technology by June 1, 2017.

42.15 Subd. 12. **First meeting.** The member designated by the senate majority leader shall  
42.16 convene the first meeting of the Legislative Commission to Review Consolidation of the  
42.17 State's Information Technology under section 1 by September 15, 2017.

42.18 Sec. 39. **EYELASH TECHNICIAN GRANDFATHERING.**

42.19 (a) The board must issue grandfathered eyelash technician licenses no later than February  
42.20 1, 2018, under the conditions in this section:

42.21 (b) A complete grandfathering application for an eyelash technician license must be  
42.22 received in the board office between August 1, 2017, and January 31, 2018, and must contain:

42.23 (1) proof of a high school diploma or equivalent;

42.24 (2) proof of completion of an eyelash extension training course before July 1, 2017;

42.25 (3) proof of completion of a six-hour board-approved public health and safety course  
42.26 provided by a board-licensed school or a board-recognized professional association organized  
42.27 under chapter 317A. Four hours must be related to health, safety, and infection control and  
42.28 two hours must be related to Minnesota laws and rules governing cosmetology;

42.29 (4) original passing results no more than one year old of board-approved laws and rules  
42.30 test and theory tests; and

42.31 (5) the practitioner fees required under section 155A.25.

43.1 (c) A complete grandfathering application for an eyelash salon manager license must  
43.2 be received in the board office between August 1, 2017, and January 31, 2018, and must  
43.3 contain:

43.4 (1) proof of a high school diploma or equivalent;

43.5 (2) proof of completion of an eyelash extension training course before July 1, 2017;

43.6 (3) documentation of at least 2,700 hours of experience performing eyelash extensions  
43.7 within the last three years;

43.8 (4) original passing results no more than one year old of board-approved laws and rules  
43.9 test and theory tests;

43.10 (5) original passing results no more than one year old of board-approved salon manager  
43.11 test;

43.12 (6) proof of a six-hour board-approved public health and safety course provided by a  
43.13 board-licensed school or a board-recognized professional association organized under  
43.14 chapter 317A. Four hours must be related to infection control and two hours must be related  
43.15 to Minnesota laws and rules; and

43.16 (7) the practitioner fees required under section 155A.25.

43.17 (d) Grandfathered licenses must not be expedited under section 155A.25, subdivision  
43.18 7. The application timelines under section 155A.25, subdivisions 5, 6, and 8, do not apply  
43.19 to grandfathered licenses.

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

43.21 **Sec. 40. MINNESOTA ADMINISTRATIVE RULES STATUS SYSTEM (MARSS)**  
43.22 **WORKING GROUP.**

43.23 Subdivision 1. **Creation.** The MARSS working group consists of the following nine  
43.24 members:

43.25 (1) the chief judge of the Office of Administrative Hearings, or a designee;

43.26 (2) the secretary of state, or a designee;

43.27 (3) a representative from the Interagency Rules Committee (IRC) appointed by the  
43.28 committee;

43.29 (4) a representative from each of the following agencies with rulemaking experience  
43.30 appointed by the appropriate commissioner:

- 44.1 (i) the Department of Health;  
44.2 (ii) the Minnesota Pollution Control Agency;  
44.3 (iii) the Department of Transportation; and  
44.4 (iv) the Department of Labor and Industry;  
44.5 (5) as designated by the IRC, a representative from a health-related board; and  
44.6 (6) as designated by the IRC, a representative from a non-health-related board.

44.7 Subd. 2. **MARSS description.** The Minnesota Administrative Rules Status System  
44.8 (MARSS) is a concept for a new software application. The application would be built and  
44.9 maintained by the Revisor's Office. Executive branch agencies and others would upload  
44.10 official rulemaking record documents to the system. The goal is to improve public access,  
44.11 security, preservation, and transparency of state agencies' official rulemaking records through  
44.12 the creation of a single online records system. The system would serve as a single Internet  
44.13 location for the public to track rulemaking progress and access the official rulemaking  
44.14 record. Agencies would fulfill their requirement to maintain and preserve the official  
44.15 rulemaking record by submitting required documents to the revisor for inclusion in the  
44.16 online records system.

44.17 Subd. 3. **Duties.** The working group must report by February 1, 2018, to the chairs and  
44.18 ranking minority members of the committees in the house of representatives and senate  
44.19 with jurisdiction over policy and finance for the legislature. The report must identify the  
44.20 functional and nonfunctional requirements of the MARSS system. The working group must  
44.21 define a funding mechanism to share the cost to build and maintain the MARSS system  
44.22 among state agencies and departments.

44.23 Subd. 4. **Administration provisions.** (a) The revisor of statutes or the revisor's designee  
44.24 must convene the initial meeting of the working group by August 1, 2017. Upon request of  
44.25 the working group, the revisor must provide meeting space and administrative services for  
44.26 the group.

44.27 (b) The working group must elect a chair from among its members at the first meeting.

44.28 (c) Members serve without compensation and without reimbursement for expenses.

44.29 (d) The working group expires on February 1, 2018, or upon submission of documents  
44.30 fulfilling its duties, whichever is earlier.

44.31 Subd. 5. **Deadline for appointments and designations.** The appointments and  
44.32 designations authorized by this section must be completed by July 1, 2017.

45.1 Sec. 41. **EYELASH TECHNICIAN RULEMAKING.**

45.2 The Board of Cosmetologist Examiners shall adopt rules governing the eyelash technician  
45.3 and salon licenses, which must include scope of practice, the conditions and process of  
45.4 issuing and renewing the license, requirements related to education and testing, and 14 hours  
45.5 of training regarding application of eyelash extensions in a board-licensed school. The board  
45.6 may use the expedited rule process in Minnesota Statutes, section 14.389.

45.7 Sec. 42. **EYELASH TECHNICIAN LICENSING.**

45.8 The Board of Cosmetologist Examiners must not issue an eyelash practitioner license  
45.9 before February 1, 2018, except for grandfathered licenses issued under section 39.

45.10 Sec. 43. **REVISOR'S INSTRUCTION.**

45.11 By January 15, 2018, the revisor of statutes shall present a bill to the legislature to make  
45.12 the conforming statutory changes to incorporate changes in this article to the contested case  
45.13 procedures under Minnesota Statutes, section 14.57.

45.14 Sec. 44. **REPEALER.**

45.15 Minnesota Statutes 2016, sections 6.581, subdivision 1; 10A.30; 10A.31, subdivisions  
45.16 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322, subdivisions  
45.17 1, 2, and 4; 10A.323; 155A.23, subdivision 8; and 349A.08, subdivision 3, are repealed.

45.18 **ARTICLE 3**

45.19 **ELECTIONS**

45.20 Section 1. **VOTING EQUIPMENT GRANT.**

45.21 Subdivision 1. **Voting equipment grant account.** A voting equipment grant program  
45.22 is established. The secretary of state must use money appropriated for the program to provide  
45.23 grants to counties and municipalities as authorized by this section. Funds appropriated for  
45.24 the grant are available until June 30, 2020.

45.25 Subd. 2. **Authorized equipment.** (a) A county or municipality may apply to receive a  
45.26 grant under this section for the purchase or lease of the following equipment:

45.27 (1) electronic roster equipment and software that meets the technology requirements of  
45.28 Minnesota Statutes, section 201.225, subdivision 2;

45.29 (2) assistive voting technology; or

46.1 (3) automatic tabulating equipment.

46.2 A purchase or lease of equipment is eligible for a grant under this section if the purchase  
46.3 is made, or lease entered, on or after July 1, 2017. A county or municipality that has  
46.4 purchased or leased eligible equipment before July 1, 2017, may apply for reimbursement.

46.5 (b) The grant funds must not be used for maintenance or repair of voting equipment.

46.6 Subd. 3. **Amount of grant.** A county or municipal government is eligible to receive a  
46.7 grant equal to 75 percent of the total cost of the electronic roster equipment and software  
46.8 or 50 percent of the total cost for assistive voting technology or automatic tabulating  
46.9 equipment. The secretary of state must first award grants to counties and municipalities  
46.10 leasing or purchasing new equipment or software. If funds remain after awarding grants for  
46.11 new equipment or software, the secretary of state must use the remaining funds for grants  
46.12 to counties and municipalities seeking reimbursement for equipment or software already  
46.13 purchased.

46.14 Subd. 4. **Application for grant; certification of costs.** (a) To receive a grant, a county  
46.15 or municipality must submit an application to the secretary of state. The secretary of state  
46.16 shall prescribe a form for this purpose. At a minimum, the application must describe:

46.17 (1) the type of equipment or software proposed for purchase or lease;

46.18 (2) the expected total cost of the equipment or software, and sources of funding that will  
46.19 be used for the purchase or lease in addition to the grant funding provided by this section;

46.20 (3) the county's or municipality's plan to address the long-term maintenance, repair, and  
46.21 eventual replacement costs for the equipment or software without using any funds from the  
46.22 grant for these purposes; and

46.23 (4) any other information required by the secretary of state.

46.24 (b) The secretary of state must establish:

46.25 (1) a deadline for receipt of grant applications;

46.26 (2) a procedure for awarding and distributing grants;

46.27 (3) criteria for the fair, proportional distribution of grants if the funds do not completely  
46.28 cover the requests for a particular type of equipment; and

46.29 (4) a process for verifying the proper use of the grants after distribution.

46.30 Subd. 5. **Report to legislature.** No later than January 15, 2018, and annually thereafter  
46.31 until the appropriations provided for grants under this section have been exhausted, the

47.1 secretary of state must submit a report to the legislative committees with jurisdiction over  
47.2 elections policy on grants awarded by this section. The report must detail each grant awarded,  
47.3 including the jurisdiction, the amount of the grant, and the type of equipment or software  
47.4 purchased."

47.5 Delete the title and insert:

47.6 "A bill for an act  
47.7 relating to the state government omnibus budget bill; amending Minnesota Statutes  
47.8 2016, sections 3.855, subdivision 2; 4.46; 6.481, subdivision 6; 6.56, subdivision  
47.9 2; 6.581, subdivision 4; 14.18, subdivision 1; 14.27; 14.389, subdivision 3; 14.57;  
47.10 16A.90; 16B.371; 16E.0466; 43A.17, subdivision 11; 43A.24, by adding a  
47.11 subdivision; 155A.23, subdivisions 10, 15, 16, by adding a subdivision; 155A.29,  
47.12 subdivisions 1, 2; 155A.30, subdivisions 2, 5; 179A.20, by adding a subdivision;  
47.13 240.15, subdivision 6; 240.155, subdivision 1; 240A.09; 349A.08, subdivision 2;  
47.14 349A.10, subdivision 6; proposing coding for new law in Minnesota Statutes,  
47.15 chapters 6; 14; 16A; 240; repealing Minnesota Statutes 2016, sections 6.581,  
47.16 subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a,  
47.17 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 1, 2, 4; 10A.323; 155A.23,  
47.18 subdivision 8; 349A.08, subdivision 3."