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Senate

State of Minnesota

S.F. No. 10 State Government Omnibus Appropriations

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Article 1 - Appropriations

Section 1 [Appropriations] supplies parameters for the appropriations in Article 1. Appropriations are from the general fund unless another fund is named. Defines “2020” and “2021” as the fiscal years that end on June 30 of those years, respectively. Defines “the first year” as fiscal year 2020, “the second year” as fiscal year 2021, and “biennium” as fiscal years 2020 and 2021.

Sections 2 - 37 appropriate money, as detailed on a spreadsheet prepared by Andrew Erickson of Senate Counsel, Research, and Fiscal Analysis.

Section 38 amends 2018 law to increase the appropriation to the Senate in fiscal year 2019.

Section 39 [Appropriations; Secretary of State; Court-Ordered Attorney Fees] appropriates money from the general fund to the Secretary of State for attorney fees awarded by court order in *Minnesota Voters Alliance v. Mansky*. This is onetime and effective the day after final enactment.

Section 40 [Help America Vote Act Transfers and Appropriation; Secretary of State] appropriates money to the Secretary of State from the Help America Vote Act account for specified purposes with limitations.

Section 41 [Cancellations] cancels money from the information and telecommunications technology systems and services account to the general fund and cancels unencumbered money in the Veterans’ Journey Home program to the general fund.

Article 2 - State Government Operations

Section 1 [Information required] specifies information that the Commissioner of Management and Budget is required to submit to the Legislative Coordinating Commission with the submission of a collective bargaining agreement or compensation plan. The required information includes the following, for each agency and for each proposed collective bargaining agreement and compensation plan:

- (1) a comparison of the biennial compensation costs under the current agreement or plan to the costs projected under the proposed agreement or plan, paid for by money appropriated from the general fund;
- (2) a comparison of the biennial compensation costs under the current agreement or plan to the costs projected under the proposed agreement or plan, paid for by money appropriated from each fund other than the general fund; and
- (3) an identification of the amount of added biennial compensation costs attributable to salary, wages, and nonsalary and nonwage benefits.

The commissioner is also required to provide the aggregate impact of all proposed agreements and plans being submitted to the commission, for each agency, and for each of the items in clauses (1) to (3).

Section 2 [Legislative Commission on Housing Affordability] establishes a legislative commission on housing affordability.

Section 3 [Evaluation Topics] adds review of grants, tax incentives, and development inducements for economic development to the list of topics that may be selected by the Legislative Audit Commission for evaluation by the Legislative Auditor. A later section in the bill repeals a statute section that required the Office of the Legislative Auditor to review one economic incentive each year.

Section 4 [Obligation to Notify the Legislative Auditor] broadens the requirements to notify the Legislative Auditor of a data breach.

Section 5 [Executive Order List Serve] requires the secretary of state to notify people on a list serve when an executive order is filed.

Section 6 [Hmong Special Guerrilla Units Remembrance Day] establishes Hmong Special Guerrilla Units Remembrance Day on May 14, in honor of Southeast Asian Americans and their allies who served, suffered, sacrificed, or died in the Secret War in Laos during the Vietnam War from 1961 to 1975 to support United States Armed Forces.

Section 7 [State Arts Board] provides that grant application data submitted to the Board of the Arts or to a regional arts council become public data when the application is considered at a public review meeting. Any trade secret data contained in the application remain private or nonpublic.

Section 8 [Administrative Law Judge; Salaries] raises the salaries for the assistant chief administrative law judge and administrative law judge supervisors to 100 percent (from 93.6 percent) of the salary of a district court judge.

Section 9 [Restriction] permits an agency to enter a barter arrangement for state-owned optical fiber that is owned by the state as of July 1, 2019.

Section 10 [Managerial Practices] requires a fair and open hiring process in state agencies for a managerial position. Precludes altering job requirements to fit a particular candidate in internal documents or identifying a particular candidate as a future holder of a position prior to hiring. Requires posting of a vacant position for at least 21 days but permits waiver with permission of the Commissioner of Management and Budget.

Section 11 [On-the-Job Demonstration Process and Appointment] modifies the standard for eligibility in an on-the-job work experience in state government. The program, in current law, provides up to 700 hours of on-the-job work experience through which an applicant can demonstrate that the applicant has qualifications for a position. Currently, the program is available to those whose disabilities are of a “severe nature.” This section makes the program available to those who have a disability of a “significant nature.”

Section 12 [Agency Affirmative Action Plans] adds items that must be included in an agency’s plan for reasonable accommodations to be afforded for hiring or promotion.

This section also changes a requirement that the Council on Disability provide assistance to agencies in preparing affirmative action plans, to a permission for agencies to consult with the Council on Disability and specified others in making recommendations on recruiting and retaining people with disabilities.

Section 13 [Audits; Sanctions and Incentives] specifies when an agency must justify a nonaffirmative action hire. Requires MMB to publish summary data about appointments in certain occupational categories.

Section 14 [Schedule] eliminates a licensing fee for hair braiders.

Section 15 [Hair Braiders – Exempt] exempts the practice of hair braiding from regulation by the Board of Cosmetologist Examiners.

Section 16 [Plan Development; Criteria] increases the caps on grants for R-22 elimination under the Mighty Ducks program that funds renovations at publicly owned ice facilities, from \$50,000 to \$250,000 for indirect cooling systems and from \$400,000 to \$500,000 for direct cooling system.

Sections 17, 18, and 19 are conforming changes related to the law change in section 20 to authorize certain county officers to be appointed rather than elected.

Section 20 [Appointing County Officers]

Subdivision 1 [Authority to appoint certain officers] allows a county board to make an elected office an appointed position under this section if there is a vacancy in the office, the

elected official agrees to appointment, or the elected office holder and the appointing authority have agreed that the incumbent will be appointed to the position.

Subdivision 2 [Responsibility of county officer] requires an elected county officer to notify the county board 104 days before the filing date if the officer intends to run for office again or not. If not, and the county board has passed a resolution to make the office an appointed position, then the office will not be on the ballot.

Subdivision 3 [Board controls; may change as long as duties done] requires the duties of an office made appointive to be discharged by the county board acting through a department head. Allows for reorganization, delegation, and administrative changes and specifies that any change does not diminish, prohibit, or avoid discharge of statutory duties.

Subdivision 4 [Discharge or demotion] provides that an incumbent appointed to the office must not be involuntarily demoted or discharged except for incompetency or misconduct. Before demoting or discharging an incumbent, the board must notify the incumbent appointed. The incumbent appointed may require a hearing before an arbitrator. The arbitrator must determine, by a preponderance of the evidence, whether the discharge or demotion is supported by the grounds provided. The arbitration hearing must be a closed meeting unless the incumbent appointed requests the meeting to be open. If the arbitrator rules not to demote or discharge, the board must pay all costs and **fees**.

Subdivision 5 [Incumbents to complete term] requires that the person elected to the office complete his or her term.

Subdivision 6 [Publishing resolution; petition; referendum] requires the county board to publish notice of the proposal to make the office appointed, and to allow for public comment on the proposal at a regular meeting of the board before the resolution is adopted. The resolution must be approved by at least 80 percent of the members of the board and take effect after 30 days, unless a later date is provided in the resolution. If a sufficient petition requesting a referendum signed by at least ten percent of the registered voters in the county is filed within 30 days after the adoption of the resolution, the resolution is rescinded. A petition may not be accepted if the county officer to be appointed is the incumbent and has signed a contract for the appointment.

Subdivision 7 [Reverting to elected offices] prohibits the board from reverting to elected offices within three years after making a position appointed. After notice and a hearing, the county board may adopt by a resolution to revert if approved by at least 60 percent of the board, effective on August 1 following the adoption, subject to reverse referendum. The question of whether to revert to elected offices must be placed on the ballot for the next general election if the position has been appointed for at least three years, a petition signed by ten percent of the registered voters in the county is submitted, and the petition is sufficient. If a majority of voters voting on the question vote in favor of reverting to electing the offices, elections for that office must be held at the next regular or special election.

Sections 21 [Officers Elected; Terms] and 22 [Vacancies; How Filled] provide conforming changes related to section 20.

Section 23 [Initial Appointments] sets deadlines for making appointments to and convening the first meeting of the Legislative Commission on Housing Affordability.

Section 24 [Advisory Task Force on State Employment and Retention of Employees with Disabilities] establishes a task force to report strategies for attracting and retaining state employees with disabilities. The group must deliver its report by January 15, 2020.

Section 25 [Minnesota Census 2020 Mobilization] requires the Commissioner of Administration to implement a Census 2020 Mobilization program.

Section 26 [Labor Agreements and Compensation Plans]

Subdivision 1 ratifies the state's labor agreement with the Minnesota Law Enforcement Association submitted to the Legislative Coordinating Commission on April 5, 2019.

Subdivision 2 ratifies the compensation plan for the Minnesota State Board of Investment submitted to the Legislative Coordinating Commission on February 7, 2019.

Section 27 [Repealer]

Subdivision 1 repeals requirements for hair braiders.

Subdivision 2 repeals a requirement that the Legislative Auditor review one economic incentive per year.

Article 3 – State Payments Terminology

This article contains a number of technical updates to terminology related to the processing of state payments and the collection of debt owed to the state.

Sections 1 to 40 [State Payments Terminology] provides a number of miscellaneous and technical changes to terminology related to the process for making payments to individuals, local governments, creditors, and other entities owed money from state accounts.

Among these changes are allowances for the commissioner of management and budget to void an unpaid claim if the commissioner determines it is invalid (section 9), a requirement that the commissioner, along with the attorney general, establish new standards for legislative reporting of certain uncollectible debts (section 12).

Article 4 - Presidential Nomination Primary

Article 4 modifies provisions relating to the presidential nominating primary.

Sections 1, 3, 4, 6, and 7 make technical and conforming changes.

Section 2 [Presidential Primary Political Party List] requires the Secretary of State to maintain a list of voters who voted in a presidential nomination party and the party each voter selected. Information on the list is private data on individuals, but the Secretary of State is required to provide the list to the chair of each major political party.

Section 5 [Presidential Nomination Primary] specifies that the presidential primary chapter of statutes only applies to a major political party that selects delegates at the primary to sent to a national convention.

Section 6 [Conducting Presidential Nomination Primary] eliminates a requirement for the Secretary of State to notify voters that their party choice will be recorded. The voter's political party ballot choice is private data on individuals except that, as provided in section 2, the Secretary of State is required to provide the list to the chair of each major political party.

Section 8 [Reimbursable Local Expenses] permits the Secretary of State to approve additional expenses for which local governments may be reimbursed.

Article 5 - Information Technology

Section 1 [Accessibility in the Legislature's Information Technology] requires the legislature to comply with accessibility standards adopted for state agencies. This section is effective October 1, 2024.

Section 2 [Definitions] defines “cloud computing” through a reference to a publication of the U.S. Department of Commerce. The publication defines “cloud computing” as follows:

Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. This cloud model is composed of five essential characteristics, three service models, and four deployment models [that are described in the publication].

Section 3 [Cloud Computing Services] requires the chief information officer to review cloud computing when evaluating information and communications projects proposed by agencies. Requires the chief information officer to report periodically to the governor and legislature on the consideration of cloud computing service options. The report must provide examples of projects where cloud computing saved money or provided other benefits.

Section 4 [Technical Support to the Legislature] requires the chief information officer to provide technical assistance to the legislature to comply with accessibility standards.

Section 5 [Legislative Employee Working Group on the Legislature's Accessibility Measures] establishes a working group of twelve legislative employees on the legislature's accessibility measures.

Article 6 – Veterans and Military Affairs Policy

Section 1 (10.576) designates the third Friday in September of each year the Prisoners of War (POW) and Missing in Action (MIA) Recognition Day, and requires the Governor to issue a proclamation honoring this observance each year.

Section 2 (10.578) establishes Veterans Suicide Awareness Day on the first Saturday in October, beginning in 2020, and requires the Governor to issue a proclamation honoring this observance each year.

Section 3 (10.597) designates June 30 as American Allies Day for the purpose of honoring foreign-born persons who fought in conflicts around the world on behalf of and alongside the United States armed forces. Each year the governor shall issue a proclamation honoring this observance. Schools are encouraged to offer instruction on the role of America's allies during military conflicts. This section is effective the day following final enactment.

Section 4 (196.05, subdivision 1) makes a technical correction; updates language and adds a cross-reference to Minnesota Statutes, chapter 198.

Section 5 (197.603, subdivision 2) amends the Veterans; Rewards, Privileges chapter of law to allow the county veterans service officer to disclose to the county assessor private data necessary to determine a client's eligibility for the disabled veteran's homestead exclusion.

Section 6 (273.1245, subdivision 2) amends the Taxes; Listing, Assessment chapter of law, requiring the assessor to disclose data to the county veterans service officer for the purpose of determining a person's eligibility for the disabled veteran's homestead exclusion.

Section 7 (Laws 2016, chapter 189, article 13, section 64) provides that the Medal of Honor Memorial account created in the special revenue fund consist of money transferred by law to the account and any other money donated, gifted or granted. Requires money in the account to be annually appropriated to the Commissioner of Administration for the pre-design, design, construction, and ongoing maintenance. Subdivision 3, which specified restrictions on the funds, is stricken.

Section 8 establishes the USS Minneapolis-St. Paul account in the gift fund. Money in the account is appropriated to the Commissioner of Military Affairs for the commissioning and preservation of the USS Minneapolis-St. Paul. The Commissioner of Military Affairs is allowed to solicit gifts, grants, or donations for the commissioning and preservation of the USS Minneapolis-St. Paul, and funds must be deposited into the account established under this section.

Article 7 - Gambling Control Board

Section 1 [Active Member] changes the definition of "active member" to shorten the period that a person must be a member of a charitable organization. This definition is used twice in the lawful gambling chapter. First, an active member is eligible to be a gambling manager to supervise lawful gambling. Second, an organization must have 15 active members when applying for a license to conduct charitable gaming, or 13 active members to vote on gambling matters.

Section 2 [Conduct of Bingo] limits the sale price of a bingo gift certificate to its face value.

Section 3 [Lessor's Immediate Family] adds "electronic linked bingo game" to the list of games that a family member of a person that leases space to an organization for lawful gambling is prohibited from playing.

Section 4 [Required Record of Receipts] requires an organization that is licensed to conduct bingo to maintain a log of bingo gift certificates with specified information.

Section 5 [Accounts] changes the deadline for a licensed organization to submit gambling receipts from electronic gambling and to deposit those receipts in a gambling bank account. Under current law, the organization must deposit receipts when the total net receipts reach a threshold (\$2,000) or by the first day of the next month, whichever is first. Section 5 requires submission and deposit when the net receipts reach the threshold (\$2,000) and within four business days of the first day of the next month.

Article 8 - Racing Commission

Section 1 [Racing or Gaming-Related Vendor] adds a definition to the Racing Commission chapter for “racing or gaming-related vendor” to mean any person that manufactures, sells, provides, distributes, repairs, or maintains equipment or supplies used at a licensed racetrack (i.e. Canterbury or Running Aces) or license sponsors or managers of horse-racing on which pari-mutuel betting is conducted. This definition is used in a grant of rulemaking authority later in the bill.

Section 2 [Qualifications] eliminates a requirement for members of the Racing Commission to post a \$100,000 bond before serving on the commission that is payable to the state conditioned on the faithful performance of duties.

Section 3 [Biennial Report] changes the Racing Commission’s annual report to a biennial report. Requires reporting on money statutorily appropriated.

Section 4 [Revocation and Suspension] requires the Racing Commission to provide notice and an opportunity to be heard to an occupational licensee before revoking the license for a violation that affects the integrity of horse racing, the public health, welfare, or safety, or for a false statement in a license application. (Occupational licenses are granted under current law to horse owners or lessees; jockeys or drivers; exercise riders; grooms; trainers and their assistants; pari-mutuel personnel; security officers; vendors and others.)

This section also extends the amount of time that the commission may suspend an occupational license, from one year to five years, after providing notice and an opportunity to be heard. If a license expires during a suspension, the licensee is ineligible to apply for another license until the suspension expires.

This section limits a licensee’s access to a contested case procedure to only those revocations or suspensions that last more than one year and specifies a procedure and ten-day deadline for requesting a contested case hearing. (Under current law, a license revocation or suspension for more than 90 days is a contested case.) The commission is authorized to suspend a license summarily for up to 90 days and the licensee may appeal the summary suspension according to the commission’s rules.

Section 5 [License Fees] authorizes the commission to adopt a license fee for racing and gaming-related vendors of up to \$2,500, without requiring further legislative approval of the fee.

Section 6 [License Agreements] permits the commission to enter into “compacts” with comparable bodies in other racing jurisdictions for the mutual recognition of occupational licenses. Current law permits the commission to enter into “agreements” of this nature.

Section 7 [Purses] provides for “breakage” to be paid to Class B and D licensees. Under current law, the licensees may contract to pay a horseperson’s organization out of purse money. This section allows that payment to the horsepersons’ organization to be paid from breakage, as well as from purse money. Breakage is defined in current law as “odd cents of all money distributed based on each dollar bet exceeding a sum equal to the next lowest multiple of ten.” Under current law, Class B licenses are for managers of horse racing on which pari-mutuel wagering is conducted and class D licenses are for county agricultural societies that conduct pari-mutuel wagering on horse racing.

This section requires contracts between the licensees and the horsepersons’ organization to be in writing and must be reviewed by the commission for compliance with this subdivision. Changes a requirement for certain agreement to be filed with the commission to a requirement that the agreements be reviewed for compliance by the commission.

Section 8 [Payments to State] extends the deadlines for Advanced Deposit Wager providers to pay certain fees to the Racing Commission, from seven days to 15 days.

Section 9 [Card Club Revenue] changes a requirement for an agreement between the commission and a horsepersons’ organization regarding payments of card-club proceeds to be filed with the commission to a requirement that the agreement be reviewed by the commission for compliance.

Section 10 [Disposition of Proceeds; Account] statutorily appropriates money in the racing and card playing regulation account to the Racing Commission for operations in the event an appropriation to the Racing Commission is not enacted before the end of a fiscal biennium.

Section 11 [Reimbursement Account Credit] adds fees received by the commission for regulatory services to the receipts that are statutorily appropriated to the Racing Commission. Requires the Racing Commission to continue operations even if major appropriations bills are not enacted by the start of a fiscal biennium.

Section 12 [Appropriation for Functions Supporting Ongoing Operations] statutorily appropriates money from the general fund to fund certain administrative functions of the Racing Commission in the event an appropriation is not enacted by July 1 of a odd-numbered year.

Section 13 [Powers and Duties] makes changes to duties that the commission may delegate to a board of stewards: increases the cap on fines that may imposed on licensees for a violation of law or rules, allows the board to issue suspensions of up to one year, and allows the board to impose other sanctions as delegated by the commission or as permitted in rules.

Section 14 [Appeals; Hearings] is a conforming change. Review of a decision by the board of stewards will be reviewable by the commission, except for rulings on revocations and suspensions of more than one year for which a licensee must request a contested case hearing. Clarifies that the commission has the authority to review all rulings of the board of stewards.

Section 15 [Thoroughbred and Quarterhorse Categories] expands the eligible institutions to receive money for equine research to all public institutions of postsecondary learning in the state. Under current law, only the University of Minnesota School of Veterinary Medicine is eligible. This section eliminates an outdated list of legislative chairs to whom the commission must submit its annual report, and makes the report biennial.

Under current law, the commission is required to pay a portion of the taxes it collects as awards to breeders and owners of Minnesota-bred horses that win money at Minnesota's licensed racetracks. This section permits payment of the awards to breeders and owners of horses that win money at any pari-mutuel track in any state or province.

Section 16 [Standardbred Category] eliminates a requirement for the commission to provide money for the development of nonpari-mutuel standardbred tracks. Doubles the amount the commission must pay for equine research and education.

Section 17 [Fines] limits the cap on civil fines the commission is authorized to set by schedule. Raises the threshold for a fine for which the licensee may request a contested case hearing, from \$5,000 to \$10,000.

Section 18 [Exclusion of Certain Persons]

Subdivision 1 [Persons excluded] adds public safety and integrity of card playing as justifications for the commission to exclude someone from a licensed racetrack.

Subdivision 2 [Hearing; appeal] clarifies that the commission need provide due process only to licensed people that the commission orders to be excluded from a track.

Subdivision 5 [Exclusions by racetrack] eliminates procedural requirements for a racetrack licensee to exclude a person from its premises. Requires a racetrack licensee to report to the commission when the track excludes a person for a suspected or potential violation of law, or if the licensee excludes a person for more than five days.

Article 9 - State Board of Accountancy

Section 1 [Attest] adds audits performed under the Government Auditing Standards (GAS) to the list of work that is defined as "attest." The term "attest" is used throughout the Board of Accountancy chapter, such as in defining services that may be performed only under a license issued by the Board of Accountancy.

Section 2 [Program of Learning] makes conforming changes and modifies the list of activities that may be performed by licensees who are exempt from certain learning requirements.

Section 3 [Fee] eliminates a fee to apply to take the CPA examination.

Section 4 [Retired Status] establishes a "retired status" for retired public accountants. The board must grant "retired status" to a person who is 55 or older, holds a current or active license, or is exempt from licensing, and declares that he or she is retired. A person with retired status may not engage in the practice of public accounting. This section requires the board to issue a certificate for a person on retired status who meets certain criteria and lists labels that a person on retired status

may use. A person on retired status is not required to meet continuing education requirements nor required to renew their registration. A person may change their retired status to active or inactive by meeting existing license reactivation requirements.

Section 5 [Cease and Desist Orders] changes the permitted methods for the board to serve a cease and desist order.

Section 6 [Actions against Persons or Firms] changes the permitted methods for the board to serve an order relating to a license application or license.

Section 7 [Actions Against Lapsed License, Certificate, or Permit] extends to two years the time that the board has to revoke or suspend a license or impose a civil penalty after a person or firm's permit, registration, practice privileges, license, certificate, or similar authority lapses, expires, is surrendered, withdrawn, terminated, canceled, limited, not renewed, or otherwise become invalid.

Section 8 [Unlawful Acts] changes a reference to the American Institute of Certified Public Accountants Code of Professional Conduct, to refer to the version of the code that has been incorporated into board rules. This section also eliminates a restriction on forms for certain reports that are unlawful when issued without a license.