

2.8 ARTICLE 1

2.9 STATE GOVERNMENT APPROPRIATIONS

2.10 Section 1. STATE GOVERNMENT APPROPRIATIONS.

2.11 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.12 agencies and for the purposes specified in this article. The appropriations are from the
 2.13 general fund, or another named fund, and are available for the fiscal years indicated
 2.14 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.15 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.16 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.17 year 2017. "The biennium" is fiscal years 2016 and 2017.

2.18		<u>APPROPRIATIONS</u>	
2.19		<u>Available for the Year</u>	
2.20		<u>Ending June 30</u>	
2.21		<u>2016</u>	<u>2017</u>
2.22	Sec. 2. <u>LEGISLATURE</u>		
2.23	<u>Subdivision 1. Total Appropriation</u>	\$ <u>70,913,000</u>	\$ <u>71,811,000</u>

2.32 ARTICLE 1

2.33 STATE GOVERNMENT APPROPRIATIONS

2.34 Section 1. STATE GOVERNMENT APPROPRIATIONS.

2.35 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.36 agencies and for the purposes specified in this article. The appropriations are from the
 2.37 general fund, or another named fund, and are available for the fiscal years indicated
 2.38 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.39 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.40 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.41 year 2017. "The biennium" is fiscal years 2016 and 2017.

2.42		<u>APPROPRIATIONS</u>	
2.43		<u>Available for the Year</u>	
2.44		<u>Ending June 30</u>	
2.45		<u>2016</u>	<u>2017</u>
2.46	Sec. 2. <u>LEGISLATURE</u>		
3.1	<u>Subdivision 1. Total</u>		
3.2	<u>Appropriation</u>	\$ <u>69,160,000</u>	\$ <u>67,595,000</u>

Senate Language S0888-3

House Language UES0888-2

2.24 <u>Appropriations by Fund</u>		
2.25	<u>2016</u>	<u>2017</u>
2.26 <u>General</u>	<u>70,785,000</u>	<u>71,683,000</u>
2.27 <u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

2.28 The amounts that may be spent for each
 2.29 purpose are specified in the following
 2.30 subdivisions.

2.31 <u>Subd. 2. Senate</u>	<u>23,372,000</u>	<u>23,976,000</u>
2.32 <u>Subd. 3. House of Representatives</u>	<u>30,524,000</u>	<u>30,524,000</u>

2.33 To avoid cost overruns, on June 1, 2015,
 2.34 the commissioner of administration
 2.35 shall determine whether the house of
 2.36 representatives has vacated the house
 3.1 chamber as of June 1, 2015, and whether the
 3.2 chief clerk of the house of representatives
 3.3 has provided written assurance that the
 3.4 house chamber will remain vacant until the
 3.5 completion of the Capitol renovation project
 3.6 funded under Laws 2013, chapter 136, section
 3.7 3, including the 2016 regular legislative
 3.8 session. The commissioner of administration
 3.9 shall provide notice of this determination

3.3 <u>Appropriations by Fund</u>		
3.4	<u>2016</u>	<u>2017</u>
3.5 <u>General</u>	<u>67,032,000</u>	<u>67,467,000</u>
3.6 <u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>
3.7 <u>Special Revenue</u>	<u>2,000,000</u>	<u>0</u>
3.8 <u>The amounts that may be spent for each</u> 3.9 <u>purpose are specified in the following</u> 3.10 <u>subdivisions.</u>		
3.11 <u>Subd. 2. Senate</u>	<u>21,501,000</u>	<u>21,501,000</u>
3.12 <u>\$1,723,000 of the senate carryforward</u> 3.13 <u>balance shall cancel to the general fund on</u> 3.14 <u>July 1, 2015.</u>		
3.15 <u>Subd. 3. House of Representatives</u>	<u>28,998,000</u>	<u>28,998,000</u>

3.10 to the commissioner of management and
 3.11 budget. If the commissioner of management
 3.12 and budget has been notified that the house
 3.13 has not vacated the house chamber and
 3.14 provided written assurance as required in this
 3.15 paragraph, the commissioner shall cancel
 3.16 \$500,000 of this appropriation in the first
 3.17 year to the general fund, and \$500,000 is
 3.18 appropriated from the general fund in the first
 3.19 year to the commissioner of administration
 3.20 for the purposes specified in Laws 2013,
 3.21 chapter 136, section 3, subdivision 2.

3.22 During the biennium ending June 30, 2017,
 3.23 any revenues received by the house of
 3.24 representatives from voluntary donations
 3.25 to support broadcast or print media are
 3.26 appropriated to the house of representatives.

3.27 Subd. 4. Legislative Coordinating Commission

17,017,000

17,311,000

3.16 During the biennium ending June 30, 2017,
 3.17 any reductions from the prior biennium's
 3.18 base level appropriation for the house of
 3.19 representatives must be implemented by
 3.20 making equal reductions in expenditures
 3.21 for house staff and expenditures for house
 3.22 members.

3.23 During the biennium ending June 30, 2017,
 3.24 any revenues received by the house of
 3.25 representatives from voluntary donations
 3.26 to support broadcast or print media are
 3.27 appropriated to the house of representatives.

3.28 \$3,938,000 of the house carryforward
 3.29 balance shall cancel to the general fund on
 3.30 July 1, 2015.

3.31 Subd. 4. Legislative Coordinating Commission

18,661,000

17,096,000

3.28 Appropriations by Fund

3.29 <u>General</u>	<u>16,889,000</u>	<u>17,183,000</u>
3.30 <u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

3.31 \$6,678,000 the first year and \$6,793,000
 3.32 the second year are for the Office of the
 3.33 Legislative Auditor.

3.34 \$297,000 in fiscal year 2016 and \$297,000
 3.35 in fiscal year 2017 are for the Office of
 4.1 the Revisor of Statutes to maintain and
 4.2 improve information technology services.
 4.3 The approved complement of the revisor of
 4.4 statutes is increased by five positions. This
 4.5 appropriation shall be added to the revisor's
 4.6 budget base.

4.7 \$35,000 in fiscal year 2016 and \$35,000 in
 4.8 fiscal year 2017 are to provide support to the
 4.9 Legislative Commission on Data Practices
 4.10 established under Minnesota Statutes, section
 4.11 3.8843. This is a onetime appropriation.

3.32 Appropriations by Fund

3.33 <u>General</u>	<u>16,533,000</u>	<u>16,968,000</u>
3.34 <u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>
3.35 <u>Special Revenue</u>	<u>2,000,000</u>	<u>0</u>

4.1 \$1,567,000 of the Legislative Coordinating
 4.2 Commission carryforward balance and the
 4.3 Revisor of Statutes carryforward balance
 4.4 shall cancel to the general fund on July 1,
 4.5 2015.

4.6 \$7,132,000 each year from the general fund
 4.7 is to the Office of the Legislative Auditor.
 4.8 The auditor is requested to do an evaluation
 4.9 of Minnesota veterans homes.

4.10 \$435,000 in fiscal year 2017 is for the
 4.11 revisor's administrative rules system.

4.12 \$595,000 each year is for the Office of the
 4.13 Revisor of Statutes to maintain and improve
 4.14 information technology services.

4.12 From its funds, \$10,000 each year is for
 4.13 purposes of the legislators' forum, through
 4.14 which Minnesota legislators meet with
 4.15 counterparts from South Dakota, North
 4.16 Dakota, and Manitoba to discuss issues of
 4.17 mutual concern.

4.15 \$10,000 each year is for purposes of the
 4.16 legislators' forum, through which Minnesota
 4.17 legislators meet with counterparts from
 4.18 South Dakota, North Dakota, and Manitoba
 4.19 to discuss issues of mutual concern.

4.20 \$2,000,000 is transferred from the state
 4.21 employee group insurance trust fund to a
 4.22 rulemaking account in the special revenue
 4.23 fund.

4.24 \$2,000,000 for the biennium ending June 30,
 4.25 2017, is appropriated from the rulemaking
 4.26 account in the special revenue fund to the
 4.27 legislative auditor to:

4.28 (1) reimburse executive agencies for costs
 4.29 associated with determining if proposed
 4.30 rules have substantial economic impact and
 4.31 for costs of peer review advisory panels
 4.32 for proposed rules that have substantial
 4.33 economic impact; and

5.1 (2) reimburse the legislative auditor for costs
 5.2 associated with this process.

4.18 Sec. 3. **GOVERNOR AND LIEUTENANT**
 4.19 **GOVERNOR** \$ 3,615,000 \$ 3,616,000

5.3 Sec. 3. **GOVERNOR AND LIEUTENANT**
 5.4 **GOVERNOR** \$ 3,134,000 \$ 3,134,000

4.20 (a) This appropriation is to fund the Office of
 4.21 the Governor and Lieutenant Governor.

5.5 (a) This appropriation is to fund the Office of
 5.6 the Governor and Lieutenant Governor.

4.22 (b) Up to \$19,000 the first year and up to
 4.23 \$19,000 the second year are for necessary
 4.24 expenses in the normal performance of
 4.25 the Governor's and Lieutenant Governor's
 4.26 duties for which no other reimbursement is
 4.27 provided.

5.7 (b) \$19,000 the first year and \$19,000 the
 5.8 second year are for necessary expenses in the
 5.9 normal performance of the Governor's and
 5.10 Lieutenant Governor's duties for which no
 5.11 other reimbursement is provided.

4.28 (c) By September 1 of each year, the
 4.29 commissioner of management and budget
 4.30 shall report to the chairs and ranking minority
 4.31 members of the senate State Departments
 4.32 and Veterans Affairs Budget Division and the
 4.33 house of representatives State Government
 4.34 Finance Committee any personnel costs
 4.35 incurred by the Offices of the Governor and
 5.1 Lieutenant Governor that were supported
 5.2 by appropriations to other agencies during
 5.3 the previous fiscal year. The Office of the
 5.4 Governor shall inform the chairs and ranking
 5.5 minority members of the committees before
 5.6 initiating any interagency agreements.

5.7 Sec. 4. STATE AUDITOR \$ 2,322,000 \$ 2,333,000

5.8 \$35,000 from the general fund is for an
 5.9 infrastructure stress study. This is a onetime
 5.10 appropriation and may be used in either year
 5.11 of the biennium.

5.12 Sec. 5. ATTORNEY GENERAL \$ 24,343,000 \$ 24,343,000

5.13	<u>Appropriations by Fund</u>	
5.14	<u>2016</u>	<u>2017</u>
5.15 <u>General</u>	<u>22,125,000</u>	<u>22,125,000</u>
5.16 <u>State Government</u>		
5.17 <u>Special Revenue</u>	<u>1,823,000</u>	<u>1,823,000</u>

5.12 (c) During the biennium ending June 30,
 5.13 2017, the Office of the Governor may not
 5.14 receive payments of more than \$805,000
 5.15 each fiscal year from other executive
 5.16 agencies to support personnel costs incurred
 5.17 by the office. By September 1 of each year,
 5.18 the commissioner of management and budget
 5.19 shall report to the chairs and ranking minority
 5.20 members of the senate State Departments
 5.21 and Veterans Affairs Budget Division and the
 5.22 house of representatives State Government
 5.23 Finance Committee any personnel costs
 5.24 incurred by the Offices of the Governor and
 5.25 Lieutenant Governor that were supported
 5.26 by appropriations to other agencies during
 5.27 the previous fiscal year. The Office of the
 5.28 Governor shall inform the chairs and ranking
 5.29 minority members of the committees before
 5.30 initiating any interagency agreements.

5.31 Sec. 4. STATE AUDITOR \$ 1,982,000 \$ 1,982,000

5.32 Sec. 5. ATTORNEY GENERAL \$ 22,897,000 \$ 22,897,000

6.1	<u>Appropriations by Fund</u>	
6.2	<u>2016</u>	<u>2017</u>
6.3 <u>General</u>	<u>20,679,000</u>	<u>20,679,000</u>
6.4 <u>State Government</u>		
6.5 <u>Special Revenue</u>	<u>1,823,000</u>	<u>1,823,000</u>

5.18 Environmental 145,000 145,000

5.19 Remediation 250,000 250,000

5.20 Of this appropriation, \$65,000 in the first
 5.21 year and \$65,000 in the second year are
 5.22 from the general fund for transfer to the
 5.23 commissioner of public safety for a grant to
 5.24 the Minnesota County Attorneys Association
 5.25 for prosecutor and law enforcement training.

5.26 Sec. 6. SECRETARY OF STATE \$ 6,631,000 \$ 6,631,000

5.27 Any funds available in the account
 5.28 established in Minnesota Statutes, section
 5.29 5.30, pursuant to the Help America Vote Act,
 5.30 are appropriated for the purposes and uses
 5.31 authorized by federal law.

5.32 Sec. 7. CAMPAIGN FINANCE AND PUBLIC
 5.33 DISCLOSURE BOARD \$ 1,164,000 \$ 1,028,000

6.6 Environmental 145,000 145,000

6.7 Remediation 250,000 250,000

6.8 Of this appropriation, \$65,000 in the first
 6.9 year and \$65,000 in the second year are
 6.10 from the general fund for transfer to the
 6.11 commissioner of public safety for a grant to
 6.12 the Minnesota County Attorneys Association
 6.13 for prosecutor and law enforcement training.

6.14 Sec. 6. SECRETARY OF STATE \$ 6,198,000 \$ 6,198,000

6.18 Any funds available in the account
 6.19 established in Minnesota Statutes, section
 6.20 5.30, pursuant to the Help America Vote Act,
 6.21 are appropriated for the purposes and uses
 6.22 authorized by federal law.

6.15 \$420,000 the first year and \$440,000 the
 6.16 second year are for the Safe at Home
 6.17 program.

6.23 Sec. 7. CAMPAIGN FINANCE AND PUBLIC
 6.24 DISCLOSURE BOARD \$ 893,000 \$ 893,000

6.1 Campaign Finance and Public Disclosure
 6.2 Board Web Site Redevelopment Project.
 6.3 \$150,000 in fiscal year 2016 is appropriated
 6.4 to the Campaign Finance and Public
 6.5 Disclosure Board to complete redevelopment
 6.6 of its Web site. This appropriation is
 6.7 available until June 30, 2017. By January 15,
 6.8 2016, the director of the Campaign Finance
 6.9 and Public Disclosure Board shall report to
 6.10 the chairs and ranking minority members of
 6.11 the senate State Departments and Veterans
 6.12 Affairs Budget Division and the house of
 6.13 representatives State Government Finance
 6.14 Committee on the status of the Web site
 6.15 redevelopment project. The report shall
 6.16 include a budget detailing total dollars to be
 6.17 spent, completion date of the project, and
 6.18 dollars expended to date.

6.19 Sec. 8. INVESTMENT BOARD \$ 139,000 \$ 139,000

6.20 Sec. 9. ADMINISTRATIVE HEARINGS \$ 7,630,000 \$ 7,633,000

6.21 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
6.23 <u>General</u>	<u>380,000</u>	<u>383,000</u>
6.24 <u>Workers'</u>		
6.25 <u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

6.30 (b) \$150,000 in fiscal year 2016 is
 6.31 appropriated to the Campaign Finance
 6.32 and Public Disclosure Board to complete
 6.33 redevelopment of its Web site. This
 6.34 appropriation is available until June 30, 2017.

7.1 (c) By January 15, 2016, the director of the
 7.2 Campaign Finance and Public Disclosure
 7.3 Board shall report to the chairs and ranking
 7.4 minority members of the senate State
 7.5 Departments and Veterans Affairs Budget
 7.6 Division and the house of representatives
 7.7 State Government Finance Committee on the
 7.8 status of the Web site redevelopment project.
 7.9 The report shall include a budget detailing
 7.10 total dollars to be spent, completion date of
 7.11 the project, and dollars expended to date.

7.12 Sec. 8. INVESTMENT BOARD \$ 139,000 \$ 139,000

7.13 Sec. 9. ADMINISTRATIVE HEARINGS \$ 7,627,000 \$ 7,627,000

7.14 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
7.16 <u>General</u>	<u>377,000</u>	<u>377,000</u>
7.17 <u>Workers'</u>		
7.18 <u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

6.26 **Campaign Violations Hearings.** \$115,000
 6.27 in fiscal year 2016 and \$115,000 in fiscal year
 6.28 2017 are appropriated from the general fund
 6.29 for the cost of considering complaints filed
 6.30 under Minnesota Statutes, section 211B.32.
 6.31 These amounts may be used in either year
 6.32 of the biennium.

6.33 \$6,000 in fiscal year 2016 and \$6,000 in
 6.34 fiscal year 2017 are appropriated from the
 6.35 general fund to the Office of Administrative
 7.1 Hearings for the cost of considering data
 7.2 practices complaints filed under Minnesota
 7.3 Statutes, section 13.085. These amounts may
 7.4 be used in either year of the biennium.

7.5 Sec. 10. MN.IT SERVICES \$ 2,526,000 \$ 2,622,000

7.6 The commissioner of management and
 7.7 budget is authorized to provide cash flow
 7.8 assistance of up to \$110,000,000 from the
 7.9 special revenue fund or other statutory
 7.10 general funds as defined in Minnesota
 7.11 Statutes, section 16A.671, subdivision
 7.12 3, paragraph (a), to the Office of MN.IT
 7.13 Services for the purpose of managing
 7.14 revenue and expenditure differences during
 7.15 the initial phases of IT consolidation. These
 7.16 funds shall be repaid with interest by the end
 7.17 of the fiscal year 2017 closing period.

7.19 **Campaign Violations Hearings.** \$115,000
 7.20 each year is appropriated from the general
 7.21 fund for the cost of considering complaints
 7.22 filed under Minnesota Statutes, section
 7.23 211B.32. These amounts may be spent in
 7.24 either year of the biennium.

7.25 \$6,000 in fiscal year 2016 and \$6,000 in
 7.26 fiscal year 2017 are appropriated from the
 7.27 general fund to the Office of Administrative
 7.28 Hearings for the cost of considering data
 7.29 practices complaints filed under Minnesota
 7.30 Statutes, section 13.085. These amounts
 7.31 may be used in either year of the biennium.
 7.32 \$6,000 is added to the agency's base to be
 7.33 available for the biennium.

7.34 Sec. 10. MN.IT SERVICES \$ 2,431,000 \$ 2,431,000

8.12 The commissioner of management and
 8.13 budget is authorized to provide cash flow
 8.14 assistance of up to \$110,000,000 from the
 8.15 special revenue fund or other statutory
 8.16 general funds, as defined in Minnesota
 8.17 Statutes, section 16A.671, subdivision
 8.18 3, paragraph (a), to the Office of MN.IT
 8.19 Services for the purpose of managing
 8.20 revenue and expenditure differences during
 8.21 the initial phases of IT consolidation. These
 8.22 funds shall be repaid with interest by the end
 8.23 of the fiscal year 2017 closing period.

8.10 \$500,000 in fiscal year 2016 and \$500,000
 8.11 in fiscal year 2017 are credited to the
 8.12 accommodation account established in
 8.13 Minnesota Statutes, section 16B.4805.
 8.14 In fiscal year 2016, the commissioner of
 8.15 administration may use five percent of
 8.16 the appropriation for fiscal year 2016 for
 8.17 developing policies and procedures to
 8.18 implement the reimbursement program
 8.19 established in Minnesota Statutes, section
 8.20 16B.4805, and for educating qualifying
 8.21 agencies about the availability of and
 8.22 process for receiving reimbursement for
 8.23 accommodation expenses.

8.24 \$100,000 in fiscal year 2016 and \$100,000
 8.25 in fiscal year 2017 are for the Information
 8.26 Policy Analysis Division to provide training
 8.27 and technical assistance to local units of
 8.28 government on compliance with Minnesota
 8.29 Statutes, chapter 13, the Minnesota Data
 8.30 Practices Act. This is a onetime appropriation
 8.31 and is available until June 30, 2019.

8.32 Subd. 3. **Strategic Management Services** 1,975,000 2,009,000

8.33 Subd. 4. **Fiscal Agent** 13,157,000 11,737,000

9.1 The appropriations under this section are to
 9.2 the commissioner of administration for the
 9.3 purposes specified.

9.4 **In-Lieu of Rent.** \$8,158,000 the first year
 9.5 and \$7,158,000 the second year are for
 9.6 space costs of the legislature and veterans
 9.7 organizations, ceremonial space, and
 9.8 statutorily free space. In-lieu of rent may be
 9.9 used for rent loss and relocation expenses
 9.10 related to the Capitol restoration in the fiscal
 9.11 year 2014-2015 biennium and fiscal year
 9.12 2016-2017 biennium.

9.4 Subd. 3. **Strategic Management Services** 1,789,000 1,789,000

9.5 Subd. 4. **Fiscal Agent** 10,727,000 10,307,000

9.6 The appropriations under this section are to
 9.7 the commissioner of administration for the
 9.8 purposes specified.

9.9 **In-Lieu of Rent.** \$7,488,000 the first year
 9.10 and \$7,488,000 the second year are for
 9.11 space costs of the legislature and veterans
 9.12 organizations, ceremonial space, and
 9.13 statutorily free space.

9.13 **Relocation Expenses.** \$1,380,000 the first
 9.14 year and \$960,000 the second year are for
 9.15 rent loss and relocation expenses related
 9.16 to the Capitol renovation project. This is a
 9.17 onetime appropriation.

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

9.21 (b) \$550,000 the first year and \$550,000
 9.22 the second year are for public television
 9.23 equipment grants under Minnesota Statutes,
 9.24 section 129D.13. The base for fiscal year
 9.25 2018 is \$250,000, and for fiscal year 2019
 9.26 is \$250,000.

9.27 (c) The commissioner of administration
 9.28 must consider the recommendations of the
 9.29 Minnesota Public Television Association
 9.30 before allocating the amount appropriated
 9.31 in paragraphs (a) and (b) for equipment or
 9.32 matching grants.

9.33 (d) \$592,000 the first year and \$592,000 the
 9.34 second year are for community service grants
 9.35 to public educational radio stations. This
 10.1 appropriation may be used to disseminate
 10.2 emergency information in foreign languages.
 10.3 The base for fiscal year 2018 is \$392,000 and
 10.4 for fiscal year 2019 is \$392,000.

9.14 **Relocation Expenses.** \$1,284,000 the first
 9.15 year and \$864,000 the second year are for
 9.16 rent loss and relocation expenses related to
 9.17 the Capitol renovation project. Relocation
 9.18 expenses include only moving of art, fixtures,
 9.19 renovation supplies, and similar materials,
 9.20 and may not be used for moving Senators,
 9.21 Senate staff, and related offices and supplies.
 9.22 This is a onetime appropriation.

9.23 **Public Broadcasting.** (a) \$1,161,000 the
 9.24 first year and \$1,161,000 the second year are
 9.25 for matching grants for public television.

9.26 (b) \$200,000 the first year and \$200,000
 9.27 the second year are for public television
 9.28 equipment grants.

9.29 (c) The equipment or matching grants in
 9.30 paragraphs (a) and (b) must be allocated
 9.31 after considering the recommendations of the
 9.32 Minnesota Public Television Association.

9.33 (d) \$287,000 the first year and \$287,000 the
 9.34 second year are for community service grants
 10.1 to public educational radio stations. This
 10.2 appropriation may be used to disseminate
 10.3 emergency information in foreign languages.

11.1 Sec. 13. MINNESOTA MANAGEMENT AND
 11.2 BUDGET \$ 22,277,000 \$ 23,569,000

11.3 \$1,000,000 in fiscal year 2016 and
 11.4 \$2,000,000 in fiscal year 2017 are to maintain
 11.5 and upgrade statewide business systems,
 11.6 including, but not limited to, the statewide
 11.7 accounting system, the human resource and
 11.8 payroll system, the employment application
 11.9 system, the enterprise learning management
 11.10 system, the budget planning and analysis
 11.11 system, the fiscal note tracking system, and
 11.12 capital budget system.

10.33 Sec. 13. MINNESOTA MANAGEMENT AND
 10.34 BUDGET \$ 18,757,000 \$ 18,757,000

11.1 \$156,000 the first year and \$156,000 the
 11.2 second year are to develop and implement
 11.3 a return on taxpayer investment (ROTI)
 11.4 methodology using the Pew-MacArthur
 11.5 Results First framework to evaluate
 11.6 corrections and human services programs
 11.7 administered and funded by state and
 11.8 county governments. The commissioner
 11.9 shall engage and work with staff from
 11.10 Pew-MacArthur Results First, and shall
 11.11 consult with representatives of other state
 11.12 agencies, counties, legislative staff, the
 11.13 commissioners of corrections and human
 11.14 services, and other commissioners of state
 11.15 agencies and stakeholders to implement the
 11.16 established methodology. The commissioner
 11.17 of management and budget shall report
 11.18 on implementation progress and make
 11.19 recommendations to the governor and
 11.20 legislature by January 31, 2017.

11.23 Appropriations by Fund

11.24 <u>General</u>	<u>113,736,000</u>	<u>114,216,000</u>
11.25 <u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
11.26 <u>Highway User Tax</u>		
11.27 <u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
11.28 <u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

11.29 Appropriation; Taxpayer Assistance. (a)
 11.30 \$400,000 in fiscal year 2016 and \$400,000
 11.31 in fiscal year 2017 from the general fund
 11.32 are for grants to one or more nonprofit
 11.33 organizations, qualifying under section
 11.34 501(c)(3) of the Internal Revenue Code of
 11.35 1986, to coordinate, facilitate, encourage, and
 11.36 aid in the provision of taxpayer assistance
 12.1 services. The unencumbered balance in the
 12.2 first year does not cancel but is available for
 12.3 the second year.

12.9 Appropriations by Fund

12.10 <u>General</u>	<u>107,866,000</u>	<u>106,686,000</u>
12.11 <u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
12.12 <u>Highway User Tax</u>		
12.13 <u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
12.14 <u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

12.15 Base reductions must be made from expenses
 12.16 related to the capital equipment sales tax
 12.17 repealed in 2014, and cannot be applied to
 12.18 compliance activities.

12.19 Appropriation; Taxpayer Assistance.
 12.20 (a) \$400,000 each year from the general
 12.21 fund is for grants to one or more nonprofit
 12.22 organizations, qualifying under section
 12.23 501(c)(3) of the Internal Revenue Code of
 12.24 1986, to coordinate, facilitate, encourage, and
 12.25 aid in the provision of taxpayer assistance
 12.26 services. The unencumbered balance in the
 12.27 first year does not cancel but is available for
 12.28 the second year.

12.4 (b) For purposes of this appropriation,
 12.5 "taxpayer assistance services" means
 12.6 accounting and tax preparation services
 12.7 provided by volunteers to low-income,
 12.8 elderly, and disadvantaged Minnesota
 12.9 residents to help them file federal and state
 12.10 income tax returns, Minnesota property
 12.11 tax refund claims, and to provide personal
 12.12 representation before the Department of
 12.13 Revenue and Internal Revenue Service.

12.20 Subd. 3. **Debt Collection Management** 28,616,000 28,616,000

12.21 Sec. 15. **GAMBLING CONTROL** \$ 3,260,000 \$ 3,324,000

12.22 Appropriations by Fund

12.23 General 483,000 779,000

12.24 Special Revenue 2,777,000 2,545,000

12.25 The special revenue fund appropriations are
 12.26 from the lawful gambling regulation account
 12.27 in the special revenue fund.

12.28 Sec. 16. **RACING COMMISSION** \$ 1,168,000 \$ 1,153,000

12.29 (b) For purposes of this section, "taxpayer
 12.30 assistance services" means accounting
 12.31 and tax preparation services provided by
 12.32 volunteers to low-income, elderly, and
 12.33 disadvantaged Minnesota residents to help
 12.34 them file federal and state income tax returns
 12.35 and Minnesota property tax refund claims
 12.36 and to provide personal representation before
 13.1 the Department of Revenue and Internal
 13.2 Revenue Service.

13.3 Subd. 3. **Debt Collection Management** 28,616,000 28,616,000

13.4 Sec. 15. **GAMBLING CONTROL** \$ 3,959,000 \$ 3,959,000

13.5 These appropriations are from the lawful
 13.6 gambling regulation account in the special
 13.7 revenue fund.

13.8 Sec. 16. **RACING COMMISSION** \$ 899,000 \$ 1,081,000

12.29	<u>Appropriations by Fund</u>	
12.30	<u>2016</u>	<u>2017</u>
12.31 <u>General</u>	<u>269,000</u>	<u>72,000</u>
12.32 <u>Special Revenue</u>	<u>899,000</u>	<u>1,081,000</u>

13.1 The general fund appropriation is for fiscal
 13.2 years 2016 and 2017 only.

13.3 The special revenue fund appropriations are
 13.4 from the racing and card playing regulation
 13.5 accounts. The base for the special revenue
 13.6 fund appropriation is \$972,000 in fiscal year
 13.7 2018 and \$971,000 in fiscal year 2019.

13.8 The Racing Commission is directed to work
 13.9 in consultation with the racing industry
 13.10 to propose permanent dedicated funding
 13.11 changes to fully support the operations of
 13.12 the commission to ensure that racing is
 13.13 conducted in the public interest. These
 13.14 changes shall be reported to the Office of the
 13.15 Governor and to the majority and minority
 13.16 leaders of the relevant finance and policy
 13.17 legislative committees by November 1, 2015.

13.18 Sec. 17. **STATE LOTTERY**

13.19 Notwithstanding Minnesota Statutes, section
 13.20 349A.10, subdivision 3, the operating budget
 13.21 must not exceed \$31,000,000 in fiscal year
 13.22 2016 and \$31,000,000 in fiscal year 2017.

13.23 Sec. 18. **AMATEUR SPORTS COMMISSION** \$ **4,300,000** \$ **300,000**

13.9 These appropriations are from the racing
 13.10 and card playing regulation accounts in the
 13.11 special revenue fund.

13.12 Sec. 17. **STATE LOTTERY**

13.13 Notwithstanding Minnesota Statutes, section
 13.14 349A.10, subdivision 3, the operating budget
 13.15 must not exceed \$31,000,000 in fiscal year
 13.16 2016 and \$31,000,000 in fiscal year 2017.

13.17 Sec. 18. **AMATEUR SPORTS COMMISSION** \$ **253,000** \$ **253,000**

13.24 **Mighty Ducks.** \$4,000,000 in fiscal year
 13.25 2016 is for the purposes of Minnesota
 13.26 Statutes, section 240A.09, paragraph (b).

13.27 Sec. 19. **COUNCIL ON BLACK**
 13.28 **MINNESOTANS** \$ 396,000 \$ 401,000

13.18 Sec. 19. **COUNCIL ON BLACK**
 13.19 **MINNESOTANS** \$ 392,000 \$ 392,000

13.20 These appropriations are from the ethnic
 13.21 councils account in the special revenue fund.

13.22 The general fund base in fiscal years 2018 and
 13.23 2019 for this council is \$392,000 each year.

13.29 Sec. 20. **COUNCIL ON ASIAN-PACIFIC**
 13.30 **MINNESOTANS** \$ 359,000 \$ 364,000

13.24 Sec. 20. **COUNCIL ON ASIAN-PACIFIC**
 13.25 **MINNESOTANS** \$ 354,000 \$ 354,000

13.26 These appropriations are from the ethnic
 13.27 councils account in the special revenue fund.

13.28 The general fund base in fiscal years 2018 and
 13.29 2019 for this council is \$354,000 each year.

13.31 Sec. 21. **COUNCIL ON AFFAIRS OF**
 13.32 **CHICANO/LATINO PEOPLE** \$ 381,000 \$ 386,000

14.1 Sec. 21. **COUNCIL ON AFFAIRS OF**
 14.2 **CHICANO/LATINO PEOPLE** \$ 375,000 \$ 375,000

14.3 These appropriations are from the ethnic
 14.4 councils account in the special revenue fund.

14.5 The general fund base in fiscal years 2018 and
 14.6 2019 for this council is \$375,000 each year.

14.1 Sec. 22. **INDIAN AFFAIRS COUNCIL** \$ 569,000 \$ 576,000

14.7 Sec. 22. **INDIAN AFFAIRS COUNCIL** \$ 562,000 \$ 562,000

14.8 These appropriations are from the ethnic
 14.9 councils account in the special revenue fund.

14.10 The general fund base in fiscal years 2018 and
 14.11 2019 for this council is \$562,000 each year.

14.2 Sec. 23. **MINNESOTA HISTORICAL**
 14.3 **SOCIETY**

14.12 Sec. 23. **MINNESOTA HISTORICAL**
 14.13 **SOCIETY**

15.4	<u>(a) Minnesota International Center</u>	<u>39,000</u>	<u>39,000</u>
15.5	<u>(b) Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
15.6	<u>(c) Minnesota Military Museum</u>	<u>100,000</u>	<u>100,000</u>
15.7	<u>\$50,000 in fiscal year 2016 and \$50,000 in</u>		
15.8	<u>fiscal year 2017 are for an archivist position.</u>		
15.9	<u>This is a onetime appropriation and available</u>		
15.10	<u>until June 30, 2017.</u>		
15.11	<u>(d) Farmamerica</u>	<u>315,000</u>	<u>115,000</u>
15.12	<u>\$200,000 in fiscal year 2016 is for a grant</u>		
15.13	<u>to Farmamerica, the Minnesota agriculture</u>		
15.14	<u>interpretive center, for capital improvements.</u>		
15.15	<u>(e) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
15.16	15.16 Balances Forward. <u>Any unencumbered</u>		
15.17	<u>balance remaining in this subdivision the first</u>		
15.18	<u>year does not cancel but is available for the</u>		
15.19	<u>second year of the biennium.</u>		
15.20	Sec. 24. <u>BOARD OF THE ARTS</u>		
15.21	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 7,522,000</u>	<u>\$ 7,530,000</u>
15.22	<u>The amounts that may be spent for each</u>		
15.23	<u>purpose are specified in the following</u>		
15.24	<u>subdivisions.</u>		

15.2	<u>(a) Minnesota International Center</u>	<u>39,000</u>	<u>39,000</u>
15.3	<u>(b) Minnesota Air National Guard Museum</u>	<u>34,000</u>	<u>-0-</u>
15.4	<u>(c) Minnesota Military Museum</u>	<u>150,000</u>	<u>50,000</u>
15.5	<u>(d) Farmamerica</u>	<u>190,000</u>	<u>115,000</u>
15.6	<u>(e) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
15.7	15.7 Balances Forward. <u>Any unencumbered</u>		
15.8	<u>balance remaining in this subdivision the first</u>		
15.9	<u>year does not cancel but is available for the</u>		
15.10	<u>second year of the biennium.</u>		
15.11	15.11 Subd. 4. <u>Appropriation Limit</u>		
15.12	<u>Notwithstanding Minnesota Statutes, section</u>		
15.13	<u>290.0681, subdivision 7, paragraph (b),</u>		
15.14	<u>the fiscal year 2016 appropriation for</u>		
15.15	<u>grants in lieu of credit for historic structure</u>		
15.16	<u>rehabilitation is \$457,000.</u>		
15.17	Sec. 24. <u>BOARD OF THE ARTS</u>		
15.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 7,514,000</u>	<u>\$ 7,514,000</u>
15.19	<u>The amounts that may be spent for each</u>		
15.20	<u>purpose are specified in the following</u>		
15.21	<u>subdivisions.</u>		

15.25 Subd. 2. Operations and Services	<u>583,000</u>	<u>591,000</u>
15.26 Subd. 3. Grants Program	<u>4,800,000</u>	<u>4,800,000</u>
15.27 Subd. 4. Regional Arts Councils	<u>2,139,000</u>	<u>2,139,000</u>
15.28 Unencumbered Balance Available. Any		
15.29 <u>unencumbered balance remaining in this</u>		
15.30 <u>section the first year does not cancel, but is</u>		
15.31 <u>available for the second year of the biennium.</u>		
16.1 Projects located in Minnesota; travel		
16.2 restriction. Money appropriated in this		
16.3 <u>section and distributed as grants may only</u>		
16.4 <u>be spent on projects located in Minnesota.</u>		
16.5 <u>A recipient of a grant funded by an</u>		
16.6 <u>appropriation in this section must not use</u>		
16.7 <u>more than ten percent of the total grant for</u>		
16.8 <u>costs related to travel outside the state of</u>		
16.9 <u>Minnesota.</u>		
16.10 Sec. 25. MINNESOTA HUMANITIES		
16.11 CENTER	<u>\$ 350,000</u>	<u>\$ 350,000</u>

15.22 Subd. 2. Operations and Services	<u>575,000</u>	<u>575,000</u>
15.23 Subd. 3. Grants Program	<u>4,800,000</u>	<u>4,800,000</u>
15.24 Subd. 4. Regional Arts Councils	<u>2,139,000</u>	<u>2,139,000</u>
15.25 Unencumbered Balance Available. Any		
15.26 <u>unencumbered balance remaining in this</u>		
15.27 <u>section the first year does not cancel, but is</u>		
15.28 <u>available for the second year of the biennium.</u>		
15.29 Projects located in Minnesota; travel		
15.30 restriction. Money appropriated in this		
15.31 <u>section and distributed as grants may only</u>		
16.1 <u>be spent on projects located in Minnesota.</u>		
16.2 <u>A recipient of a grant funded by an</u>		
16.3 <u>appropriation in this section must not use</u>		
16.4 <u>more than ten percent of the total grant for</u>		
16.5 <u>costs related to travel outside the state of</u>		
16.6 <u>Minnesota.</u>		
16.7 Sec. 25. MINNESOTA HUMANITIES		
16.8 CENTER	<u>\$ 1,100,000</u>	<u>\$ 850,000</u>
16.9 <u>\$250,000 the first year is for a grant to</u>		
16.10 <u>Everybody Wins!-Minnesota, a Minnesota</u>		
16.11 <u>501(c)(3) corporation, to operate a reading</u>		
16.12 <u>program for Minnesota children. Any</u>		
16.13 <u>balance in the first year does not cancel but is</u>		
16.14 <u>available in the second year.</u>		

16.15 \$250,000 the first year and \$250,000 the
 16.16 second year are for a grant to the Minnesota
 16.17 Council on Economic Education to provide
 16.18 staff development to teachers for the
 16.19 implementation of the state graduation
 16.20 standards in learning areas relating to
 16.21 economic education. This is a onetime
 16.22 appropriation. The commissioner, in
 16.23 consultation with the council, shall develop
 16.24 expected results of staff development,
 16.25 eligibility criteria for participants, an
 16.26 evaluation procedure, and guidelines for
 16.27 direct and in-kind contributions by the
 16.28 council. This appropriation does not cancel,
 16.29 but is available until expended.

16.30 \$250,000 in fiscal year 2016 and \$250,000 in
 16.31 fiscal year 2017 are for the healthy eating,
 16.32 here at home program under Minnesota
 16.33 Statutes, section 138.912. No more than
 16.34 three percent of the appropriation may be
 16.35 used for the nonprofit administration of the
 17.1 grant program under Minnesota Statutes,
 17.2 section 138.912.

16.12	Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>639,000</u>	\$	<u>641,000</u>
16.13	Sec. 27. <u>BOARD OF ARCHITECTURE</u>				
16.14	<u>ENGINEERING, LAND SURVEYING,</u>				
16.15	<u>LANDSCAPE ARCHITECTURE,</u>				
16.16	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>784,000</u>	\$	<u>794,000</u>
16.17	Sec. 28. <u>BOARD OF COSMETOLOGIST</u>				
16.18	<u>EXAMINERS</u>	\$	<u>2,565,000</u>	\$	<u>2,584,000</u>
16.19	Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	\$	<u>321,000</u>	\$	<u>325,000</u>

17.3	Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>628,000</u>	\$	<u>618,000</u>
17.4	Sec. 27. <u>BOARD OF ARCHITECTURE</u>				
17.5	<u>ENGINEERING, LAND SURVEYING,</u>				
17.6	<u>LANDSCAPE ARCHITECTURE,</u>				
17.7	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>774,000</u>	\$	<u>774,000</u>
17.8	Sec. 28. <u>BOARD OF COSMETOLOGIST</u>				
17.9	<u>EXAMINERS</u>	\$	<u>1,346,000</u>	\$	<u>1,346,000</u>
17.10	Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	\$	<u>317,000</u>	\$	<u>317,000</u>
17.11	Sec. 30. <u>HUMAN RIGHTS.</u>	\$	<u>3,505,000</u>	\$	<u>3,505,000</u>

16.20	Sec. 30. <u>GENERAL CONTINGENT</u>			
16.21	<u>ACCOUNTS</u>	\$	<u>1,000,000</u>	\$ <u>500,000</u>
16.22	<u>Appropriations by Fund</u>			
16.23		<u>2016</u>	<u>2017</u>	
16.24	<u>General</u>	<u>500,000</u>	<u>-0-</u>	
16.25	<u>State Government</u>			
16.26	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>	
16.27	<u>Workers'</u>			
16.28	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>	
16.29	<u>(a) The appropriations in this section</u>			
16.30	<u>may only be spent with the approval of</u>			
16.31	<u>the governor after consultation with the</u>			
16.32	<u>Legislative Advisory Commission pursuant</u>			
16.33	<u>to Minnesota Statutes, section 3.30.</u>			
17.1	<u>(b) If an appropriation in this section for</u>			
17.2	<u>either year is insufficient, the appropriation</u>			
17.3	<u>for the other year is available for it.</u>			
17.4	<u>(c) If a contingent account appropriation</u>			
17.5	<u>is made in one fiscal year, it should be</u>			
17.6	<u>considered a biennial appropriation.</u>			
17.7	Sec. 31. <u>TORT CLAIMS</u>	\$	<u>161,000</u>	\$ <u>161,000</u>

17.12	<u>\$80,000 each year is for operation of an</u>		
17.13	<u>office in St. Cloud.</u>		
17.14	Sec. 31. <u>GENERAL CONTINGENT</u>		
17.15	<u>ACCOUNTS</u>	\$	<u>750,000</u> \$ <u>500,000</u>
17.16	<u>Appropriations by Fund</u>		
17.17		<u>2016</u>	<u>2017</u>
17.18	<u>General</u>	<u>250,000</u>	<u>-0-</u>
17.19	<u>State Government</u>		
17.20	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
17.21	<u>Workers'</u>		
17.22	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>
17.23	<u>(a) The appropriations in this section</u>		
17.24	<u>may only be spent with the approval of</u>		
17.25	<u>the governor after consultation with the</u>		
17.26	<u>Legislative Advisory Commission pursuant</u>		
17.27	<u>to Minnesota Statutes, section 3.30.</u>		
17.28	<u>(b) If an appropriation in this section for</u>		
17.29	<u>either year is insufficient, the appropriation</u>		
17.30	<u>for the other year is available for it.</u>		
17.31	<u>(c) If a contingent account appropriation</u>		
17.32	<u>is made in one fiscal year, it should be</u>		
17.33	<u>considered a biennial appropriation.</u>		
18.1	Sec. 32. <u>TORT CLAIMS</u>	\$	<u>161,000</u> \$ <u>161,000</u>

17.8 These appropriations are to be spent by the
17.9 commissioner of management and budget
17.10 according to Minnesota Statutes, section
17.11 3.736, subdivision 7. If the appropriation for
17.12 either year is insufficient, the appropriation
17.13 for the other year is available for it.

17.14 Sec. 32. **MINNESOTA STATE RETIREMENT**
17.15 **SYSTEM**

17.16 Subdivision 1. **Total Appropriation** \$ **6,552,000** \$ **8,936,000**

17.17 The amounts that may be spent for each
17.18 purpose are specified in the following
17.19 subdivisions.

17.20 Subd. 2. **Combined Legislators and**
17.21 **Constitutional Officers Retirement Plan**

17.22 Under Minnesota Statutes, sections 3A.03,
17.23 subdivision 2; 3A.04, subdivisions 3 and 4;
17.24 and 3A.115.

17.25 If an appropriation in this section for either
17.26 year is insufficient, the appropriation for the
17.27 other year is available for it.

17.28 Sec. 33. **PUBLIC EMPLOYEES**
17.29 **RETIREMENT ASSOCIATION** \$ **16,000,000** \$ **16,000,000**

17.30 General employees retirement plan of the
17.31 Public Employees Retirement Association
17.32 relating to the merged former MERF division.

18.1 These amounts are estimated to be needed
18.2 under Minnesota Statutes, section 353.505.

18.3 Sec. 34. **TEACHERS RETIREMENT**
18.4 **ASSOCIATION** \$ **29,831,000** \$ **29,831,000**

18.5 The amounts estimated to be needed are as
18.6 follows:

18.2 These appropriations are to be spent by the
18.3 commissioner of management and budget
18.4 according to Minnesota Statutes, section
18.5 3.736, subdivision 7. If the appropriation for
18.6 either year is insufficient, the appropriation
18.7 for the other year is available for it.

18.8 Sec. 33. **MINNESOTA STATE RETIREMENT**
18.9 **SYSTEM** \$ **6,552,000** \$ **8,936,000**

18.10 These amounts are estimated to be needed
18.11 under Minnesota Statutes, sections 3A.03,
18.12 subdivision 2; 3A.04, subdivisions 3 and 4;
18.13 and 3A.115 for the Combined Legislators
18.14 and Constitutional Officers Retirement Plan.

18.15 Sec. 34. **PUBLIC EMPLOYEES**
18.16 **RETIREMENT ASSOCIATION** \$ **6,000,000** \$ **6,000,000**

18.17 Notwithstanding Minnesota Statutes, section
18.18 353.505, the state payments to the Public
18.19 Employees Retirement Association on behalf
18.20 of the former MERF division account are
18.21 \$6,000,000 on September 15, 2015 and
18.22 \$6,000,000 on September 15, 2016.

18.23 Sec. 35. **TEACHERS RETIREMENT**
18.24 **ASSOCIATION** \$ **29,831,000** \$ **29,831,000**

18.25 The amounts estimated to be needed are as
18.26 follows:

18.7 **Special Direct State Aid.** \$27,331,000 the
 18.8 first year and \$27,331,000 the second year
 18.9 are for special direct state aid authorized
 18.10 under Minnesota Statutes, section 354.436.

18.11 **Special Direct State Matching Aid.**
 18.12 \$2,500,000 the first year and \$2,500,000
 18.13 the second year are for special direct state
 18.14 matching aid authorized under Minnesota
 18.15 Statutes, section 354.435.

18.16 Sec. 35. **ST. PAUL TEACHERS**
 18.17 **RETIREMENT FUND** \$ 9,827,000 \$ 9,827,000

18.18 The amounts estimated to be needed for
 18.19 special direct state aid to the first class
 18.20 city teachers retirement fund association
 18.21 authorized under Minnesota Statutes, section
 18.22 354A.12, subdivisions 3a and 3c.

18.23 Sec. 36. **MILITARY AFFAIRS**

18.24 Subdivision 1. **Total Appropriation** \$ 20,868,000 \$ 20,868,000

18.25 The amounts that may be spent for each
 18.26 purpose are specified in the following
 18.27 subdivisions.

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

18.29 Subd. 3. **General Support** 4,319,000 4,319,000

18.30 \$1,500,000 in fiscal year 2016 and
 18.31 \$1,500,000 in fiscal year 2017 are for
 19.1 reimbursement grants under Minnesota
 19.2 Statutes, section 190.16, subdivision 6b.

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

18.27 **Special Direct State Aid.** \$27,331,000 the
 18.28 first year and \$27,331,000 the second year
 18.29 are for special direct state aid authorized
 18.30 under Minnesota Statutes, section 354.436.

18.31 **Special Direct State Matching Aid.**
 18.32 \$2,500,000 the first year and \$2,500,000
 18.33 the second year are for special direct state
 19.1 matching aid authorized under Minnesota
 19.2 Statutes, section 354.435.

19.3 Sec. 36. **ST. PAUL TEACHERS**
 19.4 **RETIREMENT FUND** \$ 9,827,000 \$ 9,827,000

19.5 The amounts estimated to be needed for
 19.6 special direct state aid to the first class
 19.7 city teachers retirement fund association
 19.8 authorized under Minnesota Statutes, section
 19.9 354A.12, subdivisions 3a and 3c.

19.10 Sec. 37. **MILITARY AFFAIRS**

19.11 Subdivision 1. **Total Appropriation** \$ 19,368,000 \$ 19,368,000

19.12 The amounts that may be spent for each
 19.13 purpose are specified in the following
 19.14 subdivisions.

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

19.16 Subd. 3. **General Support** 2,819,000 2,819,000

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

19.26 \$44,000 for a transfer to the Department
 19.27 of Education to implement the expedited
 19.28 and temporary licensing provisions of
 19.29 Minnesota Statutes, section 197.4552. This
 19.30 appropriation is available until June 30, 2017.

19.31 **Veterans Service Organizations.** \$353,000
 19.32 each year is for grants to the following
 19.33 congressionally chartered veterans service
 20.1 organizations, as designated by the
 20.2 commissioner: Disabled American Veterans,
 20.3 Military Order of the Purple Heart, the
 20.4 American Legion, Veterans of Foreign Wars,
 20.5 Vietnam Veterans of America, AMVETS,
 20.6 and Paralyzed Veterans of America. This
 20.7 funding must be allocated in direct proportion
 20.8 to the funding currently being provided by
 20.9 the commissioner to these organizations.

20.10 **Minnesota Assistance Council for**
 20.11 **Veterans.** \$750,000 each year is for a grant
 20.12 to the Minnesota Assistance Council for
 20.13 Veterans to provide assistance throughout
 20.14 Minnesota to veterans and their families who
 20.15 are homeless or in danger of homelessness,
 20.16 including assistance with the following:

20.17 (1) utilities;

20.18 (2) employment; and

20.19 (3) legal issues.

20.20 The assistance authorized under this
 20.21 paragraph must be made only to veterans who
 20.22 have resided in Minnesota for 30 days prior
 20.23 to application for assistance and according
 20.24 to other guidelines established by the
 20.25 commissioner. In order to avoid duplication
 20.26 of services, the commissioner must ensure
 20.27 that this assistance is coordinated with all
 20.28 other available programs for veterans.

20.11 **Veterans Service Organizations.** \$353,000
 20.12 each year is for grants to the following
 20.13 congressionally chartered veterans service
 20.14 organizations, as designated by the
 20.15 commissioner: Disabled American Veterans,
 20.16 Military Order of the Purple Heart, the
 20.17 American Legion, Veterans of Foreign Wars,
 20.18 Vietnam Veterans of America, AMVETS,
 20.19 and Paralyzed Veterans of America. This
 20.20 funding must be allocated in direct proportion
 20.21 to the funding currently being provided by
 20.22 the commissioner to these organizations.

20.23 **Minnesota Assistance Council for**
 20.24 **Veterans.** \$750,000 each year is for a grant
 20.25 to the Minnesota Assistance Council for
 20.26 Veterans to provide assistance throughout
 20.27 Minnesota to veterans and their families who
 20.28 are homeless or in danger of homelessness,
 20.29 including assistance with the following:

20.30 (1) utilities;

20.31 (2) employment; and

20.32 (3) legal issues.

20.33 The assistance authorized under this
 20.34 paragraph must be made only to veterans who
 21.1 have resided in Minnesota for 30 days prior
 21.2 to application for assistance and according
 21.3 to other guidelines established by the
 21.4 commissioner. In order to avoid duplication
 21.5 of services, the commissioner must ensure
 21.6 that this assistance is coordinated with all
 21.7 other available programs for veterans.

20.29 **Honor Guards.** \$200,000 each year is
 20.30 for compensation for honor guards at
 20.31 the funerals of veterans under Minnesota
 20.32 Statutes, section 197.231. This amount is
 20.33 added to the program's base funding.

21.1 **Minnesota GI Bill.** \$200,000 each year is
 21.2 for the costs of administering the Minnesota
 21.3 GI Bill postsecondary educational benefits,
 21.4 on-the-job training, and apprenticeship
 21.5 program under Minnesota Statutes, section
 21.6 197.791. Of this amount, \$100,000 is for
 21.7 transfer to the Office of Higher Education.

21.8 **Gold Star Program.** \$100,000 each year
 21.9 is for administering the Gold Star Program
 21.10 for surviving family members of deceased
 21.11 veterans. This amount is added to the
 21.12 program's base funding.

21.13 **County Veterans Service Office.**
 21.14 \$1,100,000 each year is for funding the
 21.15 County Veterans Service Office grant
 21.16 program under Minnesota Statutes, section
 21.17 197.608.

21.18 Subd. 3. **Veterans Homes** 49,102,000 51,230,000

21.8 **Honor Guards.** \$200,000 each year is
 21.9 for compensation for honor guards at
 21.10 the funerals of veterans under Minnesota
 21.11 Statutes, section 197.231. This amount is
 21.12 added to the program's base funding.

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 21.14 for the costs of administering the Minnesota
 21.15 GI Bill postsecondary educational benefits,
 21.16 on-the-job training, and apprenticeship
 21.17 program under Minnesota Statutes, section
 21.18 197.791. Of this amount, \$100,000 is for
 21.19 transfer to the Office of Higher Education.

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 21.21 is for administering the Gold Star Program
 21.22 for surviving family members of deceased
 21.23 veterans. This amount is added to the
 21.24 program's base funding.

21.25 **County Veterans Service Office.**
 21.26 \$1,100,000 each year is for funding the
 21.27 County Veterans Service Office grant
 21.28 program under Minnesota Statutes, section
 21.29 197.608.

21.30 Subd. 3. **Veterans Homes** 49,014,000 51,120,000

21.31	<u>Appropriations by Fund</u>	
21.32	<u>2016</u>	<u>2017</u>
21.33	<u>General Fund</u>	<u>47,013,000</u> <u>47,013,000</u>
21.34	<u>Special Revenue</u>	<u>2,001,000</u> <u>4,107,000</u>

21.19 The base is \$51,234,000 for fiscal year 2018
 21.20 and \$51,238,000 for fiscal year 2019.

21.21 **Veterans Homes Special Revenue Account.**
 21.22 The general fund appropriations made to the
 21.23 department may be transferred to a veterans
 21.24 homes special revenue account in the special
 21.25 revenue fund in the same manner as other
 21.26 receipts are deposited according to Minnesota
 21.27 Statutes, section 198.34, and are appropriated
 21.28 to the department for the operation of
 21.29 veterans homes facilities and programs.

21.30 **Repair and Betterment.** \$500,000 in the
 21.31 first year and \$500,000 in the second year
 21.32 are for repair and betterment of Minnesota
 21.33 veterans homes.

22.1 **Maximize Federal Reimbursements.**
 22.2 The department will seek opportunities
 22.3 to maximize federal reimbursements of
 22.4 Medicare-eligible expenses and will provide
 22.5 annual reports to the commissioner of
 22.6 management and budget on the federal
 22.7 Medicare reimbursements received.
 22.8 Contingent upon future federal Medicare
 22.9 receipts, reductions to the homes' general
 22.10 fund appropriation may be made.

22.11 Sec. 38. **APPROPRIATION**
 22.12 **CANCELLATIONS**

22.15 The general fund base in fiscal years 2018
 22.16 and 2019 for veterans homes is \$51,120,000
 22.17 each year.

22.1 **Veterans Homes Special Revenue Account.**
 22.2 \$6,108,000 is transferred from the state
 22.3 employee group insurance program trust fund
 22.4 to the veterans home special revenue account
 22.5 in the special revenue fund. The general fund
 22.6 appropriations made to the department may
 22.7 be transferred to a veterans homes special
 22.8 revenue account in the special revenue fund
 22.9 in the same manner as other receipts are
 22.10 deposited according to Minnesota Statutes,
 22.11 section 198.34. Amounts in the account
 22.12 are appropriated to the department for the
 22.13 operation of veterans homes facilities and
 22.14 programs.

22.13 All unspent funds, estimated to be \$44,000,
 22.14 to implement the expedited and temporary
 22.15 licensing provisions of Minnesota Statutes,
 22.16 section 197.4552, under Laws 2014, chapter
 22.17 312, article 4, section 2, subdivision 8, are
 22.18 canceled to the general fund on June 30, 2015.

22.19 All unspent funds, estimated to be \$150,000,
 22.20 from the Web site redevelopment project
 22.21 appropriation under Laws 2013, chapter
 22.22 142, article 1, section 7, are canceled to the
 22.23 general fund on June 30, 2015.

22.29 **ARTICLE 2**
 22.30 **STATE GOVERNMENT OPERATIONS**

6.25 (a) All unspent funds, estimated to be
 6.26 \$150,000, from the Web site redevelopment
 6.27 project appropriation under Laws 2013,
 6.28 chapter 142, article 1, section 7, are canceled
 6.29 to the general fund on June 30, 2015.

22.18 Sec. 39. **ETHNIC COUNCILS ACCOUNT.**

22.19 The following amounts are deposited in the ethnic councils account in the special
 22.20 revenue fund:

22.21 (1) \$ 2,201,000 which is transferred from the state employee group insurance trust
 22.22 fund;

22.23 (2) \$871,000 which is transferred from the state elections campaign fund; and

22.24 (3) \$294,000 from the appropriation related to health insurance transparency in Laws
 22.25 2014, chapter 312, article 21, section 4, paragraph (a), is canceled to the general fund
 22.26 and transferred to the special revenue fund, effective the day following final enactment
 22.27 of this section.

22.28 **ARTICLE 2**
 22.29 **STATE GOVERNMENT**

22.30 Section 1. **[2.92] DISTRICTING PRINCIPLES.**

22.31 Subdivision 1. **Applicability; constitutional duty of legislature.** (a) The principles
 22.32 in this section apply to legislative and congressional districts.

23.1 (b) Notwithstanding any laws to the contrary, legislative and congressional districts
 23.2 must be drawn by the legislature, consistent with the requirements of the Minnesota
 23.3 Constitution, article IV, section 3. The legislature may not delegate its duty to draw
 23.4 districts to any commission, council, panel, or other entity that is not comprised solely of
 23.5 members of the legislature.

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

- 23.8 Subd. 3. **Equal population.** (a) Legislative districts must be substantially equal
23.9 in population. The population of a legislative district must not deviate from the ideal
23.10 by more than 0.5 percent, plus or minus.
- 23.11 (b) Congressional districts must be as nearly equal in population as practicable.
- 23.12 Subd. 4. **Contiguity; compactness.** The districts must be composed of convenient
23.13 contiguous territory. To the extent consistent with the other principles in this section,
23.14 districts should be compact. Contiguity by water is sufficient if the water is not a serious
23.15 obstacle to travel within the district. Point contiguity is not sufficient.
- 23.16 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,
23.17 beginning with house district 1A in the northwest corner of the state and proceeding across
23.18 the state from west to east, north to south, but bypassing the 11-county metropolitan
23.19 area until the southeast corner has been reached; then to the 11-county metropolitan area
23.20 outside the cities of Minneapolis and St. Paul; then in Minneapolis and St. Paul.
- 23.21 (b) Congressional district numbers must begin with district one in the southeast
23.22 corner of the state and end with district eight in the northeast corner of the state.
- 23.23 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority
23.24 voting strength is contrary to the laws of the United States and the state of Minnesota.
23.25 These principles must not be construed to supersede any provision of the Voting Rights
23.26 Act of 1965, as amended.
- 23.27 (b) A redistricting plan must not have the intent or effect of dispersing or
23.28 concentrating minority population in a manner that prevents minority communities from
23.29 electing their candidates of choice.
- 23.30 Subd. 7. **Minor civil divisions.** (a) A county, city, or town must not be unduly
23.31 divided unless required to meet equal population requirements or to form districts
23.32 composed of convenient, contiguous territory.
- 23.33 (b) A county, city, or town is not unduly divided in the formation of a legislative or
23.34 congressional district if:
- 23.35 (1) the division occurs because a portion of a city or town is noncontiguous with
23.36 another portion of the same city or town; or
- 24.1 (2) despite the division, the known population of any affected county, city, or town
24.2 remains wholly located within a single district.
- 24.3 Subd. 8. **Preserving communities of interest.** (a) Districts should attempt to
24.4 preserve identifiable communities of interest where that can be done in compliance with
24.5 the principles under this section.
- 24.6 (b) For purposes of this subdivision, "communities of interest" means recognizable
24.7 areas with similarities of interests including, but not limited to, racial, ethnic, geographic,
24.8 social, or cultural interests.

24.9 Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in
 24.10 maps, tables, and legal descriptions of the districts must be those used by the Geographic
 24.11 Information Systems Office of the Legislative Coordinating Commission. The population
 24.12 counts will be the block population counts provided to the state under Public Law 94-171
 24.13 after each decennial census, subject to correction of any errors acknowledged by the
 24.14 United States Census Bureau.

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

24.17 Subd. 10. **Consideration of plans.** A redistricting plan must not be considered for
 24.18 adoption by the senate or house of representatives until a block equivalency file showing
 24.19 the district to which each census block has been assigned, in a form prescribed by the
 24.20 director of the Geographic Information Systems Office, has been filed with the director.

24.21 Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the
 24.22 principles contained in subdivisions 1 to 8, a redistricting plan must give priority to those
 24.23 principles in the order in which they are listed in this section, except to the extent that
 24.24 doing so would violate federal or state law.

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

22.31 Section 1. Minnesota Statutes 2014, section 3.8843, subdivision 5, is amended to read:

23.1 Subd. 5. **Staff.** Legislative staff must provide administrative and research assistance
 23.2 to the commission. The Legislative Coordinating Commission may, if funding is available,
 23.3 appoint staff to provide research assistance.

24.27 Sec. 2. Minnesota Statutes 2014, section 3.971, is amended by adding a subdivision to
 24.28 read:

24.29 Subd. 8a. **Fiscal notes and revenue estimates.** The legislative auditor shall
 24.30 participate in the fiscal note and revenue estimate process in the manner described in
 24.31 section 3.98. Authority of the legislative auditor and duties of employees and entities
 24.32 under section 3.978, subdivision 2, apply to the legislative auditor's work on fiscal notes
 24.33 and revenue estimates.

25.1 Sec. 3. **[3.9735] EVALUATION OF ECONOMIC DEVELOPMENT INCENTIVE**
 25.2 **PROGRAMS.**

25.3 Subdivision 1. **Definitions.** For purposes of this section, the terms defined in this
 25.4 section have the meanings given them.

25.5 (a) "General incentive" means a state program, statutory provision, or tax
 25.6 expenditure, including tax credits, tax exemptions, tax deductions, grants, or loans, that
 25.7 is intended to encourage businesses to locate, expand, invest, or remain in Minnesota or
 25.8 to hire or retain employees in Minnesota. To be a general incentive, a state program,
 25.9 statutory provision, or tax expenditure must be available to multiple entities, projects, or
 25.10 associated projects or include eligibility criteria with the intent that it will be available to
 25.11 multiple entities, projects, or associated projects.

25.12 (b) "Exclusive incentive" means a state program, statutory provision, tax
 25.13 expenditure, or section of a general incentive, including tax credits, tax exemptions, tax
 25.14 deductions, grants, or loans, that is intended to encourage a single specific entity, project,
 25.15 or associated projects to locate, expand, invest, or remain in Minnesota or to hire or retain
 25.16 employees in Minnesota.

25.17 Subd. 2. **Selection of general incentives for review; schedule for evaluation;**
 25.18 **report.** Annually, the legislative auditor shall submit to the Legislative Audit Commission
 25.19 a list of three to five general incentives proposed for review. In selecting general
 25.20 incentives to include on this list, the legislative auditor may consider what the incentive
 25.21 will cost state and local governments in actual spending and foregone revenue currently or
 25.22 projected into the future, the legislature's need for information about a general incentive
 25.23 that has an upcoming expiration date, and the legislature's need for regular information on
 25.24 the results of all major general incentives. Annually, the Legislative Audit Commission
 25.25 will select at least one general incentive for the legislative auditor's evaluation. The
 25.26 legislative auditor will evaluate the selected general incentive or incentives, prepared
 25.27 according to the evaluation plan established under subdivision 4, and submit a written
 25.28 report to the Legislative Audit Commission.

25.29 Subd. 3. **Exclusive incentive schedule.** The legislative auditor's schedule shall
 25.30 ensure that at least once every four years the legislative auditor will complete an analysis
 25.31 of best practices for exclusive incentives.

25.32 Subd. 4. **Evaluation plans.** By February 1, 2016, the Legislative Audit Commission
 25.33 shall establish evaluation plans that identify elements that the legislative auditor must
 25.34 include in evaluations of a general incentive and an exclusive incentive. The Legislative
 25.35 Audit Commission may modify the evaluation plans as needed.

23.4 Sec. 2. **[3.9799] SENATE BUILDING APPROPRIATIONS.**

23.5 Subdivision 1. **Debt service.** The amount necessary to pay the principal and interest
 23.6 components of the rental payment required under the August 1, 2014, lease-purchase
 23.7 agreement between the Department of Administration and the Department of Management
 23.8 and Budget for the Senate Building authorized under Laws 2013, chapter 143, article 12,
 23.9 section 21, is annually appropriated from the general fund to the senate. This subdivision
 23.10 is effective for the term of the lease-purchase agreement.

- 23.11 **Subd. 2. Operations and maintenance.** (a) \$1,088,000 in fiscal year 2016,
 23.12 \$2,224,000 in fiscal year 2017, \$2,280,000 in fiscal year 2018, and \$2,337,000 in fiscal year
 23.13 2019 and later, are appropriated from the general fund to the senate to pay for operations
 23.14 and maintenance costs associated with the Senate Building authorized under Laws 2013,
 23.15 chapter 143, article 12, section 21. Notwithstanding sections 16B.04 and 16B.24, and in the
 23.16 event that the commissioner of administration breaches any obligations under agreements
 23.17 with the senate relating to the Senate Building, the senate may contract with other entities
 23.18 for the provision of operations and maintenance services for the Senate Building.
- 23.19 (b) By July 1 of each year beginning in 2015, the commissioner of administration
 23.20 shall report to the chairs and ranking minority members of the legislative committees with
 23.21 jurisdiction over the Department of Administration regarding the planned and actual uses
 23.22 of the appropriations in paragraph (a) in the previous fiscal year and for the next biennium.
 23.23 The report shall include information regarding the number of full-time equivalent positions
 23.24 supported by the appropriation, including each position and the salary and benefits for that
 23.25 position. The report must also provide a detailed accounting regarding utilities, materials,
 23.26 supplies, and other purchases made with this appropriation, including a list of contracts for
 23.27 any services or goods for the operation and maintenance of the Senate Building.
- 23.28 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

26.1 Sec. 4. Minnesota Statutes 2014, section 3.98, is amended to read:

26.2 **3.98 FISCAL NOTES AND REVENUE ESTIMATES.**

26.3 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~
 26.4 ~~department or agency of the state government, including the Supreme Court, shall prepare~~
 26.5 ~~a fiscal note at the request of the chair of the standing committee to which a bill has been~~
 26.6 ~~referred, or the chair of the house of representatives Ways and Means Committee, or the~~
 26.7 ~~chair of the senate Committee on Finance.~~

26.8 ~~For purposes of this subdivision, "Supreme Court" includes all agencies, committees,~~
 26.9 ~~and commissions supervised or appointed by the state Supreme Court or the state court~~
 26.10 ~~administrator. (a) The chair of the standing committee to which a bill has been referred,~~
 26.11 ~~the chair of the house of representatives Ways and Means Committee, and the chair of~~
 26.12 ~~the senate Committee on Finance may request a fiscal note. The chair of the house of~~
 26.13 ~~representatives or senate tax committee may request a revenue estimate. A request for a~~
 26.14 ~~fiscal note or revenue estimate must be filed with the legislative auditor.~~

26.15 (b) Upon receiving a request for a fiscal note or revenue estimate, the legislative
26.16 auditor shall request appropriate agencies, offices, boards, or commissions in the executive,
26.17 judicial, or legislative branch to provide the legislative auditor with an analysis of the
26.18 financial and personnel impacts of the bill. The analysis must include a clear statement
26.19 of the assumptions used in the analysis and the extent to which alternative assumptions
26.20 were considered. Agencies, offices, boards, or commissions shall, after receiving a request
26.21 from the legislative auditor, submit the analysis in the time and manner requested by the
26.22 auditor. The legislative auditor may require agencies, offices, boards, or commissions to
26.23 use the fiscal note tracking system developed and maintained by the commissioner of
26.24 management and budget for submitting fiscal note information and analysis.

26.25 (c) The legislative auditor shall review the analysis submitted by agencies, offices,
26.26 boards, or commissions and assess the reasonableness of the analysis, particularly the
26.27 reasonableness of the assumptions used in the analysis. The auditor may require agencies,
26.28 offices, boards, or commissions to resubmit their analysis under new assumptions or
26.29 calculation parameters as defined by the auditor.

26.30 (d) When the legislative auditor accepts the final analysis from all relevant agencies,
26.31 offices, boards, or commissions, the legislative auditor shall deliver the completed
26.32 fiscal note or revenue estimate. The note or estimate must contain the final analysis
26.33 and assumptions submitted to the legislative auditor by agencies, offices, boards, or
26.34 commissions, and a statement by the legislative auditor as to whether the legislative
26.35 auditor agrees with the final analysis and assumptions. The auditor must state the
26.36 reasons for any disagreements and may offer alternative analysis and assumptions for
27.1 consideration by the legislature. If the legislative auditor deems these disagreements
27.2 sufficiently large, the legislative auditor may submit an unofficial "unapproved" fiscal note
27.3 to the legislature for public consideration of both the analysis of the agencies, offices,
27.4 boards, or commissions, and of the legislative auditor.

27.5 Subd. 2. **Contents.** (a) ~~The~~ A fiscal note, where possible, shall:

27.6 (1) cite the effect in dollar amounts;

27.7 (2) cite the statutory provisions affected;

27.8 (3) estimate the increase or decrease in revenues or expenditures;

27.9 (4) include the costs which may be absorbed without additional funds;

27.10 (5) include the assumptions used in determining the cost estimates; and

27.11 (6) specify any long-range implication.

27.12 (b) ~~The~~ A revenue estimate must estimate the effect of a bill on state tax revenues.

27.13 (c) A fiscal note or revenue estimate may comment on technical or mechanical
27.14 defects in the bill but shall express no opinions concerning the merits of the proposal.

27.15 Subd. 3. **Distribution.** A copy of ~~the~~ a fiscal note shall be delivered to the chair
 27.16 of the Ways and Means Committee of the house of representatives, the chair of the
 27.17 Finance Committee of the senate, the chair of the standing committee to which the bill
 27.18 has been referred, to the chief author of the bill and to the commissioner of management
 27.19 and budget. A copy of a revenue estimate shall be delivered to the chairs of the house
 27.20 of representatives and senate tax committees, to the chief author of the bill, and to the
 27.21 commissioner of revenue.

27.22 Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~
 27.23 legislative auditor shall prescribe a uniform procedure to govern the departments and
 27.24 agencies of the state in complying with the requirements of this section.

27.25 Subd. 5. **Tracking system.** The commissioner of management and budget shall
 27.26 provide the legislative auditor with manuals and other documentation requested by the
 27.27 auditor for the fiscal note tracking system that is maintained by the commissioner.

27.28 Sec. 5. Minnesota Statutes 2014, section 3.987, subdivision 1, is amended to read:

27.29 Subdivision 1. **Local impact notes.** ~~The commissioner of management and budget~~
 27.30 legislative auditor shall coordinate the development of a local impact note for any proposed
 27.31 ~~legislation introduced after June 30, 1997,~~ upon request of the chair or the ranking minority
 27.32 member of either legislative Tax, Finance, or Ways and Means Committee. Upon receipt
 27.33 of a request to prepare a local impact note, ~~the commissioner auditor~~ must notify the
 27.34 authors of the proposed legislation that the request has been made. The local impact note
 27.35 must be made available to the public upon request. If the action is among the exceptions
 28.1 listed in section 3.988, a local impact note need not be requested nor prepared. The
 28.2 ~~commissioner auditor~~ shall make a reasonable and timely estimate of the local fiscal impact
 28.3 on each type of political subdivision that would result from the proposed legislation. The
 28.4 ~~commissioner of management and budget auditor~~ may require any political subdivision or
 28.5 the commissioner of an administrative agency of the state to supply in a timely manner
 28.6 any information determined to be necessary to determine local fiscal impact. The political
 28.7 subdivision, its representative association, or ~~commissioner~~ shall convey the requested
 28.8 information to the ~~commissioner of management and budget auditor~~ with a signed
 28.9 statement to the effect that the information is accurate and complete to the best of its ability.
 28.10 The political subdivision, its representative association, or commissioner, when requested,
 28.11 shall update its determination of local fiscal impact based on actual cost or revenue figures,
 28.12 improved estimates, or both. Upon completion of the note, ~~the commissioner auditor~~ must
 28.13 provide a copy to the authors of the proposed legislation and to the chair and ranking
 28.14 minority member of each committee to which the proposed legislation is referred.

28.15 Sec. 6. **[6.481] COUNTY AUDITS.**

28.16 Subdivision 1. **Powers and duties.** All the powers and duties conferred and imposed
28.17 upon the state auditor shall be exercised and performed by the state auditor in respect to
28.18 the offices, institutions, public property, and improvements of several counties of the
28.19 state. The state auditor may visit, without previous notice, each county and examine all
28.20 accounts and records relating to the receipt and disbursement of the public funds and the
28.21 custody of the public funds and other property. The state auditor shall prescribe and install
28.22 systems of accounts and financial reports that shall be uniform, so far as practicable, for
28.23 the same class of offices.

28.24 Subd. 2. **Annual audit required.** A county must have an annual financial audit.
28.25 A county may choose to have the audit performed by the state auditor, or may choose to
28.26 have the audit performed by a CPA firm meeting the requirements of section 326A.05.
28.27 The state auditor or a CPA firm may accept the records and audit of the Department of
28.28 Human Services instead of examining county human service funds, if the audit of the
28.29 Department of Human Services has been made within any period covered by the auditor's
28.30 audit of other county records.

28.31 Subd. 3. **CPA firm audit.** A county audit performed by a CPA firm must meet
28.32 the standards and be in the form required by the state auditor. The state auditor may
28.33 require additional information from the CPA firm if the state auditor determines that is
28.34 in the public interest, but the state auditor must accept the audit unless the state auditor
28.35 determines it does not meet recognized industry auditing standards or is not in the form
29.1 required by the state auditor. The state auditor may make additional examinations as the
29.2 auditor determines to be in the public interest.

29.3 Subd. 4. **Audit availability; data.** A copy of the annual audit by the state auditor or
29.4 by a CPA firm must be available for public inspection in the Office of the State Auditor and
29.5 in the Office of the County Auditor. If an audit is performed by a CPA firm, data relating
29.6 to the audit are subject to the same data classifications that apply under section 6.715. A
29.7 CPA firm conducting a county audit must provide access to data relating to the audit and is
29.8 liable for unlawful disclosure of the data as if it were a government entity under chapter 13.

29.9 Subd. 5. **Reporting.** If an audit conducted by the state auditor or a CPA firm
29.10 discloses malfeasance, misfeasance, or nonfeasance, the auditor must report this to the
29.11 county attorney, who shall institute civil and criminal proceedings as the law and the
29.12 protection of the public interests requires.

29.13 Subd. 6. **Payments to state auditor.** A county audited by the state auditor must
29.14 pay the state auditor for the costs and expenses of the audit. If the state auditor makes
29.15 additional examinations of a county whose audit is performed by a CPA firm, the county
29.16 must pay the auditor for the cost of these examinations. Payments must be deposited in
29.17 the state auditor enterprise fund.

29.18 Subd. 7. **Procedures for change of auditor.** A county that plans to change to or
29.19 from the state auditor and a CPA firm must notify the state auditor of this change by
29.20 August 1 of an even-numbered year. Upon this notice, the following calendar year will be
29.21 the first year's records that will be subject to an audit by the new entity. A county that
29.22 changes to or from the state auditor must have two annual audits done by the new entity.

29.23 Sec. 7. Minnesota Statutes 2014, section 10.43, is amended to read:

29.24 **10.43 TELEPHONE USE; APPROVAL.**

29.25 (a) Each representative, senator, constitutional officer, judge, and head of a state
29.26 department or agency shall sign the person's monthly long-distance telephone bills paid
29.27 by the state as evidence of the person's approval of each bill. This signature requirement
29.28 does not apply to a month in which the person's long-distance phone bill paid by the
29.29 state is less than \$5.

29.30 (b) Even if the monthly long-distance phone bill paid by the state for a person
29.31 subject to this section is less than \$5, the person is responsible for paying that portion of
29.32 the bill that does not relate to state business. As provided in section 10.46, long-distance
29.33 telephone bills paid by the state are public data, regardless of the amount of the bills.

30.1 **EFFECTIVE DATE.** This section is effective for telephone bills for usage on or
30.2 after July 1, 2015.

30.3 Sec. 8. Minnesota Statutes 2014, section 10A.01, subdivision 26, is amended to read:

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

30.8 (1) payment for accounting and legal services;

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

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

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

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

30.14 ~~(6)~~ (5) services for a constituent by a member of the legislature or a constitutional
30.15 officer in the executive branch, including the costs of preparing and distributing a
30.16 suggestion or idea solicitation to constituents, performed from the beginning of the term
30.17 of office to adjournment sine die of the legislature in the election year for the office
30.18 held, and half the cost of services for a constituent by a member of the legislature or a
30.19 constitutional officer in the executive branch performed from adjournment sine die to 60
30.20 days after adjournment sine die;

30.21 ~~(7)~~ (6) payment for food and beverages consumed by a candidate or volunteers while
30.22 they are engaged in campaign activities;

30.23 ~~(8)~~ (7) payment for food or a beverage consumed while attending a reception or
30.24 meeting directly related to legislative duties;

30.25 ~~(9)~~ (8) payment of expenses incurred by elected or appointed leaders of a legislative
30.26 caucus in carrying out their leadership responsibilities;

30.27 ~~(10)~~ (9) payment by a principal campaign committee of the candidate's expenses
30.28 for serving in public office, other than for personal uses;

30.29 ~~(11)~~ (10) costs of child care for the candidate's children when campaigning;

30.30 ~~(12)~~ (11) fees paid to attend a campaign school;

30.31 ~~(13)~~ (12) costs of a postelection party during the election year when a candidate's
30.32 name will no longer appear on a ballot or the general election is concluded, whichever
30.33 occurs first;

30.34 ~~(14)~~ (13) interest on loans paid by a principal campaign committee on outstanding
30.35 loans;

31.1 ~~(15)~~ (14) filing fees;

31.2 ~~(16)~~ (15) post-general election holiday or seasonal cards, thank-you notes, or
31.3 advertisements in the news media mailed or published prior to the end of the election cycle;

31.4 ~~(17)~~ (16) the cost of campaign material purchased to replace defective campaign
31.5 material, if the defective material is destroyed without being used;

31.6 ~~(18)~~ (17) contributions to a party unit;

31.7 ~~(19)~~ (18) payments for funeral gifts or memorials;

31.8 ~~(20)~~ (19) the cost of a magnet less than six inches in diameter containing legislator
31.9 contact information and distributed to constituents;

31.10 ~~(21)~~ (20) costs associated with a candidate attending a political party state or national
31.11 convention in this state;

31.12 ~~(22)~~ (21) other purchases or payments specified in board rules or advisory opinions
31.13 as being for any purpose other than to influence the nomination or election of a candidate
31.14 or to promote or defeat a ballot question; and

31.15 ~~(23)~~ (22) costs paid to a third party for processing contributions made by a credit
31.16 card, debit card, or electronic check.

31.17 The board must determine whether an activity involves a noncampaign disbursement
31.18 within the meaning of this subdivision.

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

31.22 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections
31.23 held on or after that date.

31.24 Sec. 9. Minnesota Statutes 2014, section 10A.105, subdivision 1, is amended to read:

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

31.32 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections
31.33 held on or after that date.

32.1 Sec. 10. Minnesota Statutes 2014, section 10A.15, subdivision 1, is amended to read:

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

32.6 **EFFECTIVE DATE.** This section is effective July 1, 2015.

32.7 Sec. 11. Minnesota Statutes 2014, section 10A.245, subdivision 2, is amended to read:

32.8 Subd. 2. **Termination by board.** The board may terminate the registration of
32.9 a principal campaign committee, party unit, political committee, or political fund found
32.10 to be inactive under this section 60 days after sending written notice of inactivity by
32.11 certified mail to the affected association at the last address on record with the board for
32.12 that association. Within 60 days after the board sends notice under this section, the
32.13 affected association must dispose of its assets as provided in this subdivision. The assets
32.14 of the principal campaign committee, party unit, or political committee must be used for
32.15 the purposes authorized by this chapter or section 211B.12 or must be liquidated and
32.16 deposited in the general account of the state elections campaign account fund. The assets
32.17 of an association's political fund that were derived from the association's general treasury
32.18 money revert to the association's general treasury. Assets of a political fund that resulted
32.19 from contributions to the political fund must be used for the purposes authorized by this
32.20 chapter or section 211B.12 or must be liquidated and deposited in the general account of
32.21 the state elections campaign account fund.

32.22 **EFFECTIVE DATE.** This section is effective July 1, 2015.

32.23 Sec. 12. Minnesota Statutes 2014, section 10A.257, subdivision 1, is amended to read:

32.24 Subdivision 1. **Unused funds.** For election cycles ending on or before December
32.25 31, 2016, after all campaign expenditures and noncampaign disbursements for an election
32.26 cycle have been made, an amount up to 25 percent of the 2014 election cycle expenditure
32.27 limit for the office may be carried forward. Any remaining amount up to the total amount of
32.28 the 2014 public subsidy from the state elections campaign fund must be returned to the state
32.29 treasury for credit to the general fund under section 10A.324. Any remaining amount in
32.30 excess of the 2014 total public subsidy must be contributed to the state elections campaign
32.31 account or a political party for multicandidate expenditures as defined in section 10A.275.

32.32 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections
32.33 held on or after that date.

33.1 Sec. 13. Minnesota Statutes 2014, section 10A.38, is amended to read:

33.2 **10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.**

33.3 (a) This section applies to a campaign advertisement by a candidate who is governed
33.4 by an agreement under section 10A.322.

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

33.8 (e) (b) A campaign advertisement that is disseminated as an advertisement by
33.9 broadcast or cable television must include closed captioning for deaf and hard-of-hearing
33.10 viewers, unless the candidate has filed with the board before the advertisement is
33.11 disseminated a statement setting forth the reasons for not doing so. A campaign
33.12 advertisement that is disseminated as an advertisement to the public on the candidate's
33.13 Web site must include closed captioning for deaf and hard-of-hearing viewers, unless the
33.14 candidate has posted on the Web site a transcript of the spoken content of the advertisement
33.15 or the candidate has filed with the board before the advertisement is disseminated a
33.16 statement setting forth the reasons for not doing so. A campaign advertisement must
33.17 not be disseminated as an advertisement by radio unless the candidate has posted on
33.18 the candidate's Web site a transcript of the spoken content of the advertisement or the
33.19 candidate has filed with the board before the advertisement is disseminated a statement
33.20 setting forth the reasons for not doing so.

33.21 Sec. 14. Minnesota Statutes 2014, section 14.02, is amended by adding a subdivision
33.22 to read:

33.23 Subd. 5. **Substantial economic impact.** A rule has a "substantial economic impact"
33.24 if the rule would result in, or likely result in:

33.25 (1) an adverse effect or impact on the private-sector economy of the state of
33.26 Minnesota of \$5,000,000 or more in a single year;

33.27 (2) a significant increase in costs or prices for consumers, individual private-sector
33.28 industries, state agencies, local governments, individuals, or private-sector enterprises
33.29 within certain geographic regions inside the state of Minnesota;

33.30 (3) significant adverse impacts on the competitiveness of private-sector
33.31 Minnesota-based enterprises or on private-sector employment, investment, productivity,
33.32 or innovation within the state of Minnesota; or

33.33 (4) compliance costs, in the first year after the rule takes effect, of more than \$25,000
33.34 for any one business that has less than 50 full-time employees, or for any one statutory or
33.35 home rule charter city that has less than ten full-time employees.

34.1 Sec. 15. Minnesota Statutes 2014, section 14.05, subdivision 1, is amended to read:

34.2 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency shall
34.3 adopt, amend, suspend, or repeal its rules: (1) in accordance with the procedures specified
34.4 in sections 14.001 to 14.69, and; (2) only pursuant to authority delegated by state or
34.5 federal law; and (3) in full compliance with its duties and obligations.

34.6 (b) If a law authorizing rules is repealed, the rules adopted pursuant to that law are
34.7 automatically repealed on the effective date of the law's repeal unless there is another
34.8 law authorizing the rules.

34.9 (c) Except as provided in section 14.06, sections 14.001 to 14.69 shall not be
34.10 authority for an agency to adopt, amend, suspend, or repeal rules.

34.11 Sec. 16. Minnesota Statutes 2014, section 14.05, subdivision 2, is amended to read:

34.12 Subd. 2. **Authority to modify proposed rule.** (a) An agency may modify a

34.13 proposed rule in accordance with the procedures of the Administrative Procedure Act.

34.14 However, an agency may not modify a proposed rule so that it is substantially different

34.15 from the proposed rule in the notice of intent to adopt rules or notice of hearing.

34.16 (b) A modification does not make a proposed rule substantially different if:

34.17 (1) the differences are within the scope of the matter announced in the notice of

34.18 intent to adopt or notice of hearing and are in character with the issues raised in that notice;

34.19 (2) the differences are a logical outgrowth of the contents of the notice of intent to

34.20 adopt or notice of hearing and the comments submitted in response to the notice; and

34.21 (3) the notice of intent to adopt or notice of hearing provided fair warning that the

34.22 outcome of that rulemaking proceeding could be the rule in question.

34.23 (c) In determining whether the notice of intent to adopt or notice of hearing provided

34.24 fair warning that the outcome of that rulemaking proceeding could be the rule in question

34.25 the following factors must be considered:

34.26 (1) the extent to which persons who will be affected by the rule should have

34.27 understood that the rulemaking proceeding on which it is based could affect their interests;

34.28 (2) the extent to which the subject matter of the rule or issues determined by the

34.29 rule are different from the subject matter or issues contained in the notice of intent to

34.30 adopt or notice of hearing; and

34.31 (3) the extent to which the effects of the rule differ from the effects of the proposed

34.32 rule contained in the notice of intent to adopt or notice of hearing.

34.33 (d) A modification makes a proposed rule substantially different if the modification

34.34 causes a rule that did not previously have a substantial economic impact to have a

34.35 substantial economic impact.

35.1 Sec. 17. Minnesota Statutes 2014, section 14.116, is amended to read:

35.2 **14.116 NOTICE TO LEGISLATURE.**

35.3 (a) By January 15 each year, each agency must submit its rulemaking docket

35.4 maintained under section 14.366, and the official rulemaking record required under section

35.5 14.365 for any rule adopted during the preceding calendar year, to the chairs and ranking

35.6 minority members of the legislative policy and budget committees with jurisdiction over

35.7 the subject matter of the proposed rule and to the Legislative Coordinating Commission.

35.8 Each agency must post a link to its rulemaking docket on the agency Web site home page.

35.9 (b) When an agency mails notice of intent to adopt rules under section 14.14 or
 35.10 14.22, the agency must send a copy of the same notice and a copy of the statement of need
 35.11 and reasonableness to the chairs and ranking minority party members of the legislative
 35.12 policy and budget committees with jurisdiction over the subject matter of the proposed
 35.13 rules and to the Legislative Coordinating Commission.

35.14 (c) In addition, if the mailing of the notice is within two years of the effective date
 35.15 of the law granting the agency authority to adopt the proposed rules, the agency shall
 35.16 make reasonable efforts to send a copy of the notice and the statement to all sitting
 35.17 legislators who were chief house of representatives and senate authors of the bill granting
 35.18 the rulemaking authority. If the bill was amended to include this rulemaking authority,
 35.19 the agency shall make reasonable efforts to send the notice and the statement to the chief
 35.20 house of representatives and senate authors of the amendment granting rulemaking
 35.21 authority, rather than to the chief authors of the bill.

35.22 Sec. 18. Minnesota Statutes 2014, section 14.127, is amended to read:

35.23 **14.127 LEGISLATIVE APPROVAL REQUIRED.**

35.24 Subdivision 1. **Cost thresholds Substantial economic impact.** An agency must
 35.25 determine if the cost of complying with a proposed rule in the first year after the rule
 35.26 takes effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time
 35.27 employees; or (2) any one statutory or home rule charter city that has less than ten
 35.28 full-time employees. For purposes of this section, "business" means a business entity
 35.29 organized for profit or as a nonprofit, and includes an individual, partnership, corporation,
 35.30 joint venture, association, or cooperative has a substantial economic impact, as defined
 35.31 in section 14.02, subdivision 5.

35.32 Subd. 2. **Agency determination.** An agency must make the determination required
 35.33 by subdivision 1 before the close of the hearing record, ~~or before the agency submits the~~
 35.34 ~~record to the administrative law judge if there is no hearing~~ agency gives notice under
 36.1 section 14.14, 14.22, 14.225, or 14.389. The administrative law judge must review and
 36.2 approve or disapprove the agency determination under this section.

36.3 Subd. 3. **Legislative approval required.** (a) If the agency determines that a
 36.4 proposed rule has a substantial economic impact, the agency must request the legislative
 36.5 auditor to convene a five-person peer review advisory panel to conduct an impact analysis
 36.6 of the proposed rule. Within 30 days of receipt of the agency's request, the legislative
 36.7 auditor shall convene a peer review advisory panel. The advisory panel must be made up
 36.8 of individuals who have not directly or indirectly been involved in the work conducted or
 36.9 contracted by the agency and who are not employed by the agency. The agency must pay
 36.10 each panel member for the costs of the person's service on the panel, as determined by
 36.11 the legislative auditor. The agency shall transfer an amount from the agency's operating
 36.12 budget to the legislative auditor to pay for costs for convening the peer review advisory
 36.13 panel process. The panel may receive written and oral comments from the public during
 36.14 its review. The panel must submit its report within 60 days of being convened. The
 36.15 agency must receive a final report from the panel before the agency conducts a public

36.16 hearing on a proposed rule or, if no hearing is held, before the rule is submitted to the
 36.17 administrative law judge. The panel's report must include its conclusions on the extent to
 36.18 which the proposed rule:

36.19 (1) is based on sound, reasonably available scientific, technical, economic, or other
 36.20 information or rationale; and

36.21 (2) is more restrictive than a standard, limitation, or requirement imposed by federal
 36.22 law or rule pertaining to the same subject matter.

36.23 (b) If the agency determines that a rule does not have a substantial economic impact,
 36.24 the administrative law judge must review this determination. If the administrative law
 36.25 judge determines that a rule may have a substantial economic impact, the agency must
 36.26 have the legislative auditor arrange for the analysis required by paragraph (a), and the
 36.27 agency must give new notice of intent to adopt the proposed rule after receiving this
 36.28 analysis. The administrative law judge may make this determination as part of the
 36.29 administrative law judge's report on the proposed rule, or at any earlier time after the
 36.30 administrative law judge is assigned to the rule proceeding.

36.31 ~~(c) If the agency determines that the cost exceeds the threshold in subdivision 1~~
 36.32 ~~proposed rule has a substantial economic impact, or if the administrative law judge~~
 36.33 ~~disapproves the agency's determination that the cost does not exceed the threshold~~
 36.34 ~~in subdivision 1, any business that has less than 50 full-time employees or any statutory~~
 36.35 ~~or home rule charter city that has less than ten full-time employees may file a written~~
 36.36 ~~statement with the agency claiming a temporary exemption from the rules. Upon filing of~~
 37.1 ~~such a statement with the agency, the rules do not apply to that business or that city until the~~
 37.2 ~~rules are have a substantial economic impact, the agency or the administrative law judge~~
 37.3 ~~shall deliver the determination and peer review advisory panel report to the Legislative~~
 37.4 ~~Coordinating Commission and to the chairs and ranking minority members of the house~~
 37.5 ~~of representatives and senate committees and divisions with jurisdiction over the subject~~
 37.6 ~~matter of the rule, and the proposed rule does not take effect until the rule is approved by a~~
 37.7 ~~law enacted after the agency determination or administrative law judge disapproval.~~

37.8 ~~Subd. 4. **Exceptions.** (a) Subdivision 3 does not apply if the administrative law~~
 37.9 ~~judge approves an agency's determination that the legislature has appropriated money to~~
 37.10 ~~sufficiently fund the expected cost of the rule upon the business or city proposed to be~~
 37.11 ~~regulated by the rule.~~

37.12 ~~(b) Subdivision 3 does not apply if the administrative law judge approves an~~
 37.13 ~~agency's determination that the rule has been proposed pursuant to a specific federal~~
 37.14 ~~statutory or regulatory mandate.~~

37.15 ~~(c) (b) This section does not apply if the rule is adopted under section 14.388 or~~
 37.16 ~~under another law specifying that the rulemaking procedures of this chapter do not apply.~~

37.17 ~~(d) (c) This section does not apply to a rule adopted by the Public Utilities~~
 37.18 ~~Commission.~~

~~37.19 (e) Subdivision 3 does not apply if the governor waives application of subdivision 3.
37.20 The governor may issue a waiver at any time, either before or after the rule would take
37.21 effect, but for the requirement of legislative approval. As soon as possible after issuing a
37.22 waiver under this paragraph, the governor must send notice of the waiver to the speaker of
37.23 the house and the president of the senate and must publish notice of this determination in
37.24 the State Register.~~

37.25 Subd. 5. **Severability.** If an administrative law judge determines that part of a
37.26 proposed rule exceeds the threshold specified in subdivision 1 has a substantial economic
37.27 impact, but that a severable portion of a proposed rule does not exceed the threshold in
37.28 subdivision 1 have a substantial economic impact, the administrative law judge may
37.29 provide that the severable portion of the rule that does not exceed the threshold have a
37.30 substantial economic impact may take effect without legislative approval.

37.31 Sec. 19. Minnesota Statutes 2014, section 14.131, is amended to read:

37.32 **14.131 STATEMENT OF NEED AND REASONABLENESS.**

37.33 By the date of the section 14.14, subdivision 1a, 14.22, or 14.225, notice, the agency
37.34 must prepare, review, and make available for public review a statement of the need for and
37.35 reasonableness of the rule. The statement of need and reasonableness must be prepared
38.1 under rules adopted by the chief administrative law judge and must include the following
38.2 to the extent the agency, through reasonable effort, can ascertain this information:

38.3 (1) a description of the classes of persons who probably will be affected by the
38.4 proposed rule, including classes that will bear the costs of the proposed rule and classes
38.5 that will benefit from the proposed rule;

38.6 (2) the probable costs to the agency and to any other agency of the implementation
38.7 and enforcement of the proposed rule and any anticipated effect on state revenues;

38.8 (3) a determination of whether there are less costly methods or less intrusive
38.9 methods for achieving the purpose of the proposed rule;

38.10 (4) a description of any alternative methods for achieving the purpose of the
38.11 proposed rule that were seriously considered by the agency and the reasons why they
38.12 were rejected in favor of the proposed rule;

38.13 (5) the probable costs of complying with the proposed rule, including the portion
38.14 of the total costs that will be borne by identifiable categories of affected parties, such as
38.15 separate classes of governmental units, businesses, or individuals;

38.16 (6) the probable costs or consequences of not adopting the proposed rule, including
38.17 those costs or consequences borne by identifiable categories of affected parties, such as
38.18 separate classes of government units, businesses, or individuals;

38.19 (7) an assessment of any differences between the proposed rule and existing federal
38.20 regulations and a specific analysis of the need for and reasonableness of each difference; and

38.21 (8) an assessment of the cumulative effect of the rule with other federal and state
38.22 regulations related to the specific purpose of the rule; and

38.23 (9) the agency's findings and conclusions that support its determination that the

38.24 proposed rule does or does not have a substantial economic impact.

38.25 The statement must describe how the agency, in developing the rules, considered

38.26 and implemented the legislative policy supporting performance-based regulatory systems

38.27 set forth in section 14.002 in a cost-effective and timely manner.

38.28 For purposes of clause (8), "cumulative effect" means the impact that results from

38.29 incremental impact of the proposed rule in addition to other rules, regardless of what

38.30 state or federal agency has adopted the other rules. Cumulative effects can result from

38.31 individually minor but collectively significant rules adopted over a period of time.

38.32 The statement must describe, with reasonable particularity, the scientific, technical,

38.33 economic, or other information and rationale that supports the proposed rule.

38.34 The statement must also describe the agency's efforts to provide additional

38.35 notification under section 14.14, subdivision 1a, to persons or classes of persons who may

38.36 be affected by the proposed rule or must explain why these efforts were not made.

39.1 The agency must consult with the commissioner of management and budget to

39.2 help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local

39.3 government. The agency must send a copy of the statement of need and reasonableness

39.4 to the Legislative Reference Library when the notice of hearing is mailed under section

39.5 14.14, subdivision 1a.

39.6 Sec. 20. Minnesota Statutes 2014, section 14.388, subdivision 2, is amended to read:

39.7 Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this

39.8 section must give notice to the chairs and ranking minority members of the legislative

39.9 policy and budget committees with jurisdiction over the subject matter of the proposed

39.10 rules and to the Legislative Coordinating Commission, must give electronic notice of its

39.11 intent in accordance with section 16E.07, subdivision 3, and must give notice by United

39.12 States mail or electronic mail to persons who have registered their names with the agency

39.13 under section 14.14, subdivision 1a. The notice must be given no later than the date the

39.14 agency submits the proposed rule to the Office of Administrative Hearings for review

39.15 of its legality and must include:

39.16 (1) the proposed rule, amendment, or repeal;

39.17 (2) an explanation of why the rule meets the requirements of the good cause

39.18 exemption under subdivision 1; and

39.19 (3) a statement that interested parties have five business days after the date of the

39.20 notice to submit comments to the Office of Administrative Hearings.

39.21 Sec. 21. Minnesota Statutes 2014, section 14.389, subdivision 2, is amended to read:

39.22 Subd. 2. **Notice and comment.** The agency must publish notice of the proposed
39.23 rule in the State Register ~~and~~, must mail the notice by United States mail or electronic
39.24 mail to persons who have registered with the agency to receive mailed notices, and must
39.25 give notice to the chairs and ranking minority members of the legislative policy and
39.26 budget committees with jurisdiction over the subject matter of the proposed rules and to
39.27 the Legislative Coordinating Commission. The mailed notice and the notice to legislators
39.28 must include either a copy of the proposed rule or a description of the nature and effect
39.29 of the proposed rule and a statement that a free copy is available from the agency upon
39.30 request. The notice in the State Register must include the proposed rule or the amended
39.31 rule in the form required by the revisor under section 14.07, an easily readable and
39.32 understandable summary of the overall nature and effect of the proposed rule, and a
39.33 citation to the most specific statutory authority for the rule, including authority for the
40.1 rule to be adopted under the process in this section. The agency must allow 30 days after
40.2 publication in the State Register for comment on the rule.

40.3 Sec. 22. Minnesota Statutes 2014, section 14.44, is amended to read:

40.4 **14.44 DETERMINATION OF VALIDITY OF RULE.**

40.5 (a) The validity of any rule, or the validity of any agency policy, guideline, bulletin,
40.6 criterion, manual standard, or similar pronouncement that the petitioner believes is a
40.7 rule as defined in section 14.02, subdivision 4, may be determined upon the petition
40.8 for a declaratory judgment thereon, addressed to the Court of Appeals, when it appears
40.9 that the rule or pronouncement, or its threatened application, interferes with or impairs,
40.10 or threatens to interfere with or impair the legal rights or privileges of the petitioner.
40.11 The agency shall be made a party to the proceeding. The declaratory judgment may be
40.12 rendered whether or not the petitioner has first requested the agency to pass upon the
40.13 validity of the rule in question, whether or not the petitioner has petitioned the Office
40.14 of Administrative Hearings under section 14.381, and whether or not the agency has
40.15 commenced an action against the petitioner to enforce the rule.

40.16 (b) If the subject of the petition is an agency policy, guideline, bulletin, criterion,
40.17 manual standard, or similar pronouncement, the agency must cease enforcement of the
40.18 pronouncement upon filing of the petition until the Court of Appeals rules on the matter.
40.19 The agency is liable for all costs associated with review of the petition. If the Court of
40.20 Appeals rules in favor of the agency, the agency may recover all or a portion of the cost
40.21 from the petitioner unless the petitioner is entitled to proceed in forma pauperis under
40.22 section 563.01, or the court determines that the petition was brought in good faith or the
40.23 assessment of the costs would constitute an undue hardship for the petitioner.

40.24 Sec. 23. Minnesota Statutes 2014, section 14.45, is amended to read:

40.25 **14.45 RULE DECLARED INVALID.**

40.26 In proceedings under section 14.44, the court shall declare the rule or agency
40.27 pronouncement invalid if it finds that it violates constitutional provisions or exceeds the
40.28 statutory authority of the agency or if the rule was adopted or the pronouncement was
40.29 improperly implemented without compliance with statutory rulemaking procedures. Any
40.30 party to proceedings under section 14.44, including the agency, may appeal an adverse
40.31 decision of the Court of Appeals to the Supreme Court as in other civil cases.

40.32 Sec. 24. **[15.0145] ETHNIC COUNCILS.**

41.1 Subdivision 1. **Three ethnic councils; creation.** (a) The Minnesota Council on
41.2 Latino Affairs includes public members with an ethnic heritage from Mexico, any of the
41.3 countries in Central or South America, Cuba, the Dominican Republic, or Puerto Rico.

41.4 (b) The Minnesota African Heritage Council includes public members of black
41.5 African ancestry.

41.6 (c) The Council on Asian-Pacific Minnesotans includes public members with an
41.7 ethnic heritage from any of the countries east of, and including, Afghanistan or the
41.8 Pacific Islands.

41.9 Subd. 2. **Membership.** (a) Each council has 15 voting members. Eleven members
41.10 of each council are public members appointed by the governor. Four members of each
41.11 council are legislators.

41.12 (b) The governor shall appoint 11 members of each council as follows:

41.13 (1) the Minnesota Council on Latino Affairs must include one member representing
41.14 each of the state's congressional districts and three members appointed at-large. The
41.15 governor must attempt to ensure that the demographic composition of council members
41.16 accurately reflects the demographic composition of Minnesota's Latino community,
41.17 including recent immigrants, as determined by the state demographer;

41.18 (2) the Minnesota African Heritage Council must include members who are
41.19 broadly representative of the African heritage community of the state. The council must
41.20 include at least five females. At least three members must be first or second generation
41.21 African immigrants, who generally reflect the demographic composition of these African
41.22 immigrants, as determined by the state demographer; and

41.23 (3) the Council on Asian-Pacific Minnesotans must include one member from each
41.24 of the five ancestries with the state's highest percentages of Asian-Pacific populations,
41.25 as determined by the state demographer. The other six members must be broadly
41.26 representative of the rest of the Asian-Pacific population, with no more than one council
41.27 member from any one ancestry. For purposes of this clause, ancestry refers to heritage that
41.28 is commonly accepted in Minnesota as a unique population.

41.29 (c) Four legislators are voting members of each council. The speaker of the house
41.30 and the house minority leader shall each appoint one member to each council. The
41.31 Subcommittee on Committees of the senate Committee on Rules and Administration shall
41.32 appoint one member of the majority caucus and one member of the minority caucus to
41.33 each council.

41.34 (d) The governor may appoint a commissioner of a state agency or a designee of that
41.35 commissioner to serve as an ex-officio, nonvoting member of a council.

42.1 Subd. 3. **Appointments; terms; removal.** (a) In making appointments to a council,
42.2 the governor shall consider an appointee's proven dedication and commitment to the
42.3 council's community and any expertise possessed by the appointee that might be beneficial
42.4 to the council, such as experience in public policy, legal affairs, social work, business,
42.5 or management. The executive director of a council and legislative members may offer
42.6 advice to the governor on applicants seeking appointment.

42.7 (b) Terms, compensation, and filling of vacancies for members appointed by the
42.8 governor are as provided in section 15.059. Removal of members appointed by the
42.9 governor is governed by section 15.059, except that: (1) a member who missed more than
42.10 half of the council meetings convened during a 12-month period automatically is removed
42.11 from the council; and (2) a member appointed by the governor may be removed by a vote
42.12 of three of the four legislative members of the council. The chair of a council shall inform
42.13 the governor of the need for the governor to fill a vacancy on the council. Legislative
42.14 members serve at the pleasure of their appointing authority.

42.15 (c) A member appointed by the governor may serve no more than a total of eight
42.16 years on a council. A legislator may serve no more than eight consecutive years or 12
42.17 nonconsecutive years on any one council.

42.18 Subd. 4. **Training; executive committee; meetings; support.** (a) A member
42.19 appointed by the governor must attend orientation training within the first six months of
42.20 service for each term. The commissioner of administration must arrange for the training
42.21 to include but not be limited to the legislative process, government data practices, open
42.22 meeting law, Robert's Rules of Order, fiscal management, and human resources. The
42.23 governor must remove a member who does not complete the training.

42.24 (b) Each council shall annually elect from among the members appointed by the
42.25 governor a chair and other officers it deems necessary. These officers and one legislative
42.26 member selected by the council shall serve as the executive committee of the council.

42.27 (c) Forty percent of voting members of a council constitutes a quorum. A quorum is
42.28 required to conduct council business. A council member may not vote on any action if the
42.29 member has a conflict of interest under section 10A.07.

42.30 (d) Each council shall receive administrative support from the commissioner of
42.31 administration under section 16B.371.

42.32 Subd. 5. **Executive director; staff.** (a) The Legislative Coordinating Commission
42.33 must appoint an executive director for each council. The executive director must be
42.34 experienced in administrative activities and familiar with the challenges and needs of
42.35 the ethnic council's larger community. The executive director serves in the unclassified
42.36 service at the pleasure of the Legislative Coordinating Commission.

43.1 (b) The Legislative Coordinating Commission must establish a process for recruiting
43.2 and selecting applicants for the executive director positions. This process must include
43.3 consultation and collaboration with the applicable council.

43.4 (c) The executive director and applicable council members must work together in
43.5 fulfilling council duties. The executive director must consult with the commissioners of
43.6 administration and management and budget to ensure appropriate financial, purchasing,
43.7 human resources, and other services for operation of the council. The executive director
43.8 must appoint and supervise the work of other staff necessary to carry out the duties of the
43.9 council. The executive director and other council staff are executive branch employees.

43.10 Subd. 6. **Duties of council.** (a) A council must work for the implementation
43.11 of economic, social, legal, and political equality for its constituency. The council shall
43.12 work with the legislature and governor to carry out this work by performing the duties
43.13 in this section.

43.14 (b) A council shall advise the governor and the legislature on issues confronting the
43.15 constituency of the council. This may include, but is not limited to, presenting the results
43.16 of surveys, studies, and community forums to the appropriate executive departments
43.17 and legislative committees.

43.18 (c) A council shall advise the governor and the legislature of administrative
43.19 and legislative changes needed to improve the economic and social condition of the
43.20 constituency of the council. This may include but is not limited to working with legislators
43.21 to develop politically feasible legislation to address these issues and to work for passage
43.22 of the legislation. This may also include making recommendations regarding the state's
43.23 affirmative action program and the state's targeted group small business program, or
43.24 working with state agencies and organizations to develop business opportunities and
43.25 promote economic development for the constituency of the council.

43.26 (d) A council shall advise the governor and the legislature of the implications
43.27 and effect of proposed administrative and legislative changes on the constituency of
43.28 the council. This may include but is not limited to tracking legislation, testifying as
43.29 appropriate, and meeting with executive departments and legislators.

43.30 (e) A council shall serve as a liaison between state government and organizations that
43.31 serve the constituency of the council. This may include but is not limited to working with
43.32 these organizations to carry out the duties in paragraphs (a) to (d), and working with these
43.33 organizations to develop informational programs or publications to involve and empower
43.34 the constituency in seeking improvement in their economic and social conditions.

43.35 (f) A council shall perform or contract for the performance of studies designed
43.36 to suggest solutions to the problems of the constituency of the council in the areas of
44.1 education, employment, human rights, health, housing, social welfare, and other related
44.2 areas.

44.3 (g) In carrying out duties under this subdivision, councils may act to advise on issues
44.4 that affect the shared constituencies of more than one council.

44.5 Subd. 7. **Duties of council members.** A council member shall:

44.6 (1) attend and participate in scheduled meetings and be prepared by reviewing
44.7 meeting notes;

44.8 (2) maintain and build communication with the community represented;

44.9 (3) collaborate with the council and executive director in carrying out the council's
44.10 duties; and

44.11 (4) participate in activities the council or executive director deem appropriate and
44.12 necessary to facilitate the goals and duties of the council.

44.13 Subd. 8. **Reports.** A council must report on the measurable outcomes achieved in
44.14 the council's current strategic plan to meet its statutory duties, along with the specific
44.15 objectives and outcome measures proposed for the following year. The council must
44.16 submit the report by January 15 each year to the chairs of the committees in the house of
44.17 representatives and the senate with primary jurisdiction over state government operations.
44.18 Each report must cover the calendar year of the year before the report is submitted. The
44.19 specific objectives and outcome measures for the following current year must focus on
44.20 three or four achievable objectives, action steps, and measurable outcomes for which
44.21 the council will be held accountable. The strategic plan may include other items that
44.22 support the statutory purposes of the council but should not distract from the primary
44.23 statutory proposals presented. The funding request of each council, after approval by the
44.24 Legislative Coordinating Commission, must also be presented by February 1 in each
44.25 odd-numbered year.

44.26 Sec. 25. **[16A.0565] CENTRALIZED TRACKING LIST OF AGENCY**
44.27 **PROJECTS.**

44.28 Subdivision 1. **Centralized tracking.** The commissioner must maintain a
44.29 centralized tracking list of new agency projects estimated to cost more than \$100,000 that
44.30 are paid for from the general fund.

44.31 Subd. 2. **New agency project.** (a) For purposes of this section a "new agency
44.32 project" means:

44.33 (1) any new agency program or activity with more than \$100,000 in funding from
44.34 the general fund; and

45.1 (2) any pre-existing agency program or activity with an increase of \$100,000 or
 45.2 more above the base level in general fund support.

45.3 (b) For purposes of this section, a new agency project does not include:

45.4 (i) general aid programs for units of local government, or entitlement programs
 45.5 providing assistance to individuals; or

45.6 (ii) a new program or activity or increase in a program or activity that is mandated
 45.7 by law.

45.8 Subd. 3. **Transparency requirements.** The centralized tracking list maintained by
 45.9 the commissioner must report the following for each new agency project:

45.10 (1) name of the agency and title of the project;

45.11 (2) a brief description of the project and its purposes;

45.12 (3) the extent to which the project has been implemented; and

45.13 (4) the amount of money that has been spent on the project.

45.14 Subd. 4. **Timing and reporting.** The commissioner must display the information
 45.15 required by subdivision 3 on the department's Web site. The list shall be maintained in a
 45.16 widely available and common document format such as a spreadsheet, that does not
 45.17 require any new costs to develop. The commissioner must report this information to the
 45.18 chairs of the house of representatives Ways and Means Committee and senate Finance
 45.19 Committee quarterly, and must update the information on the Web site at least quarterly.

23.29 Sec. 3. Minnesota Statutes 2014, section 16A.065, is amended to read:

23.30 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**

23.31 **DOCUMENTS.**

23.32 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an
 23.33 agency to make advance deposits or payments for software or software maintenance
 24.1 services for state-owned or leased electronic data processing equipment, for information
 24.2 technology hosting services, for sole source maintenance agreements where it is not
 24.3 cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required
 24.4 by the renter to guarantee the availability of space, for registration fees where advance
 24.5 payment is required or advance payment discount is provided, and for newspaper,
 24.6 magazine, and other subscription fees customarily paid for in advance. The commissioner
 24.7 may also allow advance deposits by any department with the Library of Congress and
 24.8 federal Supervisor of Documents for items to be purchased from those federal agencies.

45.20 Sec. 26. Minnesota Statutes 2014, section 16A.065, is amended to read:

45.21 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**

45.22 **DOCUMENTS.**

45.23 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an
 45.24 agency to make advance deposits or payments for software or software maintenance
 45.25 services for state-owned or leased electronic data processing equipment, for information
 45.26 technology hosting services, for sole source maintenance agreements where it is not
 45.27 cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required
 45.28 by the renter to guarantee the availability of space, for registration fees where advance
 45.29 payment is required or advance payment discount is provided, and for newspaper,
 45.30 magazine, and other subscription fees customarily paid for in advance. The commissioner
 45.31 may also allow advance deposits by any department with the Library of Congress and
 45.32 federal Supervisor of Documents for items to be purchased from those federal agencies.

45.33 Sec. 27. Minnesota Statutes 2014, section 16A.103, is amended by adding a

45.34 subdivision to read:

46.1 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report
 46.2 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in
 46.3 Minnesota's general fund revenue projections. The report shall present information on: (1)
 46.4 the estimated range of forecast error for revenues and (2) the data and methods used to
 46.5 construct those measurements.

46.6 Sec. 28. Minnesota Statutes 2014, section 16A.11, is amended by adding a subdivision
 46.7 to read:

46.8 Subd. 3d. **Consideration of general incentives.** In supplement to, and under the
 46.9 same deadline as, the governor's budget submission under subdivision 3, the commissioner
 46.10 shall submit a report identifying each general incentive for which an evaluation was
 46.11 completed under section 3.9735 in accordance with this section since the governor's
 46.12 previous budget submission. For each evaluated incentive, the commissioner's report shall
 46.13 include a recommendation for whether the incentive should be continued or modified,
 46.14 or whether the state would be better served by using other incentives or strategies to
 46.15 achieve the incentive's goals. The commissioner's report must include the rationale for
 46.16 each recommendation.

46.17 Sec. 29. Minnesota Statutes 2014, section 16A.11, is amended by adding a subdivision
 46.18 to read:

46.19 Subd. 3e. **Consideration of best practices for exclusive incentives.** If a new
 46.20 analysis of best practices for exclusive incentives under section 3.9735 has been
 46.21 completed since the governor's previous budget submission, the commissioner's report
 46.22 under subdivision 3d shall include recommendations for when and how Minnesota should
 46.23 offer and manage exclusive incentives in the future and how they should be structured.
 46.24 The commissioner's report must include the rationale for each recommendation.

46.25 Sec. 30. Minnesota Statutes 2014, section 16A.1283, is amended to read:

46.26 **16A.1283 LEGISLATIVE APPROVAL REQUIRED FOR FEES.**

46.27 (a) Notwithstanding any law to the contrary, an executive branch state agency may
 46.28 not impose a new fee or increase an existing fee unless the new fee or increase is approved
 46.29 by law. An agency must not propose a fee or fine increase of more than ten percent
 46.30 in a biennium over the same fee or fine in law at the start of the same biennium. For
 46.31 purposes of this section, a fee is any charge for goods, services, regulation, or licensure,
 46.32 and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for
 46.33 use of public facilities owned by the state.

47.1 (b) This section does not apply to:

47.2 (1) charges billed within or between state agencies, or billed to federal agencies;

47.3 (2) the Minnesota State Colleges and Universities system;

24.9 Sec. 4. Minnesota Statutes 2014, section 16A.1283, is amended to read:

24.10 **16A.1283 LEGISLATIVE APPROVAL REQUIRED FOR FEES.**

24.11 (a) Notwithstanding any law to the contrary, an executive branch state agency may
 24.12 not impose a new fee or increase an existing fee unless the new fee or increase is approved
 24.13 by law. An agency must not propose a fee or fine increase of more than ten percent
 24.14 in a biennium over the same fee or fine in law at the start of the same biennium. For
 24.15 purposes of this section, a fee is any charge for goods, services, regulation, or licensure,
 24.16 and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for
 24.17 use of public facilities owned by the state.

24.18 (b) This section does not apply to:

24.19 (1) charges billed within or between state agencies, or billed to federal agencies;

24.20 (2) the Minnesota State Colleges and Universities system;

24.21 (3) charges for goods and services provided for the direct and primary use of a
 24.22 private individual, business, or other entity;

24.23 (4) charges that authorize use of state-owned lands and minerals administered by
 24.24 the commissioner of natural resources by the issuance of leases, easements, cooperative
 24.25 farming agreements, and land and water crossing licenses and charges for sales of
 24.26 state-owned lands administered by the commissioner of natural resources; or

24.27 (5) state park fees and charges established by commissioner's order.

24.28 (c) An executive branch agency may reduce a fee that was set by rule before July
 24.29 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under
 24.30 this paragraph.

24.31 EFFECTIVE DATE. This section is effective August 1, 2016.

47.4 (3) charges for goods and services provided for the direct and primary use of a
 47.5 private individual, business, or other entity;

47.6 (4) charges that authorize use of state-owned lands and minerals administered by
 47.7 the commissioner of natural resources by the issuance of leases, easements, cooperative
 47.8 farming agreements, and land and water crossing licenses and charges for sales of
 47.9 state-owned lands administered by the commissioner of natural resources; or

47.10 (5) state park fees and charges established by commissioner's order.

47.11 (c) An executive branch agency may reduce a fee that was set by rule before July
 47.12 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under
 47.13 this paragraph.

47.14 EFFECTIVE DATE. This section is effective August 1, 2016.

47.15 Sec. 31. Minnesota Statutes 2014, section 16B.24, is amended by adding a subdivision
 47.16 to read:

47.17 Subd. 12. **State band.** The commissioner must provide free rehearsal and storage
 47.18 space in the same building in the Capitol Area to an entity known as the Minnesota
 47.19 State Band, which is a tax exempt organization under section 501(c)(3) of the Internal
 47.20 Revenue Code.

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

47.22 Sec. 32. Minnesota Statutes 2014, section 16B.335, subdivision 1, is amended to read:

47.23 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or
 47.24 any other recipient to whom an appropriation is made to acquire or better public lands
 47.25 or buildings or other public improvements of a capital nature, must not prepare final
 47.26 plans and specifications for any construction, major remodeling, or land acquisition in
 47.27 anticipation of which the appropriation was made until the agency that will use the
 47.28 project has presented the program plan and cost estimates for all elements necessary to
 47.29 complete the project to the chair of the senate Finance Committee and the chair of the
 47.30 house of representatives Ways and Means Committee and the chairs have made their
 47.31 recommendations, and the chair and ranking minority member of the senate Capital
 47.32 Investment Committee and the chair and ranking minority member of the house of
 47.33 representatives Capital Investment Committee are notified. "Construction or major
 48.1 remodeling" means construction of a new building, a substantial addition to an existing
 48.2 building, or a substantial change to the interior configuration of an existing building. The
 48.3 presentation must note any significant changes in the work that will be done, or in its cost,
 48.4 since the appropriation for the project was enacted or from the predesign submittal. The
 48.5 program plans and estimates must be presented for review at least two weeks before a

48.6 recommendation is needed. The recommendations are advisory only. Failure or refusal to
48.7 make a recommendation is considered a negative recommendation.

48.8 (b) The chairs and ranking minority members of the senate Finance and Capital
48.9 Investment Committees and, the house of representatives Capital Investment and Ways
48.10 and Means Committees, and the house of representatives and senate budget committees or
48.11 divisions with jurisdiction over the agency that will use the project must also be notified
48.12 whenever there is a substantial change in a construction or major remodeling project, or in
48.13 its cost. This notice must include the nature and reason for the change, and the anticipated
48.14 cost of the change. The notice must be given no later than 10 days after signing a change
48.15 order or other document authorizing a change in the project, or if there is not a change
48.16 order or other document, no later than 10 days after the project owner becomes aware of a
48.17 substantial change in the project or its cost.

48.18 (b) (c) Capital projects exempt from the requirements of this subdivision in
48.19 paragraph (a) to seek recommendations before preparing final plans and specifications
48.20 include demolition or decommissioning of state assets, hazardous material projects, utility
48.21 infrastructure projects, environmental testing, parking lots, parking structures, park and
48.22 ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior
48.23 lighting, fencing, highway rest areas, truck stations, storage facilities not consisting
48.24 primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds,
48.25 athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer
48.26 separation projects, water and wastewater facilities, port development projects for which
48.27 the commissioner of transportation has entered into an assistance agreement under section
48.28 457A.04, ice centers, a local government project with a construction cost of less than
48.29 \$1,500,000, or any other capital project with a construction cost of less than \$750,000.
48.30 The requirements in paragraph (b) to give notice of changes applies to these projects.

48.31 Sec. 33. Minnesota Statutes 2014, section 16B.371, is amended to read:

48.32 **16B.371 ASSISTANCE TO SMALL AGENCIES.**

48.33 (a) The commissioner ~~may~~ must provide administrative support services to a small
48.34 ~~agencies~~ agency requesting these services. To promote efficiency and cost-effective use
48.35 of state resources, and to improve financial controls, the commissioner may require
49.1 a small agency to receive administrative support services through the Department of
49.2 Administration or through another agency designated by the commissioner. Services
49.3 subject to this section include finance, accounting, payroll, purchasing, human resources,
49.4 and other services designated by the commissioner. The commissioner may determine
49.5 what constitutes a small agency for purposes of this section. The commissioner, in
49.6 consultation with the commissioner of management and budget and small agencies, shall
49.7 evaluate small agencies' needs for administrative support services. If the commissioner
49.8 provides administrative support services to a small agency, the commissioner must enter
49.9 into a service level agreement with the agency, specifying the services to be provided and
49.10 the costs and anticipated outcomes of the services.

24.32 Sec. 5. **[16B.4805] ACCOMMODATION REIMBURSEMENT.**

- 25.1 Subdivision 1. **Definitions.** "Reasonable accommodation" as used in this section
 25.2 has the meaning given in section 363A.08. "State agency" as used in this section has the
 25.3 meaning given in section 16A.011, subdivision 12. "Reasonable accommodations eligible
 25.4 for reimbursement" means:
- 25.5 (1) reasonable accommodations provided to applicants for employment;
- 25.6 (2) reasonable accommodations for employees for services that will need to be
 25.7 provided on a periodic or ongoing basis; or
- 25.8 (3) reasonable accommodations that involve onetime expenses that total more than
 25.9 \$1,000 for an employee in a fiscal year.
- 25.10 Subd. 2. **Reimbursement for making reasonable accommodation.** The
 25.11 commissioner of administration shall reimburse state agencies for expenses incurred in
 25.12 making reasonable accommodations eligible for reimbursement for agency employees and
 25.13 applicants for employment to the extent that funds are available in the accommodation
 25.14 account established under subdivision 3 for this purpose.
- 25.15 Subd. 3. **Accommodation account established.** The accommodation account
 25.16 is created as an account in the special revenue fund for reimbursing state agencies for
 25.17 expenses incurred in providing reasonable accommodation eligible for reimbursement for
 25.18 agency employees and applicants for agency employment.
- 25.19 Subd. 4. **Administration costs.** The commissioner may use up to 15 percent of the
 25.20 biennial appropriation for administration of this section.

49.11 (b) The Chicano Latino Affairs Council, the Council on Black Minnesotans, the
 49.12 Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the Minnesota
 49.13 State Council on Disability must use the services specified in paragraph (a).

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

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

49.20 Sec. 34. **[16B.4805] ACCOMMODATION REIMBURSEMENT.**

- 49.21 Subdivision 1. **Definitions.** (a) "Reasonable accommodation" as used in this section
 49.22 has the meaning given in section 363A.08.
- 49.23 (b) "State agency" as used in this section has the meaning given in section 16A.011,
 49.24 subdivision 12.
- 49.25 (c) "Reasonable accommodations eligible for reimbursement" as used in this section
 49.26 means:
- 49.27 (1) reasonable accommodations provided to applicants for employment;
- 49.28 (2) reasonable accommodations for employees for services that will need to be
 49.29 provided on a periodic or ongoing basis; or
- 49.30 (3) reasonable accommodations that involve onetime expenses that total more than
 49.31 \$1,000 for an employee in a fiscal year.
- 49.32 Subd. 2. **Reimbursement for making reasonable accommodation.** The
 49.33 commissioner of administration shall reimburse state agencies for expenses incurred in
 49.34 making reasonable accommodations eligible for reimbursement for agency employees and
 50.1 applicants for employment to the extent that funds are available in the accommodation
 50.2 account established under subdivision 3 for this purpose.
- 50.3 Subd. 3. **Accommodation account established.** The accommodation account
 50.4 is created as an account in the special revenue fund for reimbursing state agencies for
 50.5 expenses incurred in providing reasonable accommodations eligible for reimbursement for
 50.6 agency employees and applicants for agency employment.
- 50.7 Subd. 4. **Administration costs.** The commissioner may use up to 15 percent of the
 50.8 biennial appropriation for administration of this section.

25.21 Subd. 5. **Notification.** By August 1, 2015, or within 30 days of final enactment,
 25.22 whichever is later, and each year thereafter by June 30, the commissioner of administration
 25.23 must notify state agencies that reimbursement for expenses incurred to make reasonable
 25.24 accommodation eligible for reimbursement for agency employees and applicants for
 25.25 agency employment is available under this section.

25.26 Subd. 6. **Report.** By January 31 of each year, the commissioner of administration
 25.27 must report to the chairs and ranking minority members of the house of representatives and
 25.28 the senate committees with jurisdiction over state government finance on the use of the
 25.29 central accommodation account during the prior calendar year. The report must include:

25.30 (1) the number and type of accommodations requested;

25.31 (2) the cost of accommodations requested;

25.32 (3) the state agencies from which the requests were made;

25.33 (4) the number of requests made for employees and the number of requests for
 25.34 applicants for employment;

25.35 (5) the number and type of accommodations that were not provided;

25.36 (6) any remaining balance left in the account;

26.1 (7) if the account was depleted, the date on which funds were exhausted and the
 26.2 number, type, and cost of accommodations that were not reimbursed to state agencies; and

26.3 (8) a description of how the account was promoted to state agencies.

26.4 **EFFECTIVE DATE.** This section is effective July 1, 2015. Reimbursement is
 26.5 available for accommodation expenses incurred after June 30, 2015.

26.6 Sec. 6. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

50.9 Subd. 5. **Notification.** By August 1, 2015, or within 30 days of final enactment,
 50.10 whichever is later, and each year thereafter by June 30, the commissioner of administration
 50.11 must notify state agencies that reimbursement for expenses incurred to make reasonable
 50.12 accommodations eligible for reimbursement for agency employees and applicants for
 50.13 agency employment is available under this section.

50.14 Subd. 6. **Report.** By January 31 of each year, the commissioner of administration
 50.15 must report to the chairs and ranking minority members of the house of representatives
 50.16 and the senate committees with jurisdiction over state government finance on the use of
 50.17 the central accommodation fund during the prior calendar year. The report must include:

50.18 (1) the number and type of accommodations requested;

50.19 (2) the cost of accommodations requested;

50.20 (3) the state agencies from which the requests were made;

50.21 (4) the number of requests made for employees and the number of requests for
 50.22 applicants for employment;

50.23 (5) the number and type of accommodations that were not provided;

50.24 (6) any remaining balance left in the fund;

50.25 (7) if the fund was depleted, the date on which funds were exhausted and the
 50.26 number, type, and cost of accommodations that were not reimbursed to state agencies; and

50.27 (8) a description of how the fund was promoted to state agencies.

50.28 Subd. 7. **Funding.** The commissioner of management and budget must determine
 50.29 the amount of money to be deposited in the accommodation account each fiscal year.
 50.30 The commissioner must require each executive agency to make payments into the
 50.31 account from amounts appropriated for agency operations. The commissioner must
 50.32 implement policies and procedures to divide this amount among executive agencies. If
 50.33 the commissioner determines that it is not practical for an agency to make payments
 50.34 into a central account due to legal restrictions on use of the agency's appropriations,
 50.35 the commissioner shall require the agency to set aside money within its own operating
 51.1 funds, to be used only for purposes of this section. The amounts paid into the account are
 51.2 appropriated to the commissioner of administration for purposes of this section.

51.3 **EFFECTIVE DATE.** This section is effective July 1, 2015. Reimbursement is
 51.4 available for accommodation expenses incurred after June 30, 2015.

51.5 Sec. 35. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

26.7 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or
 26.8 electronic document defining a legal relationship between a granting agency and a grantee
 26.9 when the principal purpose of the relationship is to transfer cash or something of value
 26.10 to the recipient to support a public purpose authorized by law instead of acquiring by
 26.11 professional or technical contract, purchase, lease, or barter property or services for the
 26.12 direct benefit or use of the granting agency.

26.13 (b) This section does not apply to general obligation grants as defined by section
 26.14 16A.695 and capital project grants to political subdivisions as defined by section 16A.86.

26.15 Sec. 7. Minnesota Statutes 2014, section 16B.98, subdivision 1, is amended to read:

26.16 Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from
 26.17 an appropriation of state funds, the recipient of the grant must agree to minimize
 26.18 administrative costs. The granting agency is responsible for negotiating appropriate limits
 26.19 to these costs so that the state derives the optimum benefit for grant funding.

26.20 (b) This section does not apply to general obligation grants as defined by section
 26.21 16A.695 and also capital project grants to political subdivisions as defined by section
 26.22 16A.86.

26.23 Sec. 8. Minnesota Statutes 2014, section 16B.98, subdivision 11, is amended to read:

26.24 Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a),
 26.25 clause (2), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may
 26.26 permit a specifically named, legislatively appropriated, noncompetitive grant recipient to
 26.27 incur eligible expenses based on an agreed upon work plan and budget for up to 60 days
 26.28 prior to an encumbrance being established in the accounting system. ~~For a grant funded~~
 26.29 ~~in whole or in part with state general obligation bond proceeds, an agency may permit~~
 26.30 ~~incurring of expenses under this subdivision only with prior approval of the commissioner~~
 26.31 ~~of management and budget.~~

51.6 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or
 51.7 electronic document defining a legal relationship between a granting agency and a grantee
 51.8 when the principal purpose of the relationship is to transfer cash or something of value
 51.9 to the recipient to support a public purpose authorized by law instead of acquiring by
 51.10 professional or technical contract, purchase, lease, or barter property or services for the
 51.11 direct benefit or use of the granting agency.

51.12 (b) ~~This section does not apply to capital project grants to political subdivisions as~~
 51.13 ~~defined by section 16A.86.~~

51.14 Sec. 36. Minnesota Statutes 2014, section 16B.97, is amended by adding a subdivision
 51.15 to read:

51.16 Subd. 6. **Commerce grants.** The office must monitor grants made by the
 51.17 Department of Commerce.

51.18 Sec. 37. **[16B.991] TERMINATION OF GRANT.**

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

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

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

51.27 Sec. 38. **[16B.992] NO FEES FOR GENERAL FUND GRANT**
 51.28 **ADMINISTRATION.**

51.29 An agency may not charge a recipient of a grant from the general fund a fee and
 51.30 may not deduct money from the grant to pay administrative expenses incurred by the
 51.31 agency in administering the grant.

52.1 Sec. 39. Minnesota Statutes 2014, section 16C.03, subdivision 16, is amended to read:

52.2 Subd. 16. **Delegation of duties.** (a) The commissioner may delegate duties imposed
 52.3 by this chapter to the head of an agency and to any subordinate of the agency head. At
 52.4 least once every three years the commissioner must audit use of authority under this
 52.5 chapter by each employee whom the commissioner has delegated duties.

52.6 (b) The commissioner must develop guidelines for agencies and employees to whom
 52.7 authority is delegated under this chapter that protect state legal interests. These guidelines
 52.8 may provide for review by the commissioner when a specific contract has potential to put
 52.9 the state's legal interests at risk.

27.1 Sec. 9. Minnesota Statutes 2014, section 16C.144, is amended to read:

27.2 **16C.144 GUARANTEED ENERGY-SAVINGS PROGRAM.**

27.3 Subdivision 1. **Definitions.** The following definitions apply to this section.

27.4 (a) "Utility" means electricity, natural gas, or other energy resource, water, and
 27.5 wastewater.

27.6 (b) "Utility cost savings" means the difference between the utility costs after
 27.7 installation of the utility cost-savings measures pursuant to the guaranteed energy-savings
 27.8 agreement and the baseline utility costs after baseline adjustments have been made.

27.9 (c) "Baseline" means the preagreement utilities, operations, and maintenance costs.

27.10 (d) "Utility cost-savings measure" means a measure that produces utility cost savings
 27.11 or operation and maintenance cost savings.

27.12 (e) "Operation and maintenance cost savings" means a measurable difference
 27.13 between operation and maintenance costs after the installation of the utility cost-savings
 27.14 measures pursuant to the guaranteed energy-savings agreement and the baseline operation
 27.15 and maintenance costs after inflation adjustments have been made. Operation and
 27.16 maintenance costs savings shall not include savings from in-house staff labor.

27.17 (f) "Guaranteed energy-savings agreement" means an agreement for the installation
27.18 of one or more utility cost-savings measures that includes the qualified provider's
27.19 guarantee as required under subdivision 2.

27.20 (g) "Baseline adjustments" means adjusting the utility cost-savings baselines
27.21 annually for changes in the following variables:

27.22 (1) utility rates;

27.23 (2) number of days in the utility billing cycle;

27.24 (3) square footage of the facility;

27.25 (4) operational schedule of the facility;

27.26 (5) facility temperature set points;

27.27 (6) weather; and

27.28 (7) amount of equipment or lighting utilized in the facility.

27.29 (h) "Inflation adjustment" means adjusting the operation and maintenance
27.30 cost-savings baseline annually for inflation.

27.31 (i) ~~"Lease purchase agreement Project financing" means an agreement any type of~~
27.32 ~~financing including but not limited to lease, lease purchase, installment agreements, or~~
27.33 ~~bonds issued by an entity, other than the state, with authority to issue bonds, obligating the~~
27.34 ~~state to make regular lease payments to satisfy the lease costs of the utility lease cost-savings~~
27.35 ~~measures until the final payment, after which time the utility cost-savings measures~~
27.36 ~~become the sole property of the state of Minnesota.~~

28.1 (j) "Qualified provider" means a person or business experienced in the design,
28.2 implementation, and installation of utility cost-savings measures.

28.3 (k) "Engineering report" means a report prepared by a professional engineer licensed
28.4 by the state of Minnesota summarizing estimates of all costs of installations, modifications,
28.5 or remodeling, including costs of design, engineering, installation, maintenance, repairs,
28.6 and estimates of the amounts by which utility and operation and maintenance costs will be
28.7 reduced.

28.8 (l) "Capital cost avoidance" means money expended by a state agency to pay for
28.9 utility cost-savings measures with a guaranteed savings agreement so long as the measures
28.10 that are being implemented to achieve the utility, operation, and maintenance cost savings
28.11 are a significant portion of an overall project as determined by the commissioner.

28.12 (m) "Guaranteed energy-savings program guidelines" means policies, procedures,
28.13 and requirements of guaranteed savings agreements established by the Department of
28.14 Administration.

28.15 Subd. 2. **Guaranteed energy-savings agreement.** The commissioner may enter
28.16 into a guaranteed energy-savings agreement with a qualified provider if:

28.17 (1) the qualified provider is selected through a competitive process in accordance
28.18 with the guaranteed energy-savings program guidelines within the Department of
28.19 Administration;

28.20 (2) the qualified provider agrees to submit an engineering report prior to the
28.21 execution of the guaranteed energy-savings agreement. The cost of the engineering report
28.22 may be considered as part of the implementation costs if the commissioner enters into a
28.23 guaranteed energy-savings agreement with the provider;

28.24 (3) the term of the guaranteed energy-savings agreement shall not exceed 25 years
28.25 from the date of final installation;

28.26 (4) the commissioner finds that the amount ~~at the state would spend, less the amount~~
28.27 contributed for capital cost avoidance, on the utility cost-savings measures recommended
28.28 in the engineering report will not exceed the amount to be saved in utility operation and
28.29 maintenance costs over 25 years from the date of implementation of utility cost-savings
28.30 measures;

28.31 (5) the qualified provider provides a written guarantee that the annual utility,
28.32 operation, and maintenance cost savings during the term of the guaranteed energy-savings
28.33 agreement will meet or exceed the annual payments due under ~~a lease-purchase agreement~~
28.34 the project financing. The qualified provider shall reimburse the state for any shortfall of
28.35 guaranteed utility, operation, and maintenance cost savings; and

29.1 (6) the qualified provider gives a sufficient bond in accordance with section
29.2 574.26 to the commissioner for the faithful implementation and installation of the utility
29.3 cost-savings measures.

29.4 Subd. 3. ~~Lease-purchase agreement~~ **Project financing.** The commissioner
29.5 may enter into ~~a lease-purchase agreement~~ project financing with any party for the
29.6 implementation of utility cost-savings measures in accordance with the guaranteed
29.7 energy-savings agreement. ~~The implementation costs of the utility cost-savings measures~~
29.8 ~~recommended in the engineering report shall not exceed the amount to be saved in utility~~
29.9 ~~and operation and maintenance costs over the term of the lease-purchase agreement.~~ The
29.10 term of the ~~lease-purchase agreement~~ project financing shall not exceed 25 years from
29.11 the date of final installation. The ~~lease~~ project financing is assignable in accordance with
29.12 terms approved by the commissioner of management and budget.

29.13 Subd. 4. **Use of capital cost avoidance.** The affected state agency may contribute
29.14 funds for capital cost avoidance for guaranteed energy-savings agreements. Use of capital
29.15 cost avoidance is subject to the guaranteed energy-savings program guidelines within the
29.16 Department of Administration.

29.17 Subd. 5. **Independent report.** For each guaranteed energy-savings agreement
 29.18 entered into, the commissioner of administration shall contract with an independent third
 29.19 party to evaluate the cost-effectiveness of each utility cost-savings measure implemented
 29.20 to ensure that such measures were the least-cost measures available. For the purposes of
 29.21 this section, "independent third party" means an entity not affiliated with the qualified
 29.22 provider, that is not involved in creating or providing conservation project services to that
 29.23 provider, and that has expertise (or access to expertise) in energy-savings practices.

29.24 Sec. 10. Minnesota Statutes 2014, section 16C.16, subdivision 2, is amended to read:

29.25 Subd. 2. **Small business.** The commissioner shall adopt ~~rules defining the size~~
 29.26 standards for "small business" found in Code of Federal Relations, title 49, section
 29.27 ~~26.65~~, for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142.
 29.28 ~~The definition must include only businesses with their, provided that the business has~~
 29.29 ~~its principal place of business in Minnesota. The definition must establish different~~
 29.30 ~~size standards for various types of businesses. In establishing these standards, the~~
 29.31 ~~commissioner must consider the differences among industries caused by the size of the~~
 29.32 ~~market for goods or services and the relative size and market share of the competitors~~
 29.33 ~~operating in those markets.~~

52.10 Sec. 40. Minnesota Statutes 2014, section 16C.16, subdivision 6a, is amended to read:

52.11 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the
 52.12 federal government as a condition of receiving federal funds, the commissioner shall
 52.13 award up to a six percent preference, but no less than the percentage awarded to any
 52.14 other group under this section, in the amount bid on state procurement to certified small
 52.15 businesses that are majority-owned and operated by veterans.

52.16 (b) The purpose of this designation is to facilitate the transition of veterans from
 52.17 military to civilian life, and to help compensate veterans for their sacrifices, including but
 52.18 not limited to their sacrifice of health and time, to the state and nation during their military
 52.19 service, as well as to enhance economic development within Minnesota.

52.20 (c) Before the commissioner certifies that a small business is majority-owned and
 52.21 operated by a veteran, the commissioner of veterans affairs must verify that the owner of
 52.22 the small business is a veteran, as defined in section 197.447.

30.1 Sec. 11. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision
 30.2 to read:

30.3 Subd. 13. **State-funded projects.** (a) Notwithstanding section 16C.001, this
 30.4 subdivision applies to contracts for state-funded capital improvement projects in excess of
 30.5 \$100,000 that are issued by organizations not subject to the small business requirements of
 30.6 this section, including municipalities as defined in section 466.01, subdivision 1.

30.7 (b) Organizations administering contracts described in paragraph (a) shall promote
 30.8 the use of targeted group businesses designated under this section and take steps to remove
 30.9 barriers to equitable participation of targeted group businesses.

30.10 (c) Organizations shall cooperate with the commissioner's efforts to monitor and
 30.11 measure compliance with this subdivision in the performance of state-funded contracts.

30.12 Sec. 12. Minnesota Statutes 2014, section 16C.19, is amended to read:

30.13 **16C.19 ELIGIBILITY; RULES.**

30.14 (a) A small business wishing to participate in the programs under section 16C.16,
 30.15 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
 30.16 by rule standards and procedures for certifying that small targeted group businesses,
 30.17 small businesses located in economically disadvantaged areas, and veteran-owned small
 30.18 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.
 30.19 The commissioner shall adopt by rule standards and procedures for hearing appeals and
 30.20 grievances and other rules necessary to carry out the duties set forth in sections 16C.16
 30.21 to 16C.21.

30.22 (b) The commissioner may make rules which exclude or limit the participation of
 30.23 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
 30.24 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

30.25 (c) The commissioner may make rules that set time limits and other eligibility limits
 30.26 on business participation in programs under sections 16C.16 to 16C.21.

30.27 (d) Notwithstanding paragraph ~~(e)~~ (a), for purposes of sections 16C.16 to 16C.21, a
 30.28 veteran-owned small business, the principal place of business of which is in Minnesota, is
 30.29 certified if it has been verified by the United States Department of Veterans Affairs as being
 30.30 either a veteran-owned small business or a service-disabled veteran-owned small business,
 30.31 in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

52.23 Sec. 41. Minnesota Statutes 2014, section 16C.19, is amended to read:

52.24 **16C.19 ELIGIBILITY; RULES.**

52.25 (a) A small business wishing to participate in the programs under section 16C.16,
 52.26 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
 52.27 by rule standards and procedures for certifying that small targeted group businesses,
 52.28 small businesses located in economically disadvantaged areas, and veteran-owned small
 52.29 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.
 52.30 The commissioner shall adopt by rule standards and procedures for hearing appeals and
 52.31 grievances and other rules necessary to carry out the duties set forth in sections 16C.16
 52.32 to 16C.21.

53.1 (b) The commissioner may make rules which exclude or limit the participation of
 53.2 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
 53.3 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

53.4 (c) The commissioner may make rules that set time limits and other eligibility limits
 53.5 on business participation in programs under sections 16C.16 to 16C.21.

53.6 (d) Notwithstanding paragraph ~~(e)~~ (a), for purposes of sections 16C.16 to 16C.21, a
 53.7 veteran-owned small business, the principal place of business of which is in Minnesota,
 53.8 is certified if:

53.9 (1) it has been verified by the United States Department of Veterans Affairs as
 53.10 being either a veteran-owned small business or a service-disabled veteran-owned small
 53.11 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title
 53.12 38, part 74; or

53.13 (2) the veteran-owned small business supplies the commissioner with proof that the
 53.14 small business is majority-owned and operated by:

53.15 (i) a veteran as defined in section 197.447; or

53.16 (ii) a veteran with a service-connected disability, as determined at any time by the
 53.17 United States Department of Veterans Affairs.

30.32 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying
 30.33 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may
 30.34 be read to include veteran-owned small businesses. In addition to the documentation
 30.35 required in Minnesota Rules, part 1230.1700, the veteran owner must have been
 31.1 discharged under honorable conditions from active service, as indicated by the veteran
 31.2 owner's most current United States Department of Defense form DD-214.

31.3 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
 31.4 minority- or woman-owned small business, the principal place of business of which is
 31.5 in Minnesota, is certified if it has been certified under the provisions of Code of Federal
 31.6 Regulations, title 49, part 26.

31.7 (g) The commissioner may adopt rules to implement the programs under section
 31.8 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

53.18 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying
 53.19 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may
 53.20 be read to include veteran-owned small businesses. In addition to the documentation
 53.21 required in Minnesota Rules, part 1230.1700, the veteran owner must have been
 53.22 discharged under honorable conditions from active service, as indicated by the veteran
 53.23 owner's most current United States Department of Defense form DD-214.

53.24 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
 53.25 minority- or woman-owned small business, the principal place of business of which is
 53.26 in Minnesota, is certified if it has been certified by the Minnesota unified certification
 53.27 program under the provisions of Code of Federal Regulations, title 49, part 26.

53.28 Sec. 42. Minnesota Statutes 2014, section 16E.01, is amended to read:

53.29 **16E.01 OFFICE OF MN.IT SERVICES.**

53.30 Subdivision 1. **Creation; chief information officer.** The Office of MN.IT Services,
 53.31 referred to in this chapter as the "office," is an agency in the executive branch headed by
 53.32 a commissioner, who also is the state chief information officer. The appointment of the
 53.33 commissioner is subject to the advice and consent of the senate under section 15.066.

53.34 Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and
 53.35 direction for information and telecommunications technology policy and the management,
 54.1 delivery, accessibility, and security of information and telecommunications technology
 54.2 systems and services in ~~Minnesota~~ the executive branch of state government. The office
 54.3 shall manage strategic investments in information and telecommunications technology
 54.4 systems and services to encourage the development of a technically literate society, to
 54.5 ensure sufficient access to and efficient delivery of accessible state government services,
 54.6 and to maximize benefits for the state government as an enterprise.

54.7 Subd. 2. **Discretionary powers.** The office may:

54.8 (1) enter into contracts for goods or services with public or private organizations
 54.9 and charge fees for services it provides;

54.10 (2) apply for, receive, and expend money from public agencies;

54.11 (3) apply for, accept, and disburse grants and other aids from the federal government
 54.12 and other public or private sources;

54.13 (4) enter into contracts with agencies of the federal government, local governmental
 54.14 units, the University of Minnesota and other educational institutions, and private persons
 54.15 and other nongovernmental organizations as necessary to perform its statutory duties;

54.16 (5) sponsor and conduct conferences and studies, collect and disseminate information,
54.17 and issue reports relating to information and communications technology issues; and

~~54.18 (6) review the technology infrastructure of regions of the state and cooperate with
54.19 and make recommendations to the governor, legislature, state agencies, local governments,
54.20 local technology development agencies, the federal government, private businesses,
54.21 and individuals for the realization of information and communications technology
54.22 infrastructure development potential;~~

~~54.23 (7) sponsor, support, and facilitate innovative and collaborative economic and
54.24 community development and government services projects, including technology
54.25 initiatives related to culture and the arts, with public and private organizations; and~~

54.26 (8) (6) review and recommend alternative sourcing strategies for state information
54.27 and communications systems.

54.28 Subd. 3. **Duties.** (a) The office shall:

54.29 (1) manage the efficient and effective use of available federal, state, local, and
54.30 public-private resources to develop statewide information and telecommunications
54.31 technology systems and services and its infrastructure;

54.32 (2) approve state agency and intergovernmental information and telecommunications
54.33 technology systems and services development efforts involving state or intergovernmental
54.34 funding, including federal funding, provide information to the legislature regarding
54.35 projects reviewed, and recommend projects for inclusion in the governor's budget under
54.36 section 16A.11;

55.1 (3) ensure cooperation and collaboration among state and local governments in
55.2 developing intergovernmental information and telecommunications technology systems
55.3 and services, and define the structure and responsibilities of a representative governance
55.4 structure;

55.5 (4) cooperate and collaborate with the legislative and judicial branches in the
55.6 development of information and communications systems in those branches;

55.7 (5) continue the development of North Star, the state's official comprehensive online
55.8 service and information initiative;

55.9 (6) promote and collaborate with the state's agencies in the state's transition to an
55.10 effectively competitive telecommunications market;

55.11 (7) collaborate with entities carrying out education and lifelong learning initiatives
55.12 to assist Minnesotans in developing technical literacy and obtaining access to ongoing
55.13 learning resources;

55.14 ~~(8)~~ (7) promote and coordinate public information access and network initiatives,
55.15 consistent with chapter 13, to connect Minnesota's citizens and communities to each
55.16 other, to their governments, and to the world;

55.17 ~~(9)~~ (8) promote and coordinate electronic commerce initiatives to ensure that
55.18 Minnesota businesses and citizens can successfully compete in the global economy;

55.19 ~~(10)~~ (9) manage and promote the regular and periodic reinvestment in the information
55.20 and telecommunications technology systems and services infrastructure so that state and
55.21 local government agencies can effectively and efficiently serve their customers;

55.22 ~~(11)~~ (10) facilitate the cooperative development of and ensure compliance with
55.23 standards and policies for information and telecommunications technology systems
55.24 and services, electronic data practices and privacy, and electronic commerce among
55.25 international, national, state, and local public and private organizations;

55.26 ~~(12)~~ (11) eliminate unnecessary duplication of existing information and
55.27 telecommunications technology systems and services provided by state agencies;

55.28 ~~(13)~~ (12) identify, sponsor, develop, and execute shared information and
55.29 telecommunications technology projects and ongoing operations;

55.30 ~~(14)~~ (13) ensure overall security of the state's information and technology systems
55.31 and services; and

55.32 ~~(15)~~ (14) manage and direct compliance with accessibility standards for informational
55.33 technology, including hardware, software, Web sites, online forms, and online surveys.

55.34 (b) The chief information officer, in consultation with the commissioner of
55.35 management and budget, must determine when it is cost-effective for agencies to develop
55.36 and use shared information and telecommunications technology systems and services for
56.1 the delivery of electronic government services. The chief information officer may require
56.2 agencies to use shared information and telecommunications technology systems and
56.3 services. The chief information officer shall establish reimbursement rates in cooperation
56.4 with the commissioner of management and budget to be billed to agencies and other
56.5 governmental entities sufficient to cover the actual development, operating, maintenance,
56.6 and administrative costs of the shared systems. The methodology for billing may include
56.7 the use of interagency agreements, or other means as allowed by law.

56.8 (c) A state agency that has an information and telecommunications technology
56.9 project with a total expected project cost of more than ~~\$1,000,000~~ \$100,000, whether
56.10 funded as part of the biennial budget or by any other means, shall register with the office
56.11 by submitting basic project startup documentation, as specified by the chief information
56.12 officer in both format and content, before any project funding is requested or committed
56.13 and before the project commences. State agency project leaders must demonstrate that
56.14 the project will be properly managed, provide updates to the project documentation
56.15 as changes are proposed, and regularly report on the current status of the project on a
56.16 schedule agreed to with the chief information officer.

56.17 ~~(d) The chief information officer shall monitor progress on any active information~~
56.18 ~~and telecommunications technology project with a total expected project cost of more than~~
56.19 ~~\$5,000,000 and report on the performance of the project in comparison with the plans for~~
56.20 ~~the project in terms of time, scope, and budget. The chief information officer may conduct~~
56.21 ~~an independent project audit of the project. The audit analysis and evaluation of the~~
56.22 ~~projects subject to paragraph (c) must be presented to agency executive sponsors, the~~
56.23 ~~project governance bodies, and the chief information officer. All reports and responses~~
56.24 ~~must become part of the project record. The chief information officer must prepare a~~
56.25 monthly progress report for each active information and telecommunications technology
56.26 project over \$1,000,000. The report must be provided to the technology advisory council
56.27 and must be available on the office's Web site.

56.28 (e) For any active information and telecommunications technology project with a
56.29 total expected project cost of more than \$10,000,000, the state agency must perform an
56.30 annual independent audit that conforms to published project audit principles promulgated
56.31 by the office.

56.32 (f) The chief information officer shall report by January 15 of each year to the
56.33 chairs and ranking minority members of the legislative committees and divisions with
56.34 jurisdiction over the office regarding projects the office has reviewed under paragraph (a),
56.35 clause (13). The report must include the reasons for the determinations made in the review
56.36 of each project and a description of its current status.

57.1 Subd. 4. **Limits.** The office may not enter into any new general or project contracts
57.2 or other agreements to provide services to political subdivisions. The office may continue
57.3 to collaborate with and enter into agreements with local subdivisions to create information
57.4 technology infrastructure, provide connectivity, coordinate government-to-government
57.5 communications, and provide security support. This subdivision does not prevent political
57.6 subdivisions from purchasing goods or services from outside vendors through state
57.7 contracts, and does not prevent political subdivisions from accessing geospatial data
57.8 maintained by the office.

57.9 **EFFECTIVE DATE.** This section is effective July 1, 2015. The office may not
57.10 enter into a new contract or other agreement or renew an existing contract or agreement
57.11 to provide services to political subdivisions in a manner prohibited by subdivision 4 on
57.12 or after July 1, 2015. The office must end existing contracts and agreements to provide
57.13 services prohibited by subdivision 4 as soon as this can be done without the office
57.14 incurring legal liability, and as soon as affected political subdivisions are able to find other
57.15 sources to provide the services provided by the office.

57.16 Sec. 43. Minnesota Statutes 2014, section 16E.016, is amended to read:
57.17 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY**
57.18 **SERVICES AND EQUIPMENT.**

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

57.22 (1) state data centers;

57.23 (2) mainframes including system software;

57.24 (3) servers including system software;

57.25 (4) desktops including system software;

57.26 (5) laptop computers including system software;

57.27 (6) a data network including system software;

57.28 (7) database, electronic mail, office systems, reporting, and other standard software
57.29 tools;

57.30 (8) business application software and related technical support services;

57.31 (9) help desk for the components listed in clauses (1) to (8);

57.32 (10) maintenance, problem resolution, and break-fix for the components listed in
57.33 clauses (1) to (8);

58.1 (11) regular upgrades and replacement for the components listed in clauses (1)
58.2 to (8); and

58.3 (12) network-connected output devices.

58.4 (b) All state agency employees whose work primarily involves functions specified in
58.5 paragraph (a) are employees of the Office of MN.IT Services. This includes employees
58.6 who directly perform the functions in paragraph (a), as well as employees whose work
58.7 primarily involves managing, supervising, or providing administrative services or support
58.8 services to employees who directly perform these functions. The chief information officer
58.9 may assign employees of the office to perform work exclusively for another state agency.

58.10 (c) ~~Subject to sections 16C.08 and 16C.09, the chief information officer may allow a~~
58.11 ~~state agency to obtain services specified in paragraph (a) through a contract with an outside~~
58.12 ~~vendor when the chief information officer and the agency head agree that a contract would~~
58.13 ~~provide best value, as defined in section 16C.02, under the service-level agreement. A~~
58.14 ~~state agency must enter into a service-level agreement with the chief information officer~~
58.15 ~~for provision of services specified in paragraph (a), or must obtain some or all of these~~
58.16 ~~services through an outside vendor. Before entering into a service-level agreement or~~
58.17 ~~outside vendor contract, an agency must solicit proposals from the office and from at~~
58.18 ~~least one outside vendor. If the cost of the proposal from the office is more than six~~
58.19 ~~percent higher than the cost of a proposal from an outside vendor, the agency may enter~~
58.20 ~~into a contract with an outside vendor, notwithstanding sections 16C.08, subdivision~~
58.21 ~~2, clause (1); 16C.09, paragraph (a), clause (1); and 43A.047. The chief information~~
58.22 ~~officer must require that agency contracts with outside vendors ensure that systems and~~
58.23 ~~services are compatible with standards established by the Office of MN.IT Services. The~~
58.24 ~~standards may include analysis of differences in future cost uncertainties, compliance with~~
58.25 ~~security requirements, compliance with hardware and service standards common in other~~
58.26 ~~state offices, ability to comply with legal, accessibility, and transparency requirements,~~
58.27 ~~and compliance with quality standards common to other state offices. The term of a~~
58.28 ~~service-level agreement or a contract under this paragraph is subject to the limits in section~~
58.29 ~~16C.06, subdivision 3b. However, the chief information officer may provide that the term~~
58.30 ~~of the first agreement or contract entered into after the effective date of this section may be~~
58.31 ~~longer, as the chief information officer determines is necessary to establish a system under~~
58.32 ~~which agency agreements and contracts will expire according to a staggered schedule.~~
58.33 ~~A service-level agreement or contract may not be for a term of more than six years. A~~
58.34 ~~contract longer than four years must be followed by a contract of less than four years.~~

59.1 (d) The chief information officer may authorize a state agency office located outside
59.2 of the seven-county metropolitan area to solicit proposals from MN.IT services and from
59.3 an outside vendor separately from the rest of the agency.

59.4 (e) An agency may not enter into a contract for information technology systems or
59.5 services of more than \$100,000 with an outside vendor without approval of the chief
59.6 information officer.

59.7 (f) The Minnesota State Retirement System, the Public Employees Retirement
59.8 Association, the Teachers Retirement Association, the State Board of Investment, the
59.9 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide
59.10 Radio Board are not state agencies for purposes of this section.

59.11 Sec. 44. Minnesota Statutes 2014, section 16E.03, subdivision 1, is amended to read:

59.12 Subdivision 1. **Definitions.** For the purposes of chapter 16E, the following terms

59.13 have the meanings given them.

59.14 (a) "Information and telecommunications technology systems and services" means

59.15 all computing and telecommunications hardware and software, the activities undertaken

59.16 to secure that hardware and software, and the activities undertaken to acquire, transport,

59.17 process, analyze, store, and disseminate information electronically. "Information and

59.18 telecommunications technology systems and services" includes all proposed expenditures

59.19 for computing and telecommunications hardware and software, security for that hardware

59.20 and software, and related consulting or other professional services.

59.21 (b) "Information and telecommunications technology project" means an effort to

59.22 acquire or produce information and telecommunications technology systems and services.

59.23 (c) "Telecommunications" means voice, video, and data electronic transmissions

59.24 transported by wire, wireless, fiber-optic, radio, or other available transport technology.

59.25 (d) "Cyber security" means the protection of data and systems in networks connected

59.26 to the Internet.

59.27 (e) "State agency" means an agency in the executive branch of state government and

59.28 includes the Minnesota Office of Higher Education, but does not include the Minnesota

59.29 State Colleges and Universities unless specifically provided elsewhere in this chapter.

59.30 Notwithstanding any law to the contrary, "state agency" includes any agency in the

59.31 executive branch that operates information technology relating to eligibility for state

59.32 programs.

59.33 (f) "Total expected project cost" includes direct staff costs, all supplemental contract

59.34 staff and vendor costs, and costs of hardware and software development or purchase.

60.1 Breaking a project into several phases does not affect the cost threshold, which must be

60.2 computed based on the full cost of all phases.

60.3 Sec. 45. **[16E.034] ANNUAL REPORT ON IT SPENDING.**

60.4 (a) The chief information officer, in consultation with the commissioner of

60.5 management and budget, must report by September 1 each year on:

60.6 (1) total state agency spending on information technology in the prior fiscal year, and

60.7 planned state agency spending on information technology in the current fiscal year; and

60.8 (2) individual state agency spending on information technology in the prior fiscal

60.9 year, and planned spending on information technology in the current fiscal year.

60.10 (b) The report in paragraph (a) on total state agency and individual agency spending

60.11 and proposed spending must show amounts spent and anticipated to be spent in each of

60.12 the following categories:

60.13 (1) new technology projects, or enhancement of existing projects, of more than
60.14 \$100,000;

60.15 (2) business as usual and minor enhancements; and

60.16 (3) infrastructure and operations.

60.17 (c) The information reported on infrastructure and operations in paragraph (b),
60.18 clause (3), must be further divided, by agency, into the following categories:

60.19 (1) servers;

60.20 (2) messaging and collaboration;

60.21 (3) mainframe;

60.22 (4) storage;

60.23 (5) database, including administration;

60.24 (6) technical support;

60.25 (7) information security;

60.26 (8) directory administration;

60.27 (9) architecture;

60.28 (10) monitoring; and

60.29 (11) change management.

60.30 Sec. 46. Minnesota Statutes 2014, section 16E.0465, is amended to read:

60.31 **16E.0465 TECHNOLOGY APPROVAL.**

60.32 Subdivision 1. **Application.** This section applies to an appropriation of more than
60.33 \$1,000,000 \$100,000 of state or federal funds to a state agency for any information and
60.34 telecommunications technology project or for any phase of such a project, device, or
61.1 system. For purposes of this section, an appropriation of state or federal funds to a state
61.2 agency includes an appropriation:

61.3 (1) to a constitutional officer;

61.4 (2) for a project that includes both a state agency and units of local government; and

61.5 (3) to a state agency for grants to be made to other entities.

61.6 Subd. 2. **Required review and approval.** (a) A state agency receiving an
61.7 appropriation of more than \$500,000 for an information and telecommunications
61.8 technology project subject to this section must divide the project into phases.

61.9 (b) The commissioner of management and budget may not authorize the

61.10 encumbrance or expenditure of an appropriation of state funds to a state agency for any;

- 61.11 (1) a project if the project is subject to this section, but not divided into phases; or
- 61.12 (2) a phase of a project, device, or system subject to this section, unless the Office of
- 61.13 MN.IT Services has reviewed the project or each phase of the project, device, or system,
- 61.14 and based on this review, the chief information officer has determined for each project
- 61.15 or phase that:
- 61.16 ~~(1)~~ (i) the project is compatible with the state information architecture and other
- 61.17 policies and standards established by the chief information officer;
- 61.18 ~~(2)~~ (ii) the agency is able to accomplish the goals of the phase of the project with the
- 61.19 funds appropriated; and
- 61.20 ~~(3)~~ (iii) the project supports the enterprise information technology strategy.
- 61.21 **Subd. 4. Monitor progress.** The chief information officer shall monitor progress on
- 61.22 any active information and telecommunications technology project with a total expected
- 61.23 project cost of more than \$5,000,000 and report on the performance of the project in
- 61.24 comparison with the plans for the project in terms of time, scope, and budget. The chief
- 61.25 information officer may conduct an independent project audit of the project. The audit
- 61.26 analysis and evaluation of the projects must be presented to agency executive sponsors,
- 61.27 the project governance bodies, and the chief information officer. All reports and responses
- 61.28 must become part of the project record.
- 61.29 Sec. 47. Minnesota Statutes 2014, section 16E.14, subdivision 3, is amended to read:
- 61.30 **Subd. 3. Reimbursements.** Except as specifically provided otherwise by law, each
- 61.31 agency shall reimburse the MN.IT services revolving fund for the cost of all services,
- 61.32 supplies, materials, labor, employee development and training, and depreciation of
- 61.33 equipment, including reasonable overhead costs, which the chief information officer is
- 61.34 authorized and directed to furnish an agency. The chief information officer shall report the
- 61.35 rates to be charged for the revolving fund no later than July 1 each year to the chair of the
- 62.1 committee or division in the senate and house of representatives with primary jurisdiction
- 62.2 over the budget of the Office of MN.IT Services.
- 62.3 Sec. 48. Minnesota Statutes 2014, section 16E.145, is amended to read:
- 62.4 **16E.145 INFORMATION TECHNOLOGY APPROPRIATION.**
- 62.5 An appropriation of more than \$100,000 for a state agency information and
- 62.6 telecommunications technology project must be made to the chief information officer. The
- 62.7 chief information officer must manage and disburse the appropriation on behalf of the
- 62.8 sponsoring state agency. Any appropriation for an information and telecommunications
- 62.9 technology project made to a state agency other than the Office of MN.IT Services is
- 62.10 transferred to the chief information officer.
- 62.11 Sec. 49. Minnesota Statutes 2014, section 16E.19, is amended by adding a subdivision
- 62.12 to read:

62.13 Subd. 3. **Data storage.** The chief information officer must establish criteria for
62.14 storage of state agency data outside of data centers operated by the chief information
62.15 officer. These criteria must include thresholds for when requests of outside data storage
62.16 must be approved by the chief information officer.

62.17 Sec. 50. **[43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**
62.18 **EMPLOYEES.**

62.19 The total number of full-time equivalent employees employed in all executive
62.20 branch agencies may not exceed 35,927. The commissioner of management and budget
62.21 may forbid an executive agency from hiring a new employee or from filling a vacancy as
62.22 the commissioner determines is necessary to ensure compliance with this section. Any
62.23 reductions in staff should prioritize protecting client-facing health care workers, corrections
62.24 officers, public safety workers, and mental health workers. As a means of achieving
62.25 compliance with this requirement, the commissioner may authorize an agency to provide
62.26 an early retirement incentive to an executive branch employee, under which the state will
62.27 continue to make the employer contribution for health insurance after the employee has
62.28 terminated state service. The commissioner must prescribe eligibility requirements and the
62.29 maximum duration of the payments. For purposes of this section, an "executive agency"
62.30 does not include the Minnesota State Colleges and Universities or statewide pension plans.

62.31 Sec. 51. **[138.912] HEALTHY EATING, HERE AT HOME.**

63.1 Subdivision 1. **Establishment.** The healthy eating, here at home program is
63.2 established to provide incentives for low-income Minnesotans to use federal Supplemental
63.3 Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based
63.4 farmers' markets.

63.5 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

63.6 (b) "Healthy eating, here at home" means a program administered by the Minnesota
63.7 Humanities Center to provide incentives for low-income Minnesotans to use SNAP
63.8 benefits for healthy purchases at Minnesota-based farmers' markets.

63.9 (c) "Healthy purchases" means SNAP-eligible foods.

63.10 (d) "Minnesota-based farmers' market" means a physical market as defined in section
63.11 28A.151, subdivision 1, paragraph (b), and also includes mobile markets.

63.12 (e) "Voucher" means a physical or electronic credit.

63.13 (f) "Eligible household" means an individual or family that is determined to be a
63.14 recipient of SNAP.

63.15 Subd. 3. **Grants.** The Minnesota Humanities Center shall allocate grant funds to
63.16 nonprofit organizations that work with Minnesota-based farmers' markets to provide up
63.17 to \$10 vouchers to SNAP participants who use electronic benefits transfer (EBT) cards
63.18 for healthy purchases. Funds may also be provided for vouchers distributed through
63.19 nonprofit organizations engaged in healthy cooking and food education outreach to
63.20 eligible households for use at farmers' markets. Funds appropriated under this section may
63.21 not be used for healthy cooking classes or food education outreach. When awarding
63.22 grants, the Minnesota Humanities Center must consider how the nonprofit organizations
63.23 will achieve geographic balance, including specific efforts to reach eligible households
63.24 across the state, and the organizations' capacity to manage the programming and outreach.

63.25 Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating,
63.26 here at home voucher, an eligible household must meet the Minnesota SNAP eligibility
63.27 requirements under section 256D.051.

63.28 Subd. 5. **Permissible uses; information provided.** An eligible household may use
63.29 the voucher toward healthy purchases at Minnesota-based farmers' markets. Every eligible
63.30 household that receives a voucher must be informed of the allowable uses of the voucher.

63.31 Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds
63.32 must report annually to the Minnesota Humanities Center with information regarding the
63.33 operation of the program, including the number of vouchers issued and the number of
63.34 people served. To the extent practicable, the nonprofit organizations must report on the
63.35 usage of the vouchers and evaluate the program's effectiveness.

64.1 Subd. 7. **Grocery inclusion.** The commissioner of human services must submit a
64.2 waiver request to the federal United States Department of Agriculture seeking approval
64.3 for the inclusion of Minnesota grocery stores in this program so that SNAP participants
64.4 may use the vouchers for healthy produce at grocery stores. Grocery store participation is
64.5 voluntary and a grocery store's associated administrative costs will not be reimbursed.

64.6 Sec. 52. Minnesota Statutes 2014, section 148.57, is amended by adding a subdivision
64.7 to read:

64.8 Subd. 5. **Expedited and temporary licensing for former and current members**
64.9 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

64.10 (1) an active duty military member;

64.11 (2) the spouse of an active duty military member; or

64.12 (3) a veteran who has left service in the two years preceding the date of license

64.13 application, and has confirmation of an honorable or general discharge status.

64.14 (b) A qualified applicant under this subdivision must provide evidence of:

64.15 (1) a current valid license, certificate, or permit in another state without history of

64.16 disciplinary action by a regulatory authority in the other state; and

64.17 (2) a current criminal background study without a criminal conviction that is
64.18 determined by the board to adversely affect the applicant's ability to become licensed.

64.19 (c) A temporary license issued under this subdivision is effective for six months
64.20 from the initial temporary licensure date.

64.21 (d) During the temporary license period, the individual shall complete the licensed
64.22 optometrist application for licensure.

64.23 (e) In order to remain licensed after the expiration of the temporary license, an
64.24 individual must meet the requirements in section 148.57, subdivisions 1 and 2.

64.25 Sec. 53. Minnesota Statutes 2014, section 148.624, subdivision 5, is amended to read:

64.26 Subd. 5. **Expedited and temporary licensing for former and current members**
64.27 **of the military permit.** ~~The board shall issue a temporary permit to members of the~~
64.28 ~~military in accordance with section 197.4552. (a) Applicants seeking licensure according~~
64.29 ~~to this subdivision must be:~~

64.30 (1) an active duty military member;

64.31 (2) the spouse of an active duty military member; or

64.32 (3) a veteran who has left service in the two years preceding the date of license
64.33 application, and has confirmation of an honorable or general discharge status.

64.34 (b) A qualified applicant under this subdivision must provide evidence of:

65.1 (1) a current valid license in another state without history of disciplinary action by a
65.2 regulatory authority in the other state; and

65.3 (2) a current criminal background study without a criminal conviction that is
65.4 determined by the board to adversely affect the applicant's ability to become licensed.

65.5 (c) A temporary license issued under this subdivision is effective for six months
65.6 from the initial temporary licensure date.

65.7 (d) During the temporary license period, the individual shall complete the licensed
65.8 dietitian or nutritionist application for licensure.

65.9 (e) In order to remain licensed after the expiration of the temporary license, an
65.10 individual must meet the full licensure requirements.

65.11 (f) The fee for the temporary permit license is \$250.

65.12 Sec. 54. Minnesota Statutes 2014, section 148B.33, is amended by adding a
65.13 subdivision to read:

65.14 Subd. 3. **Expedited and temporary licensing for former and current members**
65.15 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

65.16 (1) an active duty military member;

65.17 (2) the spouse of an active duty military member; or

65.18 (3) a veteran who has left service in the two years preceding the date of license

65.19 application, and has confirmation of an honorable or general discharge status.

65.20 (b) A qualified applicant under this subdivision must provide evidence of:

65.21 (1) a current valid license, certificate, or permit in another state without history of

65.22 disciplinary action by a regulatory authority in the other state; and

65.23 (2) a current criminal background study without a criminal conviction that is

65.24 determined by the board to adversely affect the applicant's ability to become licensed.

65.25 (c) A temporary license issued under this subdivision is effective for six months

65.26 from the initial temporary licensure date.

65.27 (d) During the temporary license period, the individual shall complete the licensed

65.28 marriage and family therapist application for licensure.

65.29 (e) In order to remain licensed after the expiration of the temporary license, an

65.30 individual must meet the requirements in subdivisions 1 and 2.

65.31 Sec. 55. Minnesota Statutes 2014, section 148B.53, is amended by adding a

65.32 subdivision to read:

65.33 Subd. 1a. **Expedited and temporary licensing for former and current members**

65.34 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

66.1 (1) an active duty military member;

66.2 (2) the spouse of an active duty military member; or

66.3 (3) a veteran who has left service in the two years preceding the date of license

66.4 application, and has confirmation of an honorable or general discharge status.

66.5 (b) A qualified applicant under this subdivision must provide evidence of:

66.6 (1) a current valid license, certificate, or permit in another state without history of

66.7 disciplinary action by a regulatory authority in the other state; and

66.8 (2) a current criminal background study without a criminal conviction that is

66.9 determined by the board to adversely affect the applicant's ability to become licensed.

66.10 (c) A temporary license issued under this subdivision is effective for one year from

66.11 the initial licensure date.

66.12 (d) During the temporary license period, the individual shall complete the licensed

66.13 professional counselor application for licensure.

66.14 (e) In order to remain licensed after the expiration of the temporary license, an
66.15 individual must meet the requirements in subdivision 1, paragraphs (a) and (b).

66.16 Sec. 56. Minnesota Statutes 2014, section 148B.5301, is amended by adding a
66.17 subdivision to read:

66.18 Subd. 4a. **Expedited and temporary licensing for former and current members**
66.19 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

66.20 (1) an active duty military member;

66.21 (2) the spouse of an active duty military member; or

66.22 (3) a veteran who has left service in the two years preceding the date of license
66.23 application, and has confirmation of an honorable or general discharge status.

66.24 (b) A qualified applicant under paragraph (a) must provide evidence of:

66.25 (1) a current valid license, certificate, or permit in another state without history of
66.26 disciplinary action by a regulatory authority in the other state; and

66.27 (2) a current criminal background study without a criminal conviction that is
66.28 determined by the board to adversely affect the applicant's ability to become licensed.

66.29 (c) A temporary license issued under this subdivision is effective for one year from
66.30 the initial licensure date.

66.31 (d) During the temporary license period, the individual shall complete the licensed
66.32 professional clinical counselor application for licensure.

66.33 (e) In order to remain licensed after the expiration of the temporary license, an
66.34 individual must meet the requirements in subdivisions 1 and 2.

67.1 Sec. 57. Minnesota Statutes 2014, section 148F.025, is amended by adding a
67.2 subdivision to read:

67.3 Subd. 5. **Expedited and temporary licensing for former and current members**
67.4 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

67.5 (1) an active duty military member;

67.6 (2) the spouse of an active duty military member; or

67.7 (3) a veteran who has left service in the two years preceding the date of license
67.8 application, and has confirmation of an honorable or general discharge status.

67.9 (b) Applicants are required to comply with subdivisions 1 and 4.

67.10 (c) A qualified applicant under paragraph (a) must provide evidence of:

67.11 (1) a current valid license, certificate, or permit in another state without history of
67.12 disciplinary action by a regulatory authority in the other state; and

67.13 (2) a current criminal background study without a criminal conviction that is
67.14 determined by the board to adversely affect the applicant's ability to become licensed.

67.15 (d) A temporary license issued under this subdivision is effective for two years from
67.16 the initial licensure date.

67.17 (e) During the temporary license period, the individual shall complete the application
67.18 for licensure required in subdivision 1.

67.19 (f) In order to remain licensed after the expiration of the temporary license, an
67.20 individual must meet the requirements in subdivisions 2 and 3.

67.21 Sec. 58. Minnesota Statutes 2014, section 153.16, subdivision 1, is amended to read:

67.22 Subdivision 1. **License requirements.** The board shall issue a license to practice
67.23 podiatric medicine to a person who meets the following requirements:

67.24 (a) The applicant for a license shall file a written notarized application on forms
67.25 provided by the board, showing to the board's satisfaction that the applicant is of good
67.26 moral character and satisfies the requirements of this section.

67.27 (b) The applicant shall present evidence satisfactory to the board of being a graduate
67.28 of a podiatric medical school approved by the board based upon its faculty, curriculum,
67.29 facilities, accreditation by a recognized national accrediting organization approved by the
67.30 board, and other relevant factors.

67.31 (c) The applicant must have received a passing score on each part of the national board
67.32 examinations, parts one and two, prepared and graded by the National Board of Podiatric
67.33 Medical Examiners. The passing score for each part of the national board examinations,
67.34 parts one and two, is as defined by the National Board of Podiatric Medical Examiners.

68.1 (d) Applicants graduating after 1986 from a podiatric medical school shall present
68.2 evidence of successful completion of a residency program approved by a national
68.3 accrediting podiatric medicine organization.

68.4 (e) The applicant shall appear in person before the board or its designated
68.5 representative to show that the applicant satisfies the requirements of this section,
68.6 including knowledge of laws, rules, and ethics pertaining to the practice of podiatric
68.7 medicine. The board may establish as internal operating procedures the procedures or
68.8 requirements for the applicant's personal presentation. Upon completion of all other
68.9 application requirements, a doctor of podiatric medicine applying for a temporary military
68.10 license has six months in which to comply with this subdivision.

68.11 (f) The applicant shall pay a fee established by the board by rule. The fee shall
68.12 not be refunded.

68.13 (g) The applicant must not have engaged in conduct warranting disciplinary action
68.14 against a licensee. If the applicant does not satisfy the requirements of this paragraph,
68.15 the board may refuse to issue a license unless it determines that the public will be
68.16 protected through issuance of a license with conditions and limitations the board considers
68.17 appropriate.

68.18 (h) Upon payment of a fee as the board may require, an applicant who fails to pass
68.19 an examination and is refused a license is entitled to reexamination within one year of
68.20 the board's refusal to issue the license. No more than two reexaminations are allowed
68.21 without a new application for a license.

68.22 Sec. 59. Minnesota Statutes 2014, section 153.16, subdivision 4, is amended to read:

68.23 Subd. 4. **Temporary military permit license.** ~~The board shall establish a temporary~~
68.24 ~~permit in accordance with section 197.4552. The fee for the temporary military permit is~~
68.25 ~~\$250.~~ (a) The board shall issue an expedited license to practice podiatric medicine to an
68.26 applicant who meets the following requirements:

68.27 (1) is an active duty military member;

68.28 (2) is the spouse of an active duty military member; or

68.29 (3) is a veteran who has left service in the two years preceding the date of license
68.30 application, and has confirmation of an honorable or general discharge status.

68.31 (b) A qualified applicant under this subdivision must provide evidence of:

68.32 (1) a current, valid license in another state without history of disciplinary action by a
68.33 regulatory authority in the other state; and

68.34 (2) a current criminal background study without a criminal conviction that is
68.35 determined by the board to adversely affect the applicant's ability to become licensed.

69.1 (c) The board shall issue a license for up to six months to a doctor of podiatric
69.2 medicine eligible for licensure under this subdivision. Doctors of podiatric medicine
69.3 licensed in another state who have complied with all other requirements may receive a
69.4 temporary license valid for up to six months. No extension is available.

69.5 (d) A temporary license issued under this subdivision permits a qualified individual
69.6 to perform podiatric medicine for a limited length of time as determined by the licensing
69.7 board. During the temporary license period, the individual shall complete the full
69.8 application procedure and be approved as required by applicable law.

69.9 (e) The fee for the temporary military license is \$250.

69.10 Sec. 60. Minnesota Statutes 2014, section 154.003, is amended to read:

69.11 **154.003 FEES.**

69.12 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the
69.13 board, shall be paid to the board. The board shall deposit the fees in the general fund
69.14 in the state treasury.

69.15 (b) The board shall charge the following fees:

69.16 (1) examination and certificate, registered barber, \$85;

69.17 (2) retake of written examination, registered barber, \$10;

69.18 (3) examination and certificate, apprentice, \$80;

69.19 (4) retake of written examination, apprentice, \$10;

69.20 (5) examination, instructor, \$180;

69.21 (6) certificate, instructor, \$65;

69.22 (7) temporary teacher or apprentice permit, \$80;

69.23 (8) temporary registered barber, military, \$85;

69.24 (9) temporary barber instructor, military, \$180;

69.25 (10) temporary apprentice barber, military, \$80;

69.26 (11) renewal of registration, registered barber, \$80;

69.27 ~~(9)~~ (12) renewal of registration, apprentice, \$70;

69.28 ~~(10)~~ (13) renewal of registration, instructor, \$80;

69.29 ~~(11)~~ (14) renewal of temporary teacher permit, \$65;

69.30 ~~(12)~~ (15) student permit, \$45;

69.31 ~~(13)~~ (16) renewal of student permit, \$25;

69.32 ~~(14)~~ (17) initial shop registration, \$85;

69.33 ~~(15)~~ (18) initial school registration, \$1,030;

69.34 ~~(16)~~ (19) renewal shop registration, \$85;

69.35 ~~(17)~~ (20) renewal school registration, \$280;

70.1 ~~(18)~~ (21) restoration of registered barber registration, \$95;

70.2 ~~(19)~~ (22) restoration of apprentice registration, \$90;

70.3 ~~(20)~~ (23) restoration of shop registration, \$105;

70.4 ~~(21)~~ (24) change of ownership or location, \$55;

70.5 ~~(22)~~ (25) duplicate registration, \$40;

70.6 ~~(23)~~ (26) home study course, \$75;

70.7 ~~(24)~~ (27) letter of registration verification, \$25; and

70.8 ~~(25)~~ (28) reinspection, \$100.

70.9 Sec. 61. Minnesota Statutes 2014, section 154.11, subdivision 3, is amended to read:

70.10 Subd. 3. **Temporary military license permits.** (a) In accordance with section
70.11 197.4552, the board shall establish issue a temporary license;

70.12 (1) permit for apprentice barbers and master;

70.13 (2) certificate for registered barbers; and a temporary permit for apprentices in
70.14 accordance with section 197.4552. The fee for a temporary license under this subdivision
70.15 for a master barber is \$85. The fee for a temporary license under this subdivision for a
70.16 barber is \$180. The fee for a temporary permit under this subdivision for an apprentice is
70.17 \$80.

70.18 (3) certificate for registered barber instructors.

70.19 (b) Fees for temporary military permits and certificates of registration under this
70.20 subdivision are listed under section 154.003.

70.21 (c) Permits or certificates of registration issued under this subdivision are valid
70.22 for one year from the date of issuance, after which the individual must complete a full
70.23 application as required by section 197.4552.

31.9 Sec. 13. Minnesota Statutes 2014, section 155A.21, is amended to read:

31.10 **155A.21 POLICY.**

31.11 The legislature finds that the health and safety of the people of the state are served
31.12 by the licensing of the practice of cosmetology because of infection control and the use
31.13 of chemicals, implements, apparatus, and other appliances requiring special skills and
31.14 education.

31.15 To this end, the public will best be served by vesting these responsibilities in the

31.16 Board of Cosmetologist Examiners.

31.17 Sec. 14. Minnesota Statutes 2014, section 155A.23, subdivision 8, is amended to read:

31.18 Subd. 8. **Manager.** A "manager" is any person who ~~conducts, operates, or manages~~
31.19 ~~a cosmetology school or salon and who also instructs in or is a cosmetologist, esthetician,~~
31.20 advanced practice esthetician, or nail technician practitioner, and who has a manager
31.21 license and provides any services under that license, as defined in subdivision 3. A school
31.22 manager must maintain an active salon manager's license.

31.23 Sec. 15. Minnesota Statutes 2014, section 155A.23, is amended by adding a

31.24 subdivision to read:

31.25 Subd. 8a. **Mobile salon.** A "mobile salon" is a salon that is operated in a mobile
31.26 vehicle or mobile structure for exclusive use to offer personal services, as defined in
31.27 subdivision 3.

31.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

31.29 Sec. 16. Minnesota Statutes 2014, section 155A.23, is amended by adding a
31.30 subdivision to read:

32.1 Subd. 14. **Advanced practice esthetician.** An "advanced practice esthetician" is a
32.2 person who for compensation performs personal services for the cosmetic care of the skin,
32.3 including the use of mechanical or electrical skin care apparatuses or appliances that are
32.4 used on the epidermal layer of the skin.

32.5 **EFFECTIVE DATE.** This section is effective August 1, 2015, except that a license

32.6 for an advanced practice esthetician must not be issued prior to January 1, 2018.

32.7 Sec. 17. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.8 subdivision to read:

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

32.12 Sec. 18. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.13 subdivision to read:

32.14 Subd. 16. **School manager.** A "school manager" is a cosmetologist who is a salon
32.15 manager and who has a school manager license. A school manager must maintain an
32.16 active salon manager's license.

32.17 Sec. 19. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.18 subdivision to read:

32.19 Subd. 17. **Designated school manager.** A "designated school manager" is a school
32.20 manager who is designated by the school owner and registered with the board, who is
32.21 responsible with the school owner for school and instructor compliance.

32.22 Sec. 20. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.23 subdivision to read:

32.24 Subd. 18. **Practitioner.** A "practitioner" is any person licensed in the practice of
32.25 cosmetology, esthiology, or nail technology services.

32.26 Sec. 21. Minnesota Statutes 2014, section 155A.24, subdivision 2, is amended to read:

32.27 Subd. 2. **Hiring and assignment of employees.** The board has the authority to hire
32.28 qualified personnel in the classified service to assist in administering the law, including
32.29 those for the testing and licensing of applicants ~~and the continuing inspections required.~~
32.30 ~~All staff must receive periodic training to improve and maintain customer service skills,~~
32.31 ~~conducting inspections, and complaint investigations.~~

33.1 Sec. 22. Minnesota Statutes 2014, section 155A.25, subdivision 1a, is amended to read:

33.2 Subd. 1a. **Schedule.** (a) The fee schedule for licensees fees and penalties is as

33.3 ~~follows:~~ provided in this subdivision.

33.4 (a) (b) Three-year license fees are as follows:

33.5 (1) ~~cosmetologist, nail technician, or esthetician~~ \$195 initial practitioner, manager,

33.6 ~~or instructor license, divided as follows:~~

33.7 (i) ~~\$90~~ \$155 for each initial license ~~and a \$40 nonrefundable initial license~~

33.8 ~~application fee, for a total of \$130; and~~

33.9 (ii) ~~\$60 for each renewal and a \$15 nonrefundable renewal application fee, for a total~~

33.10 ~~of \$75~~ \$40 for each initial license application fee;

33.11 (2) ~~instructor or manager~~ \$115 renewal of practitioner license, divided as follows:

33.12 (i) ~~\$120~~ \$100 for each initial renewal license ~~and a \$40 nonrefundable initial license~~

33.13 ~~application fee, for a total of \$160; and~~

33.14 (ii) ~~\$90~~ \$15 for each renewal ~~and a \$15 nonrefundable renewal application fee,~~

33.15 ~~for a total of \$105;~~

33.16 (3) \$145 renewal of manager or instructor license, divided as follows:

33.17 (i) \$130 for each renewal license; and

33.18 (ii) \$15 for each renewal application fee;

33.19 (4) \$350 initial salon license, divided as follows:

33.20 (i) ~~\$130~~ \$250 for each initial license ~~and a \$100 nonrefundable initial license~~

33.21 ~~application fee, for a total of \$230; and~~

33.22 (ii) \$100 for each renewal ~~and a \$50 nonrefundable renewal initial license~~

33.23 ~~application fee, for a total of \$150; and~~

33.24 (4) ~~school~~ (5) \$225 renewal of salon license, divided as follows:

33.25 (i) ~~\$1,500~~ \$175 for each initial license ~~and a \$1,000 nonrefundable initial license~~

33.26 ~~application fee, for a total of \$2,500~~ renewal; and

33.27 (ii) ~~\$1,500~~ \$50 for each renewal ~~and a \$500 nonrefundable renewal application~~

33.28 ~~fee, for a total of \$2,000;~~

- 33.29 (6) \$4,000 initial school license, divided as follows:
- 33.30 (i) \$3,000 for each initial license; and
- 33.31 (ii) \$1,000 for each initial license application fee; and
- 33.32 (7) \$2,500 renewal of school license, divided as follows:
- 33.33 (i) \$2,000 for each renewal; and
- 33.34 (ii) \$500 for each renewal application fee.
- 33.35 ~~(b)~~ (c) Penalties may be assessed in amounts up to the following:
- 33.36 (1) reinspection fee, ~~variable~~ \$150;
- 34.1 (2) manager and owner with lapsed practitioner found on inspection, \$150 each;
- 34.2 (3) lapsed practitioner or instructor found on inspection, \$200;
- 34.3 (4) lapsed salon found on inspection, \$500;
- 34.4 (5) lapsed school found on inspection, \$1,000;
- 34.5 (6) failure to display current license, \$100;
- 34.6 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 34.7 under section 155A.355, subdivision 1, \$500;
- 34.8 (8) use of prohibited razor-type callus shavers, rasps, or graters under section
- 34.9 155A.355, subdivision 2, \$500;
- 34.10 (9) performing nail or cosmetology services in esthetician salon, or performing
- 34.11 esthetician or cosmetology services in a nail salon, \$500;
- 34.12 (10) owner and manager allowing an operator to work as an independent contractor,
- 34.13 \$200;
- 34.14 (11) operator working as an independent contractor, \$100;
- 34.15 (12) refusal or failure to cooperate with an inspection, \$500;
- 34.16 (13) ~~expired cosmetologist, nail technician, esthetician, manager, school manager,~~
- 34.17 ~~and instructor license~~ practitioner late renewal fee, \$45; and
- 34.18 (14) ~~expired salon or school license~~ late renewal fee, \$50.
- 34.19 ~~(e)~~ (d) Administrative fees are as follows:
- 34.20 (1) ~~certificate of identification, \$20~~ homebound service permit, \$50 three-year fee;
- 34.21 (2) name change, \$20;
- 34.22 (3) ~~letter of license verification~~ certification of licensure, \$30 each;

- 34.23 (4) duplicate license, \$20;
- 34.24 (5) ~~processing fee, \$10;~~
- 34.25 (6) special event permit, \$75 per year; and
- 34.26 (7) ~~(6)~~ registration of hair braiders, \$20 per year;
- 34.27 (7) \$100 for each temporary military license for a cosmetologist, nail technician,
- 34.28 esthetician, or advanced practice esthetician one-year fee;
- 34.29 (8) expedited initial individual license, \$150;
- 34.30 (9) expedited initial salon license, \$300;
- 34.31 (10) instructor continuing education provider approval, \$150 each year; and
- 34.32 (11) practitioner continuing education provider approval, \$150 each year.
- 34.33 Sec. 23. Minnesota Statutes 2014, section 155A.25, subdivision 5, is amended to read:
- 34.34 Subd. 5. **Board must approve or deny application; timeline.** Within 15 working
- 34.35 days of receiving a complete application and the required fees ~~for an initial or renewal~~
- 35.1 ~~to apply for or renew an individual or salon license that is not an expedited license or a~~
- 35.2 ~~military license, the board must (1) either grant or deny the application issue the license,~~
- 35.3 (2) ~~issue deny the license or~~ and notify the applicant of the denial, or (3) ~~issue a temporary~~
- 35.4 ~~license to an applicant for whom no record exists regarding: (i) a complaint filed with the~~
- 35.5 ~~board against the applicant; or (ii) a negative action by the board against the applicant if~~
- 35.6 the conditions in subdivision 6 are met, notify the applicant that the board must conduct
- 35.7 additional review.
- 35.8 Sec. 24. Minnesota Statutes 2014, section 155A.25, is amended by adding a
- 35.9 subdivision to read:
- 35.10 Subd. 6. **Additional review for certain licenses.** If an application contains
- 35.11 discrepancies, the applicant is the subject of a complaint investigation, or the applicant
- 35.12 has pending disciplinary actions before the board, the board will comply with the time
- 35.13 limits prescribed in section 15.992 to process the application.
- 35.14 Sec. 25. Minnesota Statutes 2014, section 155A.25, is amended by adding a
- 35.15 subdivision to read:
- 35.16 Subd. 7. **Temporary military license or expedited license.** Within five business
- 35.17 days of receiving a completed application and the required fees for an individual or salon
- 35.18 license that meets requirements for an expedited license or a temporary military license,
- 35.19 the board must (1) issue the license, (2) deny the license and notify the applicant of the
- 35.20 denial, or (3) notify the applicant that the board must conduct additional review if the
- 35.21 application meets the conditions in subdivision 8.

35.22 **EFFECTIVE DATE.** This section is effective August 1, 2015, except that an
35.23 expedited license must not be issued prior to January 1, 2016.

35.24 Sec. 26. Minnesota Statutes 2014, section 155A.25, is amended by adding a
35.25 subdivision to read:

35.26 Subd. 8. **Additional review for certain temporary military license or expedited**
35.27 **license.** If an application under subdivision 7 contains discrepancies, the applicant is the
35.28 subject of a complaint investigation, or the applicant has pending disciplinary actions
35.29 before the board, the board will process the application according to the time limits in
35.30 section 15.992.

35.31 Sec. 27. Minnesota Statutes 2014, section 155A.27, subdivision 1, is amended to read:

36.1 Subdivision 1. **Licensing.** ~~Individual licensing shall be required for persons seeking~~
36.2 A person must hold an individual license to practice in the state as a cosmetologist,
36.3 esthetician, nail technician, advanced practice esthetician, manager, or instructor.

36.4 Sec. 28. Minnesota Statutes 2014, section 155A.27, subdivision 2, is amended to read:

36.5 Subd. 2. **Qualifications.** Qualifications for licensing in each classification shall
36.6 be determined by the board and established by rule, and shall include educational
36.7 and experiential prerequisites. The rules shall require a demonstrated knowledge of
36.8 procedures necessary to protect the health and safety of the practitioner and the consumer
36.9 of cosmetology services, including but not limited to ~~chemical applications~~ infection
36.10 control, use of implements, apparatuses and other appliances, and the use of chemicals.

36.11 Sec. 29. Minnesota Statutes 2014, section 155A.27, subdivision 5a, is amended to read:

36.12 Subd. 5a. **Temporary military license.** The board shall establish temporary
36.13 licenses for a cosmetologist, nail technician, and esthetician in accordance with section
36.14 197.4552. ~~The fee for a temporary license under this subdivision for a cosmetologist, nail~~
36.15 ~~technician, or esthetician is \$100.~~

36.16 Sec. 30. Minnesota Statutes 2014, section 155A.271, is amended to read:

36.17 **155A.271 CONTINUING EDUCATION REQUIREMENTS.**

36.18 Subdivision 1. **Continuing education requirements.** (a) Effective August 1, 2014,
36.19 to qualify for license renewal under this chapter as an individual cosmetologist, nail
36.20 technician, esthetician, advanced practice esthetician, or salon manager, the applicant
36.21 must attest to the completion of four hours of continuing education credits from an
36.22 accredited school or a professional association of cosmetology during the three years
36.23 prior to the applicant's renewal date. One credit hour of the requirement must include
36.24 instruction pertaining to state laws and rules governing the practice of cosmetology. Three
36.25 credit hours must include instruction pertaining to health, safety, and sanitation matters
36.26 consistent with the United States Department of Labor's Occupational Safety and Health
36.27 Administration standards applicable to the practice of cosmetology, or other applicable
36.28 federal health, sanitation, and safety standards, and must be regularly updated so as to
36.29 incorporate newly developed standards and accepted professional best practices. Credit
36.30 hours earned are valid for three years and may be applied simultaneously to all individual
36.31 licenses held by a licensee under this chapter. ~~This subdivision does not apply to~~
36.32 ~~instructors or inactive licenses.~~

37.1 (b) Effective August 1, 2017, in addition to the hours of continuing education credits
37.2 required under paragraph (a), to qualify for license renewal under this chapter as an
37.3 individual cosmetologist, nail technician, esthetician, advanced practice esthetician, or
37.4 salon manager, the applicant must also attest to the completion of one four-hour continuing
37.5 education course from a continuing education provider based on any or all of the following:

37.6 (1) product chemistry and chemistry interaction;

37.7 (2) proper use of machines and instruments;

37.8 (3) business management and human relations; or

37.9 (4) techniques relevant to the type of license held.

37.10 Credits must be completed during the three years prior to the applicant's renewal date and
37.11 may be applied simultaneously to other individual licenses held as applicable, except
37.12 that credits completed under this paragraph must not duplicate credits completed under
37.13 paragraph (a).

37.14 (c) Paragraphs (a) and (b) do not apply to an instructor license, a school manager
37.15 license, or an inactive license.

37.16 Subd. 1a. **Product sales or marketing prohibited.** The marketing or sale of
37.17 any product is prohibited during a continuing education class receiving credit under
37.18 subdivision 1.

37.19 Subd. 2. ~~Schools and professional associations~~ **Continuing education providers.**

37.20 (a) Only a board-licensed school of cosmetology, a postsecondary institution as defined in
37.21 section 136A.103, paragraph (a), or a board-recognized professional association organized
37.22 under chapter 317A may offer continuing education curriculum for credit under ~~this~~
37.23 ~~section~~ subdivision 1, paragraph (a). Continuing education curriculum under subdivision
37.24 1, paragraph (b), may be offered by a:

37.25 (1) board-licensed school of cosmetology;

37.26 (2) board-recognized professional association organized under chapter 317A; or

37.27 (3) board-licensed salon.

37.28 The school and professional association may offer online and independent study
37.29 options to achieve maximum involvement of licensees ~~and is~~. Continuing education
37.30 providers are encouraged to offer classes available in foreign language formats.

37.31 (b) Board recognition authorization of a professional association continuing
37.32 education provider under paragraph (a) is valid for three years one calendar year and is
37.33 contingent upon submission and preapproval of the general curriculum lesson plan or
37.34 plans with learning objectives for the class to be offered and the payment of the application
37.35 fee in section 155A.25, subdivision 1a, paragraph (d), clause (11). The board may revoke
37.36 recognition authorization of a continuing education provider at any time for just cause and
38.1 the board may demand return of documents required under subdivision 3. The professional
38.2 association offering continuing education must be organized under chapter 317A.

38.3 Subd. 3. **Proof of credits.** ~~The school or professional association~~ continuing
38.4 education provider shall provide to licensees who attend a class a receipt to prove
38.5 completion of the class. Licensees shall retain proof of their continuing education credits
38.6 for one year beyond the credit's expiration. The school or professional association
38.7 continuing education provider shall retain documentation of all licensees successfully
38.8 completing a class and the licensee's credit hours for five years.

38.9 Subd. 4. **Audit.** The board shall conduct random audits of active licensees
38.10 periodically to ensure compliance with continuing education requirements. To initiate
38.11 an audit, the board shall notify an active licensee of the audit and request proof of
38.12 credits earned during a specified period. The licensee must provide the requested proof
38.13 to the board within 30 days of an audit notice. The board may request that a school or
38.14 professional association verify a licensee's credits. ~~The school or professional association~~
38.15 continuing education provider must furnish verification, or a written statement that the
38.16 credits are not verified, within 15 days of the board's request for verification. If the board
38.17 determines that a licensee has failed to provide proof of necessary credits earned during
38.18 the specified time, the board may revoke the individual's license and may deem the
38.19 individual a lapsed practitioner subject to penalty under section 155A.25 or 155A.36.

38.20 **EFFECTIVE DATE.** Subdivision 1 is effective August 1, 2017. Subdivision 1a is
38.21 effective the day following final enactment. Subdivisions 2 to 4 are effective July 1, 2015.

38.22 Sec. 31. Minnesota Statutes 2014, section 155A.29, subdivision 1, is amended to read:

38.23 Subdivision 1. **Licensing.** ~~Any A person who offers must not offer~~ cosmetology
38.24 services for compensation ~~in this state shall be~~ (1) licensed as a salon if not employed by
38.25 ~~another licensed salon or~~ (2) employed as an esthetician or cosmetologist in connection
38.26 ~~with medical care in relation to esthology in the office of a licensed physician unless the~~
38.27 services are provided by a licensee in a licensed salon or as otherwise provided in this
38.28 section. Each salon must be licensed as a cosmetology salon, a nail salon, esthetician
38.29 salon, or advanced practice esthetician salon. A salon may hold more than one type of
38.30 salon license.

38.31 Sec. 32. Minnesota Statutes 2014, section 155A.29, subdivision 2, is amended to read:

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

39.3 (1) compliance with all local and state laws, particularly relating to matters of
39.4 sanitation, health, and safety;

39.5 (2) the employment of a manager, as defined in section 155A.23, subdivision 8;

39.6 (3) if applicable, evidence of compliance with workers' compensation section
39.7 176.182; and

39.8 (4) evidence of continued professional liability insurance coverage of at least
39.9 \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

39.10 ~~(b) A licensed esthetician or nail technician who complies with the health, safety,~~
39.11 ~~sanitation, inspection, and insurance rules promulgated by the board to operate a salon~~
39.12 ~~solely for the performance of those personal services defined in section 155A.23,~~
39.13 ~~subdivision 5, in the case of an esthetician, or subdivision 7, in the case of a nail technician.~~

39.14 Sec. 33. Minnesota Statutes 2014, section 155A.29, is amended by adding a
39.15 subdivision to read:

39.16 Subd. 2a. **Requirements for mobile salon.** In addition to complying with the
39.17 requirements for a salon in subdivision 2, the holder of a salon license for a mobile salon
39.18 must:

39.19 (1) maintain a permanent business address; and

39.20 (2) notify the board of the locations and schedule of operation of a mobile salon.

39.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

39.22 Sec. 34. Minnesota Statutes 2014, section 155A.30, subdivision 5, is amended to read:

39.23 Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the

39.24 board first determines that the applicant has met the requirements in clauses (1) to (8):

39.25 (1) the applicant must have a sound financial condition with sufficient resources

39.26 available to meet the school's financial obligations; to refund all tuition and other charges,

39.27 within a reasonable period of time, in the event of dissolution of the school or in the event

39.28 of any justifiable claims for refund against the school; to provide adequate service to its

39.29 students and prospective students; and to maintain proper use and support of the school;

39.30 (2) the applicant must have satisfactory training facilities with sufficient tools and

39.31 equipment and the necessary number of work stations to adequately train the students

39.32 currently enrolled, and those proposed to be enrolled;

39.33 (3) the applicant must employ a sufficient number of qualified instructors trained by

39.34 experience and education to give the training contemplated;

40.1 (4) the premises and conditions under which the students work and study must be

40.2 sanitary, healthful, and safe according to modern standards;

40.3 (5) each occupational course or program of instruction or study must be of such

40.4 quality and content as to provide education and training ~~which~~ that will adequately prepare

40.5 enrolled students for testing, licensing, and entry level positions as a cosmetologist,

40.6 esthetician, or nail technician;

40.7 (6) the school must have coverage by professional liability insurance of at least

40.8 \$25,000 per incident and an accumulation of \$150,000 for each premium year;

40.9 (7) the applicant shall provide evidence of the school's compliance with section

40.10 176.182;

40.11 (8) the applicant, except the state and its political subdivisions as described in

40.12 section 471.617, subdivision 1, shall file with the board a continuous corporate surety

40.13 bond in the amount of \$10,000, conditioned upon the faithful performance of all contracts

40.14 and agreements with students made by the applicant. The bond shall run to the state of

40.15 Minnesota and to any person who may have a cause of action against the applicant arising

40.16 at any time after the bond is filed and before it is canceled for breach of any contract or

40.17 agreement made by the applicant with any student. The aggregate liability of the surety for

40.18 all breaches of the conditions of the bond shall not exceed \$10,000. The surety of the bond

40.19 may cancel it upon giving 60 days' notice in writing to the board and shall be relieved of

40.20 liability for any breach of condition occurring after the effective date of cancellation; and

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

40.23 Sec. 35. Minnesota Statutes 2014, section 155A.30, subdivision 10, is amended to read:

40.24 Subd. 10. **Discrimination prohibited.** ~~No Each school, duly approved under~~
 40.25 ~~sections 155A.21 to 155A.36, shall refuse to teach any student, otherwise qualified, on~~
 40.26 ~~account of race, sex, creed, color, citizenship, national origin, or sexual preference must~~
 40.27 comply with the Minnesota Human Rights Act under chapter 363A.

40.28 Sec. 36. Minnesota Statutes 2014, section 161.1419, subdivision 8, is amended to read:

40.29 Subd. 8. **Expiration.** The commission expires on June 30, ~~2016~~ 2020.

40.30 Sec. 37. Minnesota Statutes 2014, section 211B.37, is amended to read:

40.31 **211B.37 COSTS ASSESSED.**

40.32 Except as otherwise provided in section 211B.36, subdivision 3, the chief
 40.33 administrative law judge shall assess the cost of considering complaints filed under section
 41.1 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot
 41.2 question or an election for a statewide or legislative office must be assessed ~~against the~~
 41.3 ~~appropriation from the general fund to the general account of the state elections campaign~~
 41.4 ~~account in section 10A.31, subdivision 4 paid from appropriations to the Office of~~
 41.5 Administrative Hearings for this purpose. Costs of complaints relating to any other ballot
 41.6 question or elective office must be paid from appropriations to the office for this purpose.

41.7 Sec. 38. Minnesota Statutes 2014, section 240A.09, is amended to read:

41.8 **240A.09 PLAN DEVELOPMENT; CRITERIA.**

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

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

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

75.26 Sec. 67. Minnesota Statutes 2014, section 211B.37, is amended to read:

75.27 **211B.37 COSTS ASSESSED.**

75.28 Except as otherwise provided in section 211B.36, subdivision 3, the chief
 75.29 administrative law judge shall assess the cost of considering complaints filed under section
 75.30 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot
 75.31 question or an election for a statewide or legislative office must be assessed ~~against the~~
 75.32 ~~appropriation from the general fund to the general account of the state elections campaign~~
 75.33 ~~account in section 10A.31, subdivision 4 paid from appropriations to the office for this~~
 76.1 purpose. Costs of complaints relating to any other ballot question or elective office must
 76.2 be paid from appropriations to the office for this purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42.24 (l) The commission may make grants for rehabilitation and renovation. A
42.25 rehabilitation or renovation grant for air quality may not exceed \$200,000 and a
42.26 rehabilitation or renovation grant for R-22 elimination may not exceed \$50,000 for
42.27 indirect cooling systems and may not exceed \$400,000 for direct cooling systems. Priority
42.28 must be given to grant applications for indoor air quality improvements, including zero
42.29 emission ice resurfacing equipment, and for projects that eliminate R-22.

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

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

42.33 **EFFECTIVE DATE.** This section is effective July 1, 2015.

43.1 Sec. 39. Minnesota Statutes 2014, section 272.484, is amended to read:

43.2 **272.484 FEES.**

43.3 The fee for filing and indexing each notice of lien or certificate or notice affecting
43.4 the lien is:

43.5 (1) for a lien, certificate of discharge or subordination, and for all other notices,
43.6 including a certificate of release or nonattachment filed with the secretary of state, the fee
43.7 provided by section 336.9-525, except that the filing fee charged to the district directors
43.8 of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and~~
43.9 ~~\$15 for each additional name; and~~

43.10 (2) for a lien, certificate of discharge or subordination, and for all other notices,
43.11 including a certificate of release or nonattachment filed with the county recorder, the fee
43.12 for filing a real estate mortgage in the county where filed.

43.13 The officer shall bill the district directors of internal revenue or other appropriate

43.14 federal officials on a monthly basis for fees for documents filed by them.

87.18 Sec. 88. Minnesota Statutes 2014, section 272.484, is amended to read:

87.19 **272.484 FEES.**

87.20 The fee for filing and indexing each notice of lien or certificate or notice affecting
87.21 the lien is:

87.22 (1) for a lien, certificate of discharge or subordination, and for all other notices,
87.23 including a certificate of release or nonattachment filed with the secretary of state, the fee
87.24 provided by section 336.9-525, except that the filing fee charged to the district directors
87.25 of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and~~
87.26 ~~\$15 for each additional name; and~~

87.27 (2) for a lien, certificate of discharge or subordination, and for all other notices,
87.28 including a certificate of release or nonattachment filed with the county recorder, the fee
87.29 for filing a real estate mortgage in the county where filed.

87.30 The officer shall bill the district directors of internal revenue or other appropriate

87.31 federal officials on a monthly basis for fees for documents filed by them.

87.32 Sec. 89. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

88.1 Subdivision 1. **The Office of the Commissioner of Iron Range resources**
 88.2 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and
 88.3 rehabilitation is created as an agency in the executive branch of state government. The
 88.4 governor shall appoint the commissioner of Iron Range resources and rehabilitation under
 88.5 section 15.06.

88.6 (b) The commissioner may hold other positions or appointments that are not
 88.7 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The
 88.8 commissioner may appoint a deputy commissioner. All expenses of the commissioner,
 88.9 including the payment of staff and other assistance as may be necessary, must be paid
 88.10 out of the amounts appropriated by section 298.28 or otherwise made available by law
 88.11 to the commissioner. ~~Notwithstanding chapters 16A, 16B, and 16C, the commissioner~~
 88.12 ~~may utilize contracting options available under section 471.345 when the commissioner~~
 88.13 ~~determines it is in the best interest of the agency. The agency is not subject to sections~~
 88.14 ~~16E.016 and 16C.05.~~

88.15 (c) When the commissioner determines that distress and unemployment exists or
 88.16 may exist in the future in any county by reason of the removal of natural resources or
 88.17 a possibly limited use of natural resources in the future and any resulting decrease in
 88.18 employment, the commissioner may use whatever amounts of the appropriation made to
 88.19 the commissioner of revenue in section 298.28 that are determined to be necessary and
 88.20 proper in the development of the remaining resources of the county and in the vocational
 88.21 training and rehabilitation of its residents, except that the amount needed to cover cost
 88.22 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by
 88.23 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.
 88.24 For the purposes of this section, "development of remaining resources" includes, but is
 88.25 not limited to, the promotion of tourism.

43.15 Sec. 40. Minnesota Statutes 2014, section 299F.011, is amended by adding a
 43.16 subdivision to read:

43.17 Subd. 4d. **Single-family dwelling; fire sprinklers.** (a) The State Building Code, the
 43.18 State Fire Code, or a political subdivision of the state by code, by ordinance, or in any
 43.19 other way, must not require the installation of fire sprinklers, any fire sprinkler system
 43.20 components, or automatic fire-extinguishing equipment or devices in any new or existing
 43.21 single-family detached dwelling unit.

43.22 (b) Nothing in this subdivision shall be construed to affect or limit a requirement
 43.23 for smoke or fire detectors, alarms, or their components.

43.24 Sec. 41. Minnesota Statutes 2014, section 303.19, is amended to read:
 43.25 **303.19 REINSTATEMENT.**

88.26 Sec. 90. Minnesota Statutes 2014, section 303.19, is amended to read:
 88.27 **303.19 REINSTATEMENT.**

43.26 Subdivision 1. **Application Required filing.** Any foreign corporation whose
 43.27 certificate of authority to do business in this state shall have been revoked or canceled may
 43.28 file reinstate that authority by filing an annual renewal and the fee required by subdivision
 43.29 2 with the secretary of state an application for reinstatement. Such application shall be
 43.30 on forms prescribed by the secretary of state, shall contain all the matters required to be
 43.31 set forth in an original application for a certificate of authority, and such other pertinent
 43.32 information as may be required by the secretary of state. If any of the information in the
 43.33 original application for authority has changed, the foreign corporation must also file an
 44.1 amended certificate setting forth the currently accurate information, with the fee required
 44.2 by section 303.21, subdivision 3.

44.3 Subd. 2. **Fee.** If the certificate of authority was revoked by the secretary of state
 44.4 pursuant to section 303.17, ~~the corporation shall pay to the commissioner of management~~
 44.5 ~~and budget \$250 before it may be reinstated.~~

44.6 ~~If the certificate of authority was canceled or~~ by a judgment pursuant to section
 44.7 303.18, the corporation shall pay to the commissioner of management and budget \$500
 44.8 before it may be reinstated.

44.9 Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon
 44.10 payment of all penalties, fees and charges required by law, not including an initial license
 44.11 ~~fee or additional license fees to the extent that they have previously been paid by the~~
 44.12 ~~corporation the fees imposed by this section,~~ the secretary of state shall reinstate the
 44.13 license of the corporation.

44.14 Sec. 42. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:
 44.15 Subdivision 1. **Report required.** ~~No later than 90 days after the conclusion of~~
 44.16 ~~each calendar year~~ Before each April 1, a public benefit corporation must deliver to the
 44.17 secretary of state for filing an annual benefit report covering the 12-month period ending
 44.18 on December 31 of ~~that the previous year~~ and pay a fee of \$35 to the secretary of state.
 44.19 The annual benefit report must state the name of the public benefit corporation, be signed
 44.20 by the public benefit corporation's chief executive officer not more than 30 days before the
 44.21 report is delivered to the secretary of state for filing, and must be current when signed.

44.22 Sec. 43. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:
 44.23 Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation
 44.24 fails to file ~~an~~, before April 1 of any calendar year, the annual benefit report ~~in accordance~~
 44.25 ~~with this section within 90 days of the date on which an annual benefit report is due~~
 44.26 required by this section, the secretary of state shall revoke the corporation's status as a
 44.27 public benefit corporation under this chapter and must notify the public benefit corporation
 44.28 of the revocation using the information provided by the corporation pursuant to section
 44.29 5.002 or 5.34 or provided in the articles.

88.28 Subdivision 1. **Application Required filing.** Any foreign corporation whose
 88.29 certificate of authority to do business in this state shall have been revoked or canceled may
 88.30 file reinstate that authority by filing an annual renewal and the fee required by subdivision
 88.31 2 with the secretary of state an application for reinstatement. Such application shall be
 88.32 on forms prescribed by the secretary of state, shall contain all the matters required to be
 88.33 set forth in an original application for a certificate of authority, and such other pertinent
 88.34 information as may be required by the secretary of state. If any of the information in the
 88.35 original application for authority has changed, the foreign corporation must also file an
 89.1 amended certificate setting forth the currently accurate information, with the fee required
 89.2 by section 303.21, subdivision 3.

89.3 Subd. 2. **Fee.** If the certificate of authority was revoked by the secretary of state
 89.4 pursuant to section 303.17, ~~the corporation shall pay to the commissioner of management~~
 89.5 ~~and budget \$250 before it may be reinstated.~~

89.6 ~~If the certificate of authority was canceled or~~ by a judgment pursuant to section
 89.7 303.18, the corporation shall pay to the commissioner of management and budget \$500
 89.8 before it may be reinstated.

89.9 Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon
 89.10 payment of all penalties, fees and charges required by law, not including an initial license
 89.11 ~~fee or additional license fees to the extent that they have previously been paid by the~~
 89.12 ~~corporation the fees imposed by this section,~~ the secretary of state shall reinstate the
 89.13 license of the corporation.

89.14 Sec. 91. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:
 89.15 Subdivision 1. **Report required.** ~~No later than 90 days after the conclusion of~~
 89.16 ~~each calendar year~~ Before each April 1, a public benefit corporation must deliver to the
 89.17 secretary of state for filing an annual benefit report covering the 12-month period ending
 89.18 on December 31 of ~~that the previous year~~ and pay a fee of \$35 to the secretary of state.
 89.19 The annual benefit report must state the name of the public benefit corporation, be signed
 89.20 by the public benefit corporation's chief executive officer not more than 30 days before the
 89.21 report is delivered to the secretary of state for filing, and must be current when signed.

89.22 Sec. 92. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:
 89.23 Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation
 89.24 fails to file ~~an~~, before April 1 of any calendar year, the annual benefit report ~~in accordance~~
 89.25 ~~with this section within 90 days of the date on which an annual benefit report is due~~
 89.26 required by this section, the secretary of state shall revoke the corporation's status as a
 89.27 public benefit corporation under this chapter and must notify the public benefit corporation
 89.28 of the revocation using the information provided by the corporation pursuant to section
 89.29 5.002 or 5.34 or provided in the articles.

44.30 Sec. 44. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

44.31 Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation
44.32 that has lost its public benefit corporation status for failure to timely file an annual benefit
44.33 report or by terminating that status pursuant to section 304A.103 is not entitled to the
45.1 benefits afforded to a public benefit corporation under this chapter as of the date of
45.2 revocation or termination and must amend the articles of incorporation to reflect a name
45.3 compliant with section 302A.115, but which does not include the corporate designation
45.4 provided for in section 304A.101, subdivision 2.

45.5 (b) Within 30 days of issuance of revocation of public benefit corporation status by
45.6 the secretary of state, filing a renewal complying with this section and a \$500 fee with
45.7 the secretary of state will reinstate the corporation as a public benefit corporation under
45.8 this chapter as of the date of revocation.

45.9 Sec. 45. Minnesota Statutes 2014, section 304A.301, is amended by adding a
45.10 subdivision to read:

45.11 Subd. 8. **Failure to change corporate name.** The duration of a corporation that has
45.12 had public benefit status terminated or revoked and which fails to change the corporate
45.13 name as provided in subdivision 6 expires automatically 30 days after termination or
45.14 revocation of the public benefit corporation status.

45.15 Sec. 46. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

45.16 Subd. 2. **Attest.** "Attest" means ~~to provide~~ providing any of the following financial
45.17 ~~statement~~ services:

45.18 (1) an audit or other engagement performed in accordance with the Statements on
45.19 Auditing Standards (SAS);

45.20 (2) a review of a financial statement performed in accordance with the Statements on
45.21 Standards for Accounting and Review Services (SSARS);

45.22 (3) an examination of prospective financial information performed in accordance
45.23 with the Statements on Standards for Attestation Engagements (SSAE); ~~and~~

45.24 (4) ~~any an~~ engagement performed in accordance with ~~auditing and related the~~
45.25 standards of the Public Company Accounting Oversight Board (PCAOB); and

45.26 (5) an examination, review, or agreed-upon procedures engagement performed in
45.27 accordance with SSAE, other than an examination described in clause (3).

45.28 Sec. 47. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

89.30 Sec. 93. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

89.31 Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation
89.32 that has lost its public benefit corporation status for failure to timely file an annual benefit
89.33 report or by terminating that status pursuant to section 304A.103 is not entitled to the
90.1 benefits afforded to a public benefit corporation under this chapter as of the date of
90.2 revocation or termination and must amend the articles of incorporation to reflect a name
90.3 compliant with section 302A.115, but which does not include the corporate designation
90.4 provided for in section 304A.101, subdivision 2.

90.5 (b) Within 30 days of issuance of revocation of public benefit corporation status by
90.6 the secretary of state, filing a renewal complying with this section and a \$500 fee with
90.7 the secretary of state will reinstate the corporation as a public benefit corporation under
90.8 this chapter as of the date of revocation.

90.9 Sec. 94. Minnesota Statutes 2014, section 304A.301, is amended by adding a
90.10 subdivision to read:

90.11 Subd. 8. **Failure to change corporate name.** The duration of a corporation that has
90.12 had public benefit status terminated or revoked and which fails to change the corporate
90.13 name as provided in subdivision 6 expires automatically 30 days after termination or
90.14 revocation of the public benefit corporation status.

90.15 Sec. 95. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

90.16 Subd. 2. **Attest.** "Attest" means ~~to provide~~ providing any of the following financial
90.17 ~~statement~~ services:

90.18 (1) an audit or other engagement performed in accordance with the Statements on
90.19 Auditing Standards (SAS);

90.20 (2) a review of a financial statement performed in accordance with the Statements on
90.21 Standards for Accounting and Review Services (SSARS);

90.22 (3) an examination of prospective financial information performed in accordance
90.23 with the Statements on Standards for Attestation Engagements (SSAE); ~~and~~

90.24 (4) ~~any an~~ engagement performed in accordance with ~~auditing and related the~~
90.25 standards of the Public Company Accounting Oversight Board (PCAOB); and

90.26 (5) an examination, review, or agreed-upon procedures engagement performed in
90.27 accordance with SSAE, other than an examination described in clause (3).

90.28 Sec. 96. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

45.29 Subd. 12. **Peer review.** "Peer review" means ~~an independent~~ a study, appraisal, or
 45.30 review of one or more aspects of the professional work of a licensee or CPA firm that
 45.31 issues attest or compilation reports, or the professional work of a person registered under
 45.32 section 326A.06, paragraph (b), by persons who are not affiliated with the licensee or
 45.33 CPA firm being reviewed.

46.1 Sec. 48. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

46.2 Subd. 13a. **Principal place of business.** "Principal place of business" means the
 46.3 office location designated by the licensee for purposes of substantial equivalency and
 46.4 reciprocity ~~in this state and in other states.~~

46.5 Sec. 49. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

46.6 Subd. 15. **Report.** "Report," when used with reference to ~~financial statements~~ an
 46.7 attest or compilation service, means an opinion, report, or other form of language that
 46.8 states or implies assurance as to the reliability of ~~any~~ the attested information or compiled
 46.9 financial statements and that also includes or is accompanied by a statement or implication
 46.10 that the person or firm issuing it has special knowledge or competence in accounting or
 46.11 auditing. Such a statement or implication of special knowledge or competence may arise
 46.12 from use by the issuer of the report of names or titles indicating that the person or firm is an
 46.13 accountant or auditor, or from the language of the report itself. The term "report" includes
 46.14 any form of language that disclaims an opinion when the form of language is conventionally
 46.15 understood to imply any positive assurance as to the reliability of the attested information
 46.16 or compiled financial statements referred to or special competence on the part of the person
 46.17 or firm issuing the language. It includes any other form of language that is conventionally
 46.18 understood to imply such assurance or such special knowledge or competence.

46.19 Sec. 50. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

46.20 Subd. 16. **State.** "State" means any state of the United States, the District of
 46.21 Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern
 46.22 Mariana Islands, and Guam; except that "this state" means the state of Minnesota.

46.23 Sec. 51. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

90.29 Subd. 12. **Peer review.** "Peer review" means an independent study, appraisal, or
 90.30 review of one or more aspects of the professional work of a licensee or CPA firm that
 90.31 issues attest or compilation reports, or the professional work of a person registered under
 90.32 section 326A.06, paragraph (b), by persons who are not affiliated with the licensee or
 90.33 CPA firm being reviewed.

91.1 Sec. 97. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

91.2 Subd. 13a. **Principal place of business.** "Principal place of business" means the
 91.3 office location designated by the licensee for purposes of substantial equivalency and
 91.4 reciprocity ~~in this state and in other states.~~

91.5 Sec. 98. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

91.6 Subd. 15. **Report.** "Report," when used with reference to ~~financial statements~~ an
 91.7 attest or compilation service, means an opinion, report, or other form of language that
 91.8 states or implies assurance as to the reliability of ~~any~~ the attested information or compiled
 91.9 financial statements and that also includes or is accompanied by a statement or implication
 91.10 that the person or firm issuing it has special knowledge or competence in accounting or
 91.11 auditing. Such a statement or implication of special knowledge or competence may arise
 91.12 from use by the issuer of the report of names or titles indicating that the person or firm is an
 91.13 accountant or auditor, or from the language of the report itself. The term "report" includes
 91.14 any form of language that disclaims an opinion when the form of language is conventionally
 91.15 understood to imply any positive assurance as to the reliability of the attested information
 91.16 or compiled financial statements referred to or special competence on the part of the person
 91.17 or firm issuing the language. It includes any other form of language that is conventionally
 91.18 understood to imply such assurance or such special knowledge or competence.

91.19 Sec. 99. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

91.20 Subd. 16. **State.** "State" means any state of the United States, the District of
 91.21 Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern
 91.22 Mariana Islands, and Guam; except that "this state" means the state of Minnesota.

91.23 Sec. 100. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

46.24 Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members
 46.25 as chair, another as vice-chair, and another as secretary and treasurer. The officers shall
 46.26 hold their respective offices for a term of one year and until their successors are elected.
 46.27 The affirmative vote of a majority of the qualified members of the board, or a majority of
 46.28 a quorum of the board at any meeting duly called, is considered the action of the board.
 46.29 The board shall meet at such times and places as may be fixed by the board. Meetings
 46.30 of the board are subject to chapter 13D. A majority of the board members then in office
 46.31 constitutes a quorum at any meeting duly called. The board shall retain or arrange for the
 46.32 retention of all applications and all documents under oath that are filed with the board and
 46.33 also records of its proceedings, and it shall maintain a registry of the names and addresses
 47.1 of all licensees and registrants under this chapter. In any proceeding in court, civil or
 47.2 criminal, arising out of or founded upon any provision of this chapter, copies of records of
 47.3 the proceeding certified as true copies by the board chair or executive director shall be
 47.4 admissible in evidence as tending to prove the contents of the records.

47.5 Sec. 52. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

47.6 Subd. 5. **Rules.** The board may adopt rules governing its administration and
 47.7 enforcement of this chapter and the conduct of licensees and persons registered under
 47.8 section 326A.06, paragraph (b), including:

47.9 (1) rules governing the board's meetings and the conduct of its business;

47.10 (2) rules of procedure governing the conduct of investigations and hearings and
 47.11 discipline by the board;

47.12 (3) rules specifying the educational and experience qualifications required for the
 47.13 issuance of certificates and the continuing professional education required for renewal
 47.14 of certificates;

47.15 (4) rules of professional conduct directed to controlling the quality and probity
 47.16 of services by licensees, and dealing among other things with independence, integrity,
 47.17 and objectivity; competence and technical standards; and responsibilities to the public
 47.18 and to clients;

47.19 (5) rules governing the professional standards applicable to licensees including
 47.20 adoption of the standards specified in section 326A.01, subdivision 2, and as developed
 47.21 for general application by recognized national accountancy organizations such as the
 47.22 American Institute of Certified Public Accountants or the Public Company Accounting
 47.23 Oversight Board;

47.24 (6) rules that incorporate by reference the standards for attesting listed in section
 47.25 326A.01, subdivision 2, that are consistent with the standards of general applicability
 47.26 recognized by national accountancy organizations, including the American Institute of
 47.27 Certified Public Accountants and the Public Company Accounting Oversight Board;

91.24 Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members
 91.25 as chair, another as vice-chair, and another as secretary and treasurer. The officers shall
 91.26 hold their respective offices for a term of one year and until their successors are elected.
 91.27 The affirmative vote of a majority of the qualified members of the board, or a majority of
 91.28 a quorum of the board at any meeting duly called, is considered the action of the board.
 91.29 The board shall meet at such times and places as may be fixed by the board. Meetings
 91.30 of the board are subject to chapter 13D. A majority of the board members then in office
 91.31 constitutes a quorum at any meeting duly called. The board shall retain or arrange for the
 91.32 retention of all applications and all documents under oath that are filed with the board and
 91.33 also records of its proceedings, and it shall maintain a registry of the names and addresses
 92.1 of all licensees and registrants under this chapter. In any proceeding in court, civil or
 92.2 criminal, arising out of or founded upon any provision of this chapter, copies of records of
 92.3 the proceeding certified as true copies by the board chair or executive director shall be
 92.4 admissible in evidence as tending to prove the contents of the records.

92.5 Sec. 101. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

92.6 Subd. 5. **Rules.** The board may adopt rules governing its administration and
 92.7 enforcement of this chapter and the conduct of licensees and persons registered under
 92.8 section 326A.06, paragraph (b), including:

92.9 (1) rules governing the board's meetings and the conduct of its business;

92.10 (2) rules of procedure governing the conduct of investigations and hearings and
 92.11 discipline by the board;

92.12 (3) rules specifying the educational and experience qualifications required for the
 92.13 issuance of certificates and the continuing professional education required for renewal
 92.14 of certificates;

92.15 (4) rules of professional conduct directed to controlling the quality and probity
 92.16 of services by licensees, and dealing among other things with independence, integrity,
 92.17 and objectivity; competence and technical standards; and responsibilities to the public
 92.18 and to clients;

92.19 (5) rules governing the professional standards applicable to licensees including
 92.20 adoption of the standards specified in section 326A.01, subdivision 2, and as developed
 92.21 for general application by recognized national accountancy organizations such as the
 92.22 American Institute of Certified Public Accountants or the Public Company Accounting
 92.23 Oversight Board;

92.24 (6) rules that incorporate by reference the standards for attesting listed in section
 92.25 326A.01, subdivision 2, that are consistent with the standards of general applicability
 92.26 recognized by national accountancy organizations, including the American Institute of
 92.27 Certified Public Accountants and the Public Company Accounting Oversight Board;

47.28 ~~(6)~~ (7) rules governing the manner and circumstances of use of the titles "certified public accountant," "CPA," "registered accounting practitioner," and "RAP";

47.30 ~~(7)~~ (8) rules regarding peer review that may be required to be performed under 47.31 provisions of this chapter;

47.32 ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

47.33 ~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

47.34 ~~(10)~~ (11) rules regarding the issuance and renewals of certificates, permits, and 47.35 registrations;

48.1 ~~(11)~~ (12) rules regarding transition provisions to implement this chapter;

48.2 ~~(12)~~ (13) rules specifying the educational and experience qualifications for 48.3 registration, rules of professional conduct, rules regarding peer review, rules governing 48.4 standards for providing services, and rules regarding the conduct and content of 48.5 examination for those persons registered under section 326A.06, paragraph (b);

48.6 ~~(13)~~ (14) rules regarding fees for examinations, certificate issuance and renewal, 48.7 firm permits, registrations under section 326A.06, paragraph (b), notifications made under 48.8 section 326A.14, and late processing fees; and

48.9 ~~(14)~~ (15) upon any change to this chapter, if the board determines a change in 48.10 Minnesota Rules is required, the board may initiate the expedited process under section 48.11 14.389 up to one year after the effective date of the change to this chapter.

48.12 Sec. 53. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

48.13 Subdivision 1. **General.** The board shall grant or renew permits to practice as 48.14 a CPA firm to entities that make application and demonstrate their qualifications in 48.15 accordance with this section.

48.16 (a) The following must hold a permit issued under this section:

48.17 (1) any firm with an office in this state performing attest services as defined in 48.18 section 326A.01, subdivision 2;

48.19 (2) to the extent required by section 326A.10, paragraph (k), any firm with an office 48.20 in this state performing compilation services as defined in section 326A.01, subdivision 6;

48.21 (3) any firm with an office in this state that uses the title "CPA" or "CPA firm"; or

48.22 (4) any firm that does not have an office in this state but performs attest services 48.23 as described in section 326A.01, subdivision 2, paragraph (1), (3), or (4), for a client 48.24 having its headquarters in this state.

92.28 ~~(6)~~ (7) rules governing the manner and circumstances of use of the titles "certified public accountant," "CPA," "registered accounting practitioner," and "RAP";

92.30 ~~(7)~~ (8) rules regarding peer review that may be required to be performed under 92.31 provisions of this chapter;

92.32 ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

92.33 ~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

92.34 ~~(10)~~ (11) rules regarding the issuance and renewals of certificates, permits, and 92.35 registrations;

93.1 ~~(11)~~ (12) rules regarding transition provisions to implement this chapter;

93.2 ~~(12)~~ (13) rules specifying the educational and experience qualifications for 93.3 registration, rules of professional conduct, rules regarding peer review, rules governing 93.4 standards for providing services, and rules regarding the conduct and content of 93.5 examination for those persons registered under section 326A.06, paragraph (b);

93.6 ~~(13)~~ (14) rules regarding fees for examinations, certificate issuance and renewal, 93.7 firm permits, registrations under section 326A.06, paragraph (b), notifications made under 93.8 section 326A.14, and late processing fees; and

93.9 ~~(14)~~ (15) upon any change to this chapter, if the board determines a change in 93.10 Minnesota Rules is required, the board may initiate the expedited process under section 93.11 14.389 up to one year after the effective date of the change to this chapter.

93.12 Sec. 102. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

93.13 Subdivision 1. **General.** The board shall grant or renew permits to practice as 93.14 a CPA firm to entities that make application and demonstrate their qualifications in 93.15 accordance with this section.

93.16 (a) The following must hold a permit issued under this section:

93.17 (1) any firm with an office in this state performing attest services as defined in 93.18 section 326A.01, subdivision 2;

93.19 (2) to the extent required by section 326A.10, paragraph (k), any firm with an office 93.20 in this state performing compilation services as defined in section 326A.01, subdivision 6;

93.21 (3) any firm with an office in this state that uses the title "CPA" or "CPA firm"; or

93.22 (4) any firm that does not have an office in this state but performs attest services 93.23 as described in section 326A.01, subdivision 2, paragraph (1), (3), or (4), for a client 93.24 having its headquarters in this state.

48.25 (b) A firm possessing a valid permit from another state which does not have an office
 48.26 in this state may perform services described in section 326A.01, subdivision 2, clause (2)
 48.27 or (5), or subdivision 6, for a client having its headquarters in this state and may use the
 48.28 title "CPA" or "CPA firm" without a permit issued under this section only if:

48.29 (1) it has the qualifications described in subdivision 3, paragraph (b);

48.30 (2) as a condition to the renewal of the firm's permit issued by the other state, that
 48.31 state requires a peer review which contains the requirements equivalent to subdivision 8,
 48.32 paragraphs (a) and (e); and

48.33 (3) it performs the services through an individual who has been granted practice
 48.34 privileges under section 326A.14.

49.1 (c) A firm possessing a valid permit from another state that does not have an office
 49.2 in this state and which is not subject to the requirements of paragraph (a), clause (4), or
 49.3 (b), may perform other professional services while using the title "CPA" or "CPA firm" in
 49.4 this state without a permit issued under this section only if the firm:

49.5 (1) has the qualifications described in subdivision 3, paragraph (b);

49.6 (2) performs the services through an individual who has been granted practice
 49.7 privileges under section 326A.14; and

49.8 (3) can lawfully perform the services in the state where the individuals with practice
 49.9 privileges have their principal place of business.

49.10 Sec. 54. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

49.11 Subd. 3. **Qualifications.** (a) An applicant for initial issuance or renewal of a permit
 49.12 to practice under this section shall comply with the requirements in this subdivision.

49.13 (b) Notwithstanding chapter 319B or any other provision of law, a simple majority
 49.14 of the ownership of the firm, in terms of financial interests and voting rights of all partners,
 49.15 officers, shareholders, members, or managers, must belong to holders of certificates who
 49.16 are licensed in some state, and the partners, officers, shareholders, members, or managers,
 49.17 whose principal place of business is in this state, and who perform professional services in
 49.18 this state, must hold valid certificates issued under section 326A.04 or the corresponding
 49.19 provision of prior law. Although firms may include nonlicensee owners, the firm and
 49.20 its ownership must comply with rules adopted by the board. The firm shall register all
 49.21 nonlicensee owners with the state board as set forth by rule. An individual who has been
 49.22 granted practice privileges under section 326A.14 and who performs services for which
 49.23 a firm permit is required under section 326A.14, subdivision 1, paragraph (d), is not
 49.24 required to obtain a certificate from the board under section 326A.04.

49.25 (c) A CPA firm may include nonlicensee owners provided that:

93.25 (b) A firm possessing a valid permit from another state which does not have an office
 93.26 in this state may perform services described in section 326A.01, subdivision 2, clause (2)
 93.27 or (5), or subdivision 6, for a client having its headquarters in this state and may use the
 93.28 title "CPA" or "CPA firm" without a permit issued under this section only if:

93.29 (1) it has the qualifications described in subdivision 3, paragraph (b);

93.30 (2) as a condition to the renewal of the firm's permit issued by the other state, that
 93.31 state requires a peer review which contains the requirements equivalent to subdivision 8,
 93.32 paragraphs (a) and (e); and

93.33 (3) it performs the services through an individual who has been granted practice
 93.34 privileges under section 326A.14.

94.1 (c) A firm possessing a valid permit from another state that does not have an office
 94.2 in this state and which is not subject to the requirements of paragraph (a), clause (4), or
 94.3 (b), may perform other professional services while using the title "CPA" or "CPA firm" in
 94.4 this state without a permit issued under this section only if the firm:

94.5 (1) has the qualifications described in subdivision 3, paragraph (b);

94.6 (2) performs the services through an individual who has been granted practice
 94.7 privileges under section 326A.14; and

94.8 (3) can lawfully perform the services in the state where the individuals with practice
 94.9 privileges have their principal place of business.

94.10 Sec. 103. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

94.11 Subd. 3. **Qualifications.** (a) An applicant for initial issuance or renewal of a permit
 94.12 to practice under this section shall comply with the requirements in this subdivision.

94.13 (b) Notwithstanding chapter 319B or any other provision of law, a simple majority
 94.14 of the ownership of the firm, in terms of financial interests and voting rights of all partners,
 94.15 officers, shareholders, members, or managers, must belong to holders of certificates who
 94.16 are licensed in some state, and the partners, officers, shareholders, members, or managers,
 94.17 whose principal place of business is in this state, and who perform professional services in
 94.18 this state, must hold valid certificates issued under section 326A.04 or the corresponding
 94.19 provision of prior law. Although firms may include nonlicensee owners, the firm and
 94.20 its ownership must comply with rules adopted by the board. The firm shall register all
 94.21 nonlicensee owners with the state board as set forth by rule. An individual who has been
 94.22 granted practice privileges under section 326A.14 and who performs services for which
 94.23 a firm permit is required under section 326A.14, subdivision 1, paragraph (d), is not
 94.24 required to obtain a certificate from the board under section 326A.04.

94.25 (c) A CPA firm may include nonlicensee owners provided that:

49.26 (1) the firm designates a licensee of this state, or in the case of a firm that must
 49.27 have a permit according to section 326A.14, subdivision 1, paragraph (d), a licensee of
 49.28 another state who meets the requirements in section 326A.14, subdivision 1, paragraph
 49.29 (a) or (b), who is responsible for the proper registration of the firm and identifies that
 49.30 individual to the board;

49.31 (2) all nonlicensee owners are persons of good moral character and are active
 49.32 individual participants in the CPA firm or affiliated entities; and

49.33 (3) the firm complies with other requirements imposed by the board in rule.

49.34 (d) An individual licensee and any individual granted practice privileges under
 49.35 section 326A.14 who is responsible for supervising attest or compilation services and
 50.1 signs or authorizes someone to sign the accountant's report ~~on the financial statements~~
 50.2 on behalf of the firm, shall meet the competency requirements set out in the professional
 50.3 standards for such services.

50.4 (e) An individual licensee and any individual granted practice privileges under section
 50.5 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial~~
 50.6 ~~statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

50.7 Sec. 55. Minnesota Statutes 2014, section 326A.08, subdivision 7, is amended to read:

50.8 Subd. 7. **Violation; penalties; costs of proceeding.** (a) The board may impose
 50.9 a civil penalty not to exceed ~~\$2,000~~ \$5,000 per violation upon a person or a firm that
 50.10 violates an order, statute, or rule that the board has issued or is empowered to enforce.

50.11 (b) The board may, in addition, impose a fee to reimburse the board for all or
 50.12 part of the cost of the proceedings, including reasonable investigative costs, resulting
 50.13 in disciplinary or corrective action authorized by this section, the imposition of civil
 50.14 penalties, or the issuance of a cease and desist order. The fee may be imposed when the
 50.15 board shows that the position of the person or firm that violates a statute, rule, or order
 50.16 that the board has issued or is empowered to enforce is not substantially justified, unless
 50.17 special circumstances make an award unjust, notwithstanding the provisions of Minnesota
 50.18 Rules, part 1400.8401. The costs include, but are not limited to, the amount paid by the
 50.19 board for services from the office of administrative hearings, attorney and reasonable
 50.20 investigative fees, court reporters, witnesses, reproduction of records, board members' per
 50.21 diem compensation, board staff time, and expense incurred by board members and staff.

50.22 Sec. 56. Minnesota Statutes 2014, section 326A.10, is amended to read:

50.23 **326A.10 UNLAWFUL ACTS.**

94.26 (1) the firm designates a licensee of this state, or in the case of a firm that must
 94.27 have a permit according to section 326A.14, subdivision 1, paragraph (d), a licensee of
 94.28 another state who meets the requirements in section 326A.14, subdivision 1, paragraph
 94.29 (a) or (b), who is responsible for the proper registration of the firm and identifies that
 94.30 individual to the board;

94.31 (2) all nonlicensee owners are persons of good moral character and are active
 94.32 individual participants in the CPA firm or affiliated entities; and

94.33 (3) the firm complies with other requirements imposed by the board in rule.

94.34 (d) An individual licensee and any individual granted practice privileges under
 94.35 section 326A.14 who is responsible for supervising attest or compilation services and
 95.1 signs or authorizes someone to sign the accountant's report ~~on the financial statements~~
 95.2 on behalf of the firm, shall meet the competency requirements set out in the professional
 95.3 standards for such services.

95.4 (e) An individual licensee and any individual granted practice privileges under section
 95.5 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial~~
 95.6 ~~statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

95.7 Sec. 104. Minnesota Statutes 2014, section 326A.10, is amended to read:

95.8 **326A.10 UNLAWFUL ACTS.**

50.24 (a) Only a licensee and individuals who have been granted practice privileges
 50.25 under section 326A.14 may issue a report on financial statements of any person, firm,
 50.26 organization, or governmental unit that results from providing attest services, or offer to
 50.27 render or render any attest service. Only a certified public accountant, an individual who
 50.28 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent
 50.29 permitted by board rule, a person registered under section 326A.06, paragraph (b), may
 50.30 issue a report on financial statements of any person, firm, organization, or governmental
 50.31 unit that results from providing compilation services or offer to render or render any
 50.32 compilation service. These restrictions do not prohibit any act of a public official or
 50.33 public employee in the performance of that person's duties or prohibit the performance
 50.34 by any nonlicensee of other services involving the use of accounting skills, including
 51.1 the preparation of tax returns, management advisory services, and the preparation of
 51.2 financial statements without the issuance of reports on them. Nonlicensees may prepare
 51.3 financial statements and issue nonattest transmittals or information on them which do not
 51.4 purport to be in compliance with the Statements on Standards for Accounting and Review
 51.5 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,
 51.6 to the extent permitted by board rule, prepare financial statements and issue nonattest
 51.7 transmittals or information on them.

51.8 (b) Licensees and individuals who have been granted practice privileges under
 51.9 section 326A.14 performing attest or compilation services must provide those services in
 51.10 accordance with professional standards. To the extent permitted by board rule, registered
 51.11 accounting practitioners performing compilation services must provide those services in
 51.12 accordance with standards specified in board rule.

51.13 (c) A person who does not hold a valid certificate issued under section 326A.04
 51.14 or a practice privilege granted under section 326A.14 shall not use or assume the title
 51.15 "certified public accountant," the abbreviation "CPA," or any other title, designation,
 51.16 words, letters, abbreviation, sign, card, or device tending to indicate that the person is a
 51.17 certified public accountant.

51.18 (d) A firm shall not provide attest services or assume or use the title "certified public
 51.19 accountants," the abbreviation "CPA's," or any other title, designation, words, letters,
 51.20 abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless
 51.21 (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in
 51.22 accordance with this chapter and rules adopted by the board.

95.9 (a) Only a licensee and individuals who have been granted practice privileges
 95.10 under section 326A.14 may issue a report on financial statements of any person, firm,
 95.11 organization, or governmental unit that results from providing attest services, or offer to
 95.12 render or render any attest service. Only a certified public accountant, an individual who
 95.13 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent
 95.14 permitted by board rule, a person registered under section 326A.06, paragraph (b), may
 95.15 issue a report on financial statements of any person, firm, organization, or governmental
 95.16 unit that results from providing compilation services or offer to render or render any
 95.17 compilation service. These restrictions do not prohibit any act of a public official or
 95.18 public employee in the performance of that person's duties or prohibit the performance
 95.19 by any nonlicensee of other services involving the use of accounting skills, including
 95.20 the preparation of tax returns, management advisory services, and the preparation of
 95.21 financial statements without the issuance of reports on them. Nonlicensees may prepare
 95.22 financial statements and issue nonattest transmittals or information on them which do not
 95.23 purport to be in compliance with the Statements on Standards for Accounting and Review
 95.24 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,
 95.25 to the extent permitted by board rule, prepare financial statements and issue nonattest
 95.26 transmittals or information on them.

95.27 (b) Licensees and individuals who have been granted practice privileges under
 95.28 section 326A.14 performing attest or compilation services must provide those services in
 95.29 accordance with professional standards. To the extent permitted by board rule, registered
 95.30 accounting practitioners performing compilation services must provide those services in
 95.31 accordance with standards specified in board rule.

95.32 (c) A person who does not hold a valid certificate issued under section 326A.04
 95.33 or a practice privilege granted under section 326A.14 shall not use or assume the title
 95.34 "certified public accountant," the abbreviation "CPA," or any other title, designation,
 96.1 words, letters, abbreviation, sign, card, or device tending to indicate that the person is a
 96.2 certified public accountant.

96.3 (d) A firm shall not provide attest services or assume or use the title "certified public
 96.4 accountants," the abbreviation "CPA's," or any other title, designation, words, letters,
 96.5 abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless
 96.6 (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in
 96.7 accordance with this chapter and rules adopted by the board.

51.23 (e) A person or firm that does not hold a valid certificate or permit issued under
 51.24 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or
 51.25 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"
 51.26 "chartered accountant," "enrolled accountant," "licensed accountant," "registered
 51.27 accountant," "accredited accountant," "accounting practitioner," "public accountant,"
 51.28 "licensed public accountant," or any other title or designation likely to be confused
 51.29 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"
 51.30 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the
 51.31 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals
 51.32 so designated by the Internal Revenue Service.

51.33 (f) Persons registered under section 326A.06, paragraph (b), may use the title
 51.34 "registered accounting practitioner" or the abbreviation "RAP." A person who does not
 51.35 hold a valid registration under section 326A.06, paragraph (b), shall not assume or use
 51.36 such title or abbreviation.

52.1 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use
 52.2 language in any statement relating to the financial affairs of a person or entity that is
 52.3 conventionally used by licensees in reports on financial statements or on an attest service.
 52.4 In this regard, the board shall issue by rule safe harbor language that nonlicensees may
 52.5 use in connection with such financial information. A person or firm that does not hold a
 52.6 valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or
 52.7 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05
 52.8 as required in this chapter shall not assume or use any title or designation that includes the
 52.9 word "accountant" or "accounting" in connection with any other language, including the
 52.10 language of a report, that implies that the person or firm holds such a certificate, permit,
 52.11 or registration or has special competence as an accountant. A person or firm that does
 52.12 not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not
 52.13 otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not
 52.14 assume or use any title or designation that includes the word "auditor" in connection with
 52.15 any other language, including the language of a report, that implies that the person or firm
 52.16 holds such a certificate or permit or has special competence as an auditor. However,
 52.17 this paragraph does not prohibit any officer, partner, member, manager, or employee of
 52.18 any firm or organization from affixing that person's own signature to any statement in
 52.19 reference to the financial affairs of such firm or organization with any wording designating
 52.20 the position, title, or office that the person holds, nor prohibit any act of a public official or
 52.21 employee in the performance of the person's duties as such.

52.22 (h)(1) No person holding a certificate or registration or firm holding a permit under
 52.23 this chapter shall use a professional or firm name or designation that is misleading about
 52.24 the legal form of the firm, or about the persons who are partners, officers, members,
 52.25 managers, or shareholders of the firm, or about any other matter. However, names of one
 52.26 or more former partners, members, managers, or shareholders may be included in the
 52.27 name of a firm or its successor.

96.8 (e) A person or firm that does not hold a valid certificate or permit issued under
 96.9 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or
 96.10 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"
 96.11 "chartered accountant," "enrolled accountant," "licensed accountant," "registered
 96.12 accountant," "accredited accountant," "accounting practitioner," "public accountant,"
 96.13 "licensed public accountant," or any other title or designation likely to be confused
 96.14 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"
 96.15 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the
 96.16 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals
 96.17 so designated by the Internal Revenue Service.

96.18 (f) Persons registered under section 326A.06, paragraph (b), may use the title
 96.19 "registered accounting practitioner" or the abbreviation "RAP." A person who does not
 96.20 hold a valid registration under section 326A.06, paragraph (b), shall not assume or use
 96.21 such title or abbreviation.

96.22 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use
 96.23 language in any statement relating to the financial affairs of a person or entity that is
 96.24 conventionally used by licensees in reports on financial statements or on an attest service.
 96.25 In this regard, the board shall issue by rule safe harbor language that nonlicensees may
 96.26 use in connection with such financial information. A person or firm that does not hold a
 96.27 valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or
 96.28 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05
 96.29 as required in this chapter shall not assume or use any title or designation that includes the
 96.30 word "accountant" or "accounting" in connection with any other language, including the
 96.31 language of a report, that implies that the person or firm holds such a certificate, permit,
 96.32 or registration or has special competence as an accountant. A person or firm that does
 96.33 not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not
 96.34 otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not
 96.35 assume or use any title or designation that includes the word "auditor" in connection with
 96.36 any other language, including the language of a report, that implies that the person or firm
 97.1 holds such a certificate or permit or has special competence as an auditor. However,
 97.2 this paragraph does not prohibit any officer, partner, member, manager, or employee of
 97.3 any firm or organization from affixing that person's own signature to any statement in
 97.4 reference to the financial affairs of such firm or organization with any wording designating
 97.5 the position, title, or office that the person holds, nor prohibit any act of a public official or
 97.6 employee in the performance of the person's duties as such.

97.7 (h)(1) No person holding a certificate or registration or firm holding a permit under
 97.8 this chapter shall use a professional or firm name or designation that is misleading about
 97.9 the legal form of the firm, or about the persons who are partners, officers, members,
 97.10 managers, or shareholders of the firm, or about any other matter. However, names of one
 97.11 or more former partners, members, managers, or shareholders may be included in the
 97.12 name of a firm or its successor.

52.28 (2) A common brand name or network name part, including common initials, used
 52.29 by a CPA firm in its name, is not misleading if the firm is a network firm as defined in
 52.30 the American Institute of Certified Public Accountants (AICPA) Code of Professional
 52.31 Conduct in effect July 1, 2011, and when offering or rendering services that require
 52.32 independence under AICPA standards, the firm must comply with the AICPA code's
 52.33 applicable standards on independence.

52.34 (i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification,
 52.35 designation, degree, or license granted in a foreign country entitling the holder to engage
 52.36 in the practice of public accountancy or its equivalent in that country, if:

53.1 (1) the activities of the person or firm in this state are limited to the provision of
 53.2 professional services to persons or firms who are residents of, governments of, or business
 53.3 entities of the country in which the person holds the entitlement;

53.4 (2) the person or firm performs no attest or compilation services and issues no
 53.5 reports with respect to the ~~financial statements~~ information of any other persons, firms, or
 53.6 governmental units in this state; and

53.7 (3) the person or firm does not use in this state any title or designation other than
 53.8 the one under which the person practices in the foreign country, followed by a translation
 53.9 of the title or designation into English, if it is in a different language, and by the name
 53.10 of the country.

53.11 (j) No holder of a certificate issued under section 326A.04 may perform attest services
 53.12 through any business form that does not hold a valid permit issued under section 326A.05.

53.13 (k) No individual licensee may issue a report in standard form upon a compilation
 53.14 of financial information through any form of business that does not hold a valid permit
 53.15 issued under section 326A.05, unless the report discloses the name of the business through
 53.16 which the individual is issuing the report, and the individual:

53.17 (1) signs the compilation report identifying the individual as a certified public
 53.18 accountant;

53.19 (2) meets the competency requirement provided in applicable standards; and

53.20 (3) undergoes no less frequently than once every three years, a peer review
 53.21 conducted in a manner specified by the board in rule, and the review includes verification
 53.22 that the individual has met the competency requirements set out in professional standards
 53.23 for such services.

53.24 (l) No person registered under section 326A.06, paragraph (b), may issue a report
 53.25 in standard form upon a compilation of financial information unless the board by rule
 53.26 permits the report and the person:

53.27 (1) signs the compilation report identifying the individual as a registered accounting
 53.28 practitioner;

97.13 (2) A common brand name or network name part, including common initials, used
 97.14 by a CPA firm in its name, is not misleading if the firm is a network firm as defined in
 97.15 the American Institute of Certified Public Accountants (AICPA) Code of Professional
 97.16 Conduct in effect July 1, 2011, and when offering or rendering services that require
 97.17 independence under AICPA standards, the firm must comply with the AICPA code's
 97.18 applicable standards on independence.

97.19 (i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification,
 97.20 designation, degree, or license granted in a foreign country entitling the holder to engage
 97.21 in the practice of public accountancy or its equivalent in that country, if:

97.22 (1) the activities of the person or firm in this state are limited to the provision of
 97.23 professional services to persons or firms who are residents of, governments of, or business
 97.24 entities of the country in which the person holds the entitlement;

97.25 (2) the person or firm performs no attest or compilation services and issues no
 97.26 reports with respect to the ~~financial statements~~ information of any other persons, firms, or
 97.27 governmental units in this state; and

97.28 (3) the person or firm does not use in this state any title or designation other than
 97.29 the one under which the person practices in the foreign country, followed by a translation
 97.30 of the title or designation into English, if it is in a different language, and by the name
 97.31 of the country.

97.32 (j) No holder of a certificate issued under section 326A.04 may perform attest services
 97.33 through any business form that does not hold a valid permit issued under section 326A.05.

97.34 (k) No individual licensee may issue a report in standard form upon a compilation
 97.35 of financial information through any form of business that does not hold a valid permit
 98.1 issued under section 326A.05, unless the report discloses the name of the business through
 98.2 which the individual is issuing the report, and the individual:

98.3 (1) signs the compilation report identifying the individual as a certified public
 98.4 accountant;

98.5 (2) meets the competency requirement provided in applicable standards; and

98.6 (3) undergoes no less frequently than once every three years, a peer review
 98.7 conducted in a manner specified by the board in rule, and the review includes verification
 98.8 that the individual has met the competency requirements set out in professional standards
 98.9 for such services.

98.10 (l) No person registered under section 326A.06, paragraph (b), may issue a report
 98.11 in standard form upon a compilation of financial information unless the board by rule
 98.12 permits the report and the person:

98.13 (1) signs the compilation report identifying the individual as a registered accounting
 98.14 practitioner;

53.29 (2) meets the competency requirements in board rule; and

53.30 (3) undergoes no less frequently than once every three years a peer review conducted

53.31 in a manner specified by the board in rule, and the review includes verification that the

53.32 individual has met the competency requirements in board rule.

53.33 (m) Nothing in this section prohibits a practicing attorney or firm of attorneys from

53.34 preparing or presenting records or documents customarily prepared by an attorney or firm

53.35 of attorneys in connection with the attorney's professional work in the practice of law.

54.1 (n) The board shall adopt rules that place limitations on receipt by a licensee or a

54.2 person who holds a registration under section 326A.06, paragraph (b), of:

54.3 (1) contingent fees for professional services performed; and

54.4 (2) commissions or referral fees for recommending or referring to a client any

54.5 product or service.

54.6 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation

54.7 of this section for a firm not holding a valid permit under section 326A.05 and not having

54.8 an office in this state to provide its professional services in this state so long as it complies

54.9 with the applicable requirements of section 326A.05, subdivision 1.

54.10 Sec. 57. Minnesota Statutes 2014, section 326B.809, is amended to read:

54.11 **326B.809 WRITTEN CONTRACT REQUIRED.**

54.12 (a) All agreements including proposals, estimates, bids, quotations, contracts,

54.13 purchase orders, and change orders between a licensee and a customer for the performance

54.14 of a licensee's services must be in writing and must contain the following:

54.15 (1) a detailed summary of the services to be performed;

54.16 (2) a description of the specific materials to be used or a list of standard features

54.17 to be included; and

54.18 (3) the total contract price or a description of the basis on which the price will

54.19 be calculated.

54.20 (b) Before entering into an agreement, the licensee shall provide a prospective

54.21 customer with written performance guidelines for the services to be performed.

54.22 Performance guidelines also must be included or incorporated by reference in the

54.23 agreement. All agreements shall be signed and dated by the licensee and customer.

54.24 (c) Before entering into an agreement, the licensee shall offer a prospective customer

54.25 the option to install fire sprinklers, any fire sprinkler system components, or automatic

54.26 fire-extinguishing equipment or devices in any new single-family detached dwelling unit.

54.27 The offer shall be included or incorporated by reference in the agreement. All agreements

54.28 shall be signed and dated by the licensee and customer.

98.15 (2) meets the competency requirements in board rule; and

98.16 (3) undergoes no less frequently than once every three years a peer review conducted

98.17 in a manner specified by the board in rule, and the review includes verification that the

98.18 individual has met the competency requirements in board rule.

98.19 (m) Nothing in this section prohibits a practicing attorney or firm of attorneys from

98.20 preparing or presenting records or documents customarily prepared by an attorney or firm

98.21 of attorneys in connection with the attorney's professional work in the practice of law.

98.22 (n) The board shall adopt rules that place limitations on receipt by a licensee or a

98.23 person who holds a registration under section 326A.06, paragraph (b), of:

98.24 (1) contingent fees for professional services performed; and

98.25 (2) commissions or referral fees for recommending or referring to a client any

98.26 product or service.

98.27 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation

98.28 of this section for a firm not holding a valid permit under section 326A.05 and not having

98.29 an office in this state to provide its professional services in this state so long as it complies

98.30 with the applicable requirements of section 326A.05, subdivision 1.

54.29 ~~(e)~~ (d) The licensee shall provide to the customer, at no charge, a signed and
 54.30 dated document at the time that the licensee and customer sign and date the document.
 54.31 Documents include agreements, performance guidelines, fire sprinkler opt-in forms, and
 54.32 mechanic's lien waivers.

54.33 Sec. 58. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

55.1 Subdivision 1. **Procedure.** (a) ~~Oral~~ Online and written inquiries regarding
 55.2 information provided by the filing of effective financing statements or lien notices may
 55.3 be ~~made at any filing office~~ submitted to the secretary of state during regular business
 55.4 hours or, if submitted online, at any time.

55.5 (b) ~~A filing office receiving an oral or written inquiry shall, upon request~~ The
 55.6 secretary of state must, upon receiving an inquiry, provide an oral or facsimile a prompt
 55.7 response to the inquiry.

55.8 (c) ~~A filing office~~ The secretary of state shall maintain a record of inquiries made
 55.9 under this section including:

55.10 (1) the date of the inquiry;
 55.11 (2) the name of the debtor inquired about; and
 55.12 (3) identification of the person making the request for inquiry.

98.31 Sec. 105. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

98.32 Subdivision 1. **Procedure.** (a) ~~Oral~~ Online and written inquiries regarding
 98.33 information provided by the filing of effective financing statements or lien notices may
 98.34 be ~~made at any filing office~~ submitted to the secretary of state during regular business
 98.35 hours or, if submitted online, at any time.

99.1 (b) ~~A filing office receiving an oral or written inquiry shall, upon request~~ The
 99.2 secretary of state must, upon receiving an inquiry, provide an oral or facsimile a prompt
 99.3 response to the inquiry.

99.4 (c) ~~A filing office~~ The secretary of state shall maintain a record of inquiries made
 99.5 under this section including:

99.6 (1) the date of the inquiry;
 99.7 (2) the name of the debtor inquired about; and
 99.8 (3) identification of the person making the request for inquiry.

100.12 Sec. 107. **[383B.83] LIMITS ON RAILROAD CONDEMNATION POWERS**
 100.13 **OVER CERTAIN GOVERNMENTAL PROPERTY INTERESTS.**

100.14 Notwithstanding anything to the contrary in chapter 117, sections 222.26, 222.27,
 100.15 222.36, or any other law, the powers of a railroad corporation or a railroad company
 100.16 or a railroad interest acting as a public service corporation or a common carrier do not
 100.17 include the power to exercise eminent domain over a property interest owned by Hennepin
 100.18 County, the Hennepin County Housing and Redevelopment Authority, or the Hennepin
 100.19 County Regional Railroad Authority if such governmental power, by resolution of its
 100.20 governing board, determines based on findings that the public safety or access of first
 100.21 responders would be detrimentally affected by the exercise.

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

100.23 Sec. 108. Minnesota Statutes 2014, section 471.6161, subdivision 8, is amended to read:

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

100.28 (b) School districts shall request proposals for group health insurance coverage as
100.29 provided in subdivision 2 from a minimum of three potential sources of coverage. One of
100.30 these requests must go to an administrator governed by chapter 43A. Entities referenced
100.31 in subdivision 1 must respond to requests for proposals received directly from a school
100.32 district. School districts that are self-insured must also follow these provisions, except
100.33 as provided in paragraph (f). School districts must make requests for proposals at least
100.34 150 days prior to the expiration of the existing contract but not more frequently than once
101.1 every 24 months. The request for proposals must include the most recently available
101.2 24 months of nonidentifiable aggregate claims data. The request for proposals must be
101.3 publicly released at or prior to its release to potential sources of coverage.

101.4 (c) School district contracts for group health insurance must not be longer than
101.5 two years unless the exclusive representative of the largest employment group and the
101.6 school district agree otherwise.

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

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

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

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

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

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

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

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

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

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

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

102.18 (i) Notwithstanding the provisions of section 43A.316, subdivision 10, school
102.19 employees and their employers insured through chapter 43A are subject to the
102.20 requirements of this section.

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

102.22 Sec. 109. Minnesota Statutes 2014, section 473.123, subdivision 2a, is amended to read:

102.23 Subd. 2a. **Terms.** Following each apportionment of council districts, as provided
102.24 under subdivision 3a, council members must be appointed from newly drawn districts as
102.25 provided in subdivision 3a. ~~Each council member, other than the chair, must reside in the~~
102.26 ~~council district represented. Each council district must be represented by one member of the~~
102.27 ~~council. The terms of members end with the term of the governor are staggered as follows:~~
102.28 ~~members representing even-numbered districts have terms ending the first Monday in~~
102.29 ~~January of the year ending in the numeral "7"; and members representing odd-numbered~~
102.30 ~~districts have terms ending the first Monday in January of the year ending in the numeral~~
102.31 ~~"5." Thereafter the term of each member is four years, with terms ending the first Monday~~
102.32 ~~in January, except that all terms expire on the effective date of the next apportionment.~~
102.33 ~~A member serves at the pleasure of the governor.~~ A member shall continue to serve the
102.34 member's district until a successor is appointed and qualified; except that, following each
102.35 apportionment, the member shall continue to serve at large until the governor appoints 16
103.1 council members, one from each of the newly drawn council districts as provided under
103.2 subdivision 3a, to serve terms as provided under this section. The appointment to the
103.3 council must be made by the first Monday in March of the year in which the term ends.

103.4 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
103.5 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
103.6 Scott, and Washington.

103.7 Sec. 110. Minnesota Statutes 2014, section 473.123, subdivision 3, is amended to read:

103.8 Subd. 3. **Membership; appointment; qualifications.** (a) Sixteen members must be
103.9 appointed by the governor from districts defined by this section. Each council member
103.10 must reside in the council district represented. Each council district must be represented
103.11 by one member of the council. Each Metropolitan Council member must be an elected city
103.12 council member or mayor, or county commissioner. A Metropolitan Council member's
103.13 office becomes vacant if the person appointed to that position ceases to be an elected city
103.14 council member or mayor, or county commissioner.

103.15 (b) In addition to the notice required by section 15.0597, subdivision 4, notice of
103.16 vacancies and expiration of terms must be published in newspapers of general circulation
103.17 in the metropolitan area and the appropriate districts. The governing bodies of the statutory
103.18 and home rule charter cities, counties, and towns having territory in the district for which
103.19 a member is to be appointed must be notified in writing. The notices must describe the
103.20 appointments process and invite participation and recommendations on the appointment.

103.21 ~~(c) The governor shall create a nominating committee, composed~~ A committee of
103.22 seven metropolitan citizens ~~appointed by the governor, to~~ shall nominate persons for
103.23 appointment to the council from districts. Three of the committee members must be local
103.24 elected officials appointed by the Association of Metropolitan Municipalities, one must be a
103.25 county commissioner appointed by the Association of Minnesota Counties, and three must
103.26 be appointed by the governor. Following the submission of applications as provided under
103.27 section 15.0597, subdivision 5, the nominating committee shall conduct public meetings,
103.28 after appropriate notice, to accept statements from or on behalf of persons who have applied
103.29 or been nominated for appointment and to allow consultation with and secure the advice
103.30 of the public and local elected officials. The committee shall hold the meeting on each
103.31 appointment in the district or in a reasonably convenient and accessible location in the part
103.32 of the metropolitan area in which the district is located. The committee may consolidate
103.33 meetings. Following the meetings, the committee shall submit to the governor a list of
103.34 nominees for each appointment. The governor is not required to appoint from the list.

104.1 (d) Before making an appointment, the governor shall consult with all members of
104.2 the legislature from the council district for which the member is to be appointed.

104.3 (e) Appointments to the council are subject to the advice and consent of the senate as
104.4 provided in section 15.066.

104.5 (f) Members of the council must be appointed to reflect fairly the various
104.6 demographic, political, and other interests in the metropolitan area and the districts.

104.7 (g) Members of the council must be persons knowledgeable about urban and
104.8 metropolitan affairs.

104.9 (h) Any vacancy in the office of a council member shall immediately be filled
104.10 for the unexpired term. In filling a vacancy, the governor may forgo the requirements
104.11 of paragraph (c) if the governor has made appointments in full compliance with the
104.12 requirements of this subdivision within the preceding 12 months.

104.13 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
104.14 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
104.15 Scott, and Washington.

104.16 Sec. 111. Minnesota Statutes 2014, section 473.123, subdivision 4, is amended to read:

104.17 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a)
104.18 The chair of the Metropolitan Council shall be ~~appointed~~ elected by the ~~governor~~ 16
104.19 members of the council as the 17th voting member thereof and with the advice and
104.20 consent of the senate to serve at the pleasure of the ~~governor~~ council to represent the
104.21 metropolitan area at large. Senate confirmation shall be as provided by section 15.066.

104.22 The chair of the Metropolitan Council shall, if present, preside at meetings of the
 104.23 council, have the primary responsibility for meeting with local elected officials, serve as
 104.24 the principal legislative liaison, present to the governor and the legislature, after council
 104.25 approval, the council's plans for regional governance and operations, serve as the principal
 104.26 spokesperson of the council, and perform other duties assigned by the council or by law.

104.27 (b) The Metropolitan Council shall elect other officers as it deems necessary for
 104.28 the conduct of its affairs for a one-year term. A secretary and treasurer need not be
 104.29 members of the Metropolitan Council. Meeting times and places shall be fixed by the
 104.30 Metropolitan Council and special meetings may be called by a majority of the members
 104.31 of the Metropolitan Council or by the chair. The chair and each Metropolitan Council
 104.32 member shall be reimbursed for actual and necessary expenses.

104.33 (c) Each member of the council shall attend and participate in council meetings
 104.34 and meet regularly with local elected officials and legislative members from the council
 105.1 member's district. Each council member shall serve on at least one division committee for
 105.2 transportation, environment, or community development.

105.3 (d) In the performance of its duties the Metropolitan Council may adopt policies
 105.4 and procedures governing its operation, establish committees, and, when specifically
 105.5 authorized by law, make appointments to other governmental agencies and districts.

105.6 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 105.7 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 105.8 Scott, and Washington. The term of the chair of the Metropolitan Council serving on the
 105.9 effective date of this section ends on that date, but the chair may continue serving until
 105.10 a new chair is elected by the council under this section.

105.11 Sec. 112. Minnesota Statutes 2014, section 473J.07, subdivision 3, is amended to read:

105.12 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~
 105.13 ~~chair, as provided in section 15.0575. The chair shall receive, unless otherwise provided~~
 105.14 ~~by other law, a salary in an amount fixed by the authority, and shall be reimbursed for~~
 105.15 ~~reasonable expenses to the same extent as a member~~ No members of the authority receive
 105.16 a salary.

55.13 Sec. 59. Laws 2013, chapter 142, article 1, section 10, is amended to read:

55.14 Sec. 10. OFFICE OF ENTERPRISE			
55.15 TECHNOLOGY MN.IT SERVICES	\$	2,431,000	\$ 2,431,000

105.17 Sec. 113. Laws 2013, chapter 142, article 1, section 10, is amended to read:

105.18 Sec. 10. OFFICE OF ENTERPRISE			
105.19 TECHNOLOGY MN.IT SERVICES	\$	2,431,000	\$ 2,431,000

55.16 During the biennium ending June 30, 2015,
 55.17 the Office of ~~Enterprise Technology MN.IT~~
 55.18 Services must not charge fees to a public
 55.19 noncommercial educational television
 55.20 broadcast station eligible for funding under
 55.21 Minnesota Statutes, chapter 129D, for
 55.22 access to the state broadcast infrastructure.
 55.23 If the access fees not charged to public
 55.24 noncommercial educational television
 55.25 broadcast stations total more than \$400,000
 55.26 for the biennium, the office may charge for
 55.27 access fees in excess of these amounts.

55.28 The commissioner of Minnesota management
 55.29 and budget is authorized to provide cash
 55.30 flow assistance of up to \$110,000,000 from
 55.31 the special revenue fund or other statutory
 55.32 general funds as defined in Minnesota
 55.33 Statutes, section 16A.671, subdivision 3,
 55.34 paragraph (a), to the Office of ~~Enterprise~~
 55.35 ~~Technology MN.IT~~ Services for the purpose
 56.1 of managing revenue and expenditure
 56.2 differences during the initial phases of IT
 56.3 consolidation. These funds shall be repaid
 56.4 with interest by ~~June 30, 2015~~ the end of the
 56.5 fiscal year 2015 closing period.

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

56.7 Sec. 60. Laws 2014, chapter 287, section 25, is amended to read:

56.8 Sec. 25. **PARKING RAMP; REQUIRED USER FINANCING.**

56.9 The amount equivalent to debt service on the design and construction costs allocated
 56.10 to the parking garage to be located on the block bounded by Sherburne Avenue on the north,
 56.11 Park Street on the west, University Avenue on the south, and North Capitol Boulevard on
 56.12 the east ~~must be user-financed from~~ must be transferred from parking fees collected and
 56.13 deposited into the state parking account and credited to the debt service account for the
 56.14 Legislative Office Facility, to the general fund to offset any direct appropriations made to
 56.15 the senate for debt service payments for the legislative parking garage.

56.16 Sec. 61. **CAPITOL ROOM NUMBERS.**

105.20 During the biennium ending June 30, 2015,
 105.21 the Office of ~~Enterprise Technology MN.IT~~
 105.22 Services must not charge fees to a public
 105.23 noncommercial educational television
 105.24 broadcast station eligible for funding under
 105.25 Minnesota Statutes, chapter 129D, for
 105.26 access to the state broadcast infrastructure.
 105.27 If the access fees not charged to public
 105.28 noncommercial educational television
 105.29 broadcast stations total more than \$400,000
 105.30 for the biennium, the office may charge for
 105.31 access fees in excess of these amounts.

105.32 The commissioner of Minnesota management
 105.33 and budget is authorized to provide cash
 106.1 flow assistance of up to \$110,000,000 from
 106.2 the special revenue fund or other statutory
 106.3 general funds as defined in Minnesota
 106.4 Statutes, section 16A.671, subdivision 3,
 106.5 paragraph (a), to the Office of ~~Enterprise~~
 106.6 ~~Technology MN.IT~~ Services for the purpose
 106.7 of managing revenue and expenditure
 106.8 differences during the initial phases of IT
 106.9 consolidation. These funds shall be repaid
 106.10 with interest by ~~June 30, 2015~~ the end of the
 106.11 fiscal year 2015 closing period.

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

109.8 Sec. 120. **PARKING RAMP FINANCING.**

109.9 The debt service on the design and construction costs allocated to the parking garage
 109.10 located on the block bounded by Sherburne Avenue on the north, Park Street on the west,
 109.11 University Avenue on the south, and North Capitol Boulevard on the east must be paid
 109.12 for exclusively by fees charged to persons parking in that parking garage. No fees may
 109.13 be charged to members of the public parking in spaces designated for persons with a
 109.14 disability parking certificate.

56.17 After the Capitol renovation has been completed, the commissioner of administration
56.18 must use the same room numbers on signage to identify legacy rooms that were used to
56.19 identify the rooms before the Capitol renovation. For purposes of this section, "Capitol
56.20 renovation" means the construction project for which funds were appropriated in Laws
56.21 2013, chapter 136, section 3; "legacy rooms" means any room in the Capitol after Capitol
56.22 renovation that has dimensions and a location that are substantially similar to a room
56.23 within the Capitol that existed before renovation; and "signage" means any posting on any
56.24 surface in the Capitol building.

56.25 Sec. 62. **IN-LIEU OF RENT EVALUATION.**

56.26 (a) The commissioner of administration must evaluate and provide recommendations
56.27 regarding the base appropriation to the Department of Administration for an in-lieu of rent
56.28 payment for space costs of the legislature and veterans organizations, vending operators,
56.29 ceremonial space, and statutorily free space in the Capitol building and in other buildings
56.30 on the Capitol grounds under the custodial control of the Department of Administration.

56.31 (b) By January 15, 2017, the commissioner must report to the chairs and
56.32 ranking minority members of the committees and divisions in the senate and the
57.1 house of representatives with jurisdiction over the appropriation to the Department of
57.2 Administration for the in-lieu of rent payment. The report must:

57.3 (1) identify the amount and quality of space that will be occupied by the senate, the
57.4 house of representatives, and veterans organizations, ceremonial space, and statutorily free
57.5 space, in fiscal years 2018 and 2019, including a comparison to the amount and quality of
57.6 space occupied by the same tenants in fiscal year 2013;

57.7 (2) evaluate and justify the expense components included and assumptions made in
57.8 determining lease rates and make comparisons to market rates; and

57.9 (3) evaluate whether the base funding for fiscal years 2018 and 2019 for the in-lieu
57.10 of rent appropriation is justified, and if not, recommend an increase or decrease.

57.11 (c) In conducting the evaluation and preparing the report, the commissioner must
57.12 consult with the secretary of the senate, the chief clerk of the house of representatives, the
57.13 commissioner of employment and economic development on behalf of the services for the
57.14 blind, and the commissioner of veterans affairs on behalf of veterans organizations that use
57.15 space for which the Department of Administration receives an in-lieu of rent appropriation.

57.16 Sec. 63. **RULEMAKING.**

57.17 (a) The Board of Cosmetologist Examiners shall adopt rules governing the licensure,
57.18 operation, and inspection of mobile salons, including facility requirements; safety and
57.19 infection control requirements; a process for a salon licensee to notify the board of the
57.20 mobile salon's location and times of operation; requirements for supplying and disposing
57.21 of water and waste products; and the scope of personal services to be provided in mobile
57.22 salons. The rules must prohibit mobile salons from violating reasonable municipal
57.23 restrictions on time and place of operation of a mobile salon within its jurisdiction,
57.24 and shall establish penalties, up to and including revocation of a license, for repeated
57.25 violations of municipal laws.

57.26 (b) The Board of Cosmetologist Examiners shall adopt rules governing the advanced
57.27 practice esthetician license, including the educational and training requirements, scope of
57.28 practice, and the conditions and process of issuing and renewing the license.

57.29 **EFFECTIVE DATE.** Paragraph (a) of this section is effective the day following
57.30 final enactment. Paragraph (b) of this section is effective January 1, 2016, and expires
57.31 January 1, 2019.

57.32 Sec. 64. **STATE AGENCY TECHNOLOGY PROJECTS.**

57.33 Any appropriation in this chapter for information technology project services and
57.34 support is subject to Minnesota Statutes, section 16E.0466. If an agency needs ongoing
58.1 information technology services as a result of the services and support paid for with an
58.2 appropriation in this chapter, the agency must enter into an agreement with the Office of
58.3 MN.IT Services to provide those services. The agreement must require the agency to pay
58.4 the Office of MN.IT Services under rates and mechanisms specified in the agreement.

106.13 Sec. 114. Laws 2015, chapter 3, section 4, is amended to read:

106.14 Sec. 4. **AGENCY HEAD SALARY FREEZE.**

106.15 Notwithstanding Minnesota Statutes, section 15A.0815, subdivisions 1 and 5, the
106.16 salary rate for positions listed in Minnesota Statutes, section 15A.0815, for positions
106.17 appointed by the governor, may not be set at a salary rate in excess of the previous
106.18 calendar year. The salary of the chair of the Metropolitan Council is \$61,414, unless
106.19 changed under the process in Minnesota Statutes, section 15A.0815, subdivision 5.

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

106.21 Sec. 115. **LIMIT ON AGENCY HEAD SALARY INCREASE.**

106.22 The percentage increase in salary granted to an agency head listed in Minnesota
106.23 Statutes, section 15A.0815, who is appointed by the governor may not exceed the lesser
106.24 of: (1) the percentage increase in Minnesota median household income, as determined by
106.25 the American Community Survey compiled by the United States Bureau of the Census, for
106.26 the most recent 12-month period for which data is available; or (2) the percentage increase
106.27 in the consumer price index, as determined by the United States Bureau of Economic
106.28 Analysis, for the most recent 12-month period for which data is available.

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

106.30 Sec. 116. **LEGISLATIVE SURROGACY COMMISSION.**

106.31 Subdivision 1. **Membership.** The Legislative Commission on Surrogacy shall
106.32 consist of 15 members, appointed as follows:

107.1 (1) three members of the senate appointed by the senate majority leader;

107.2 (2) three members of the senate appointed by the senate minority leader;

107.3 (3) three members of the house of representatives appointed by the speaker of the
107.4 house of representatives;

107.5 (4) three members of the house of representatives appointed by the house of
107.6 representatives minority leader;

107.7 (5) the commissioner of human services or the commissioner's designee;

107.8 (6) the commissioner of health or the commissioner's designee; and

107.9 (7) a family court referee appointed by the chief justice of the state Supreme Court.

107.10 Appointments must be made by June 1, 2015.

107.11 Subd. 2. **Chair.** The commission shall elect a chair from among its members.

107.12 Subd. 3. **Meetings.** The ranking majority member of the commission who is
107.13 appointed by the senate majority leader shall convene the first meeting by July 1, 2015.
107.14 The commission shall have at least six meetings but may not have more than ten meetings.

107.15 Subd. 4. **Conflict of interest.** A commission member may not participate in or
107.16 vote on a decision of the commission in which the member has either a direct or indirect
107.17 personal financial interest. A witness at a public meeting of the commission must disclose
107.18 any financial conflict of interest.

107.19 Subd. 5. **Duties.** The commission shall develop recommendations on public policy
107.20 and laws regarding surrogacy. To develop the recommendations, the commission shall
107.21 study surrogacy through public hearings, research, and deliberation. Topics for study
107.22 include, but are not limited to:

107.23 (1) potential health and psychological effects and benefits on women who serve
 107.24 as surrogates;

107.25 (2) potential health and psychological effects and benefits on children born of
 107.26 surrogates;

107.27 (3) business practices of the fertility industry, including attorneys, brokers, and
 107.28 clinics;

107.29 (4) considerations related to different forms of surrogacy;

107.30 (5) considerations related to the potential exploitation of women in surrogacy
 107.31 arrangements;

107.32 (6) contract law implications when a surrogacy contract is breached;

107.33 (7) potential conflicts with statutes governing private adoption and termination
 107.34 of parental rights;

108.1 (8) potential for legal conflicts related to third-party reproduction, including conflicts
 108.2 between or amongst the surrogate mother, the intended parents, the child, insurance
 108.3 companies, and medical professionals;

108.4 (9) public policy determinations of other jurisdictions with regard to surrogacy; and

108.5 (10) information to be provided to a child born of a surrogate about the child's
 108.6 biological and gestational parents.

108.7 Subd. 6. **Reporting.** The commission must submit a report including its
 108.8 recommendations and may draft legislation to implement its recommendations to the chairs
 108.9 and ranking minority members of the legislative committees with primary jurisdiction
 108.10 over health and judiciary in the house and senate by December 15, 2015. On topics where
 108.11 the commission fails to reach consensus, a majority and minority report shall be issued.

108.12 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing
 108.13 and administrative support to the commission.

108.14 Subd. 8. **Expiration.** The commission expires the day after submitting the report
 108.15 required under subdivision 6.

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

108.17 Sec. 117. **SOCCER STADIUM.**

108.18 No state funds may be appropriated or tax expenditures used to fund the construction
 108.19 of a new major league soccer stadium. The state may not incur debt of the state to fund
 108.20 construction of a new major league soccer stadium.

108.21 Sec. 118. **LIMIT ON INCREASE IN MANAGERIAL COMPENSATION.**

58.5 Sec. 65. **SOCCER STADIUM.**

58.6 No state funds may be appropriated or tax expenditures used to fund the construction
 58.7 of a new major league soccer stadium. The state may not incur debt of the state to fund
 58.8 construction of a new major league soccer stadium.

108.22 During the biennium ending June 30, 2017, an employee covered by the managerial
108.23 plan in Minnesota Statutes, section 43A.18, subdivision 3, may not be granted a
108.24 percentage increase in annual salary that exceeds the lesser of: (1) the percentage increase
108.25 in Minnesota median household income, as determined by the American Community
108.26 Survey compiled by the United States Bureau of the Census, for the most recent 12-month
108.27 period for which data is available; or (2) the percentage increase in the consumer price
108.28 index, as determined by the United States Bureau of Economic Analysis, for the most
108.29 recent 12-month period for which data is available.

108.30 Sec. 119. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

108.31 During the biennium ending June 30, 2017, an executive branch agency's spending
108.32 on advertising and promotions may not exceed 90 percent of the amount the agency
108.33 spent on advertising and promotions during the biennium ending June 30, 2015. The
109.1 commissioner of management and budget must ensure compliance with this limit, and
109.2 may issue guidelines and policies to executive agencies. The commissioner may forbid
109.3 an agency from engaging in advertising as the commissioner determines is necessary to
109.4 ensure compliance with this section. This section does not apply to the Minnesota Lottery
109.5 or Explore Minnesota Tourism. Spending during the biennium ending June 30, 2017, on
109.6 advertising relating to a declared emergency, an emergency, or a disaster, as those terms
109.7 are defined in Minnesota Statutes, section 12.03, is excluded for purposes of this section.

109.15 Sec. 121. **METROPOLITAN COUNCIL APPOINTMENTS; IMMEDIATE**
109.16 **TRANSITION TO STAGGERED TERMS.**

109.17 For members serving on the Metropolitan Council on the effective date of this
109.18 section, other than the chair, members representing even-numbered districts shall serve
109.19 terms ending the first Monday in January 2019, and members representing odd-numbered
109.20 districts shall serve terms ending the first Monday in January 2017. Thereafter the term of
109.21 each member is four years, with terms ending the first Monday in January.

109.22 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
109.23 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
109.24 Scott, and Washington.

109.25 Sec. 122. **REPORT ON AGENCY CHIEF INFORMATION OFFICERS.**

109.26 The chief information officer of MN.IT must report to the legislature by January 15,
109.27 2016, on reduction in the number of chief information officers (CIOs) in state agencies.
109.28 The report must include the number of CIOs on July 1, 2015, the number on January
109.29 15, 2016, and plans to reduce that number.

109.30 Sec. 123. **TRANSITION.**

109.31 (a) Members of an ethnic council specified in new Minnesota Statutes, section
 109.32 15.0145, on July 1, 2015, continue to serve on the council until the end of their current
 110.1 term. However, if a member of a council has served eight years or more on the council
 110.2 at any time before December 31, 2015, the term of that member expires December 31,
 110.3 2015. If a council has more members on July 1, 2015, than is provided for by Minnesota
 110.4 Statutes, section 15.0145, positions on the council shall not be filled until the expiration of
 110.5 a term results in fewer members on the council than provided for in Minnesota Statutes,
 110.6 section 15.0145. Membership qualifications newly specified in Minnesota Statutes, section
 110.7 15.0145, must be complied with as soon as possible when terms of current members expire.

110.8 (b) The Legislative Coordinating Commission must appoint an executive director
 110.9 for each council no later than November 15, 2015. An incumbent executive director of a
 110.10 council may apply to be appointed by the Legislative Coordinating Commission but, if
 110.11 not selected, the employment of the incumbent ends when the Legislative Coordinating
 110.12 Commission appoints a new executive director, or on another date determined by the
 110.13 Legislative Coordinating Commission. Other council staff are transferred to employment
 110.14 with the reformulated councils specified in Minnesota Statutes, section 15.0145.

58.9 Sec. 66. **REVISOR'S INSTRUCTION.**

58.10 The revisor of statutes shall change the word "sanitation" to "infection control" and
 58.11 the word "lapsed" to "expired" wherever they appear in Minnesota Statutes, chapter 155A,
 58.12 or Minnesota Rules, chapter 2105 or 2110.

110.15 Sec. 124. **REVISOR'S INSTRUCTION.**

110.20 (c) In the next and subsequent edition of Minnesota Statutes, the Revisor of Statutes
 110.21 shall substitute a reference to section 6.481 for each reference to section 6.48.

110.22 Sec. 125. **REVISOR INSTRUCTION.**

110.23 (a) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes
 110.24 shall substitute the names of councils as follows in each place where the names occur:

110.25 (1) Minnesota African Heritage Council, in place of Council on Black Minnesotans;
 110.26 and

110.27 (2) Minnesota Council on Latino Affairs, in place of Council on Affairs of
 110.28 Chicano/Latino People.

110.29 (b) The revisor of statutes shall change cross-references to sections 3.9223, 3.9225,
 110.30 and 3.9226, with Minnesota Statutes, section 15.0145, and make changes necessary to
 110.31 correct punctuation, grammar, or sentence structure.

58.13 Sec. 67. **REPEALER.**

58.14 Minnesota Statutes 2014, section 155A.23, subdivision 6, is repealed.

110.32 Sec. 126. **REPEALER.**

111.1 (a) Minnesota Statutes 2014, sections 10A.25, subdivisions 1, 2, 2a, 3, 3a, 5, and 10;
 111.2 10A.255, subdivisions 1 and 3; 10A.27, subdivision 11; 10A.30; 10A.31, subdivisions 1,
 111.3 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322, subdivisions
 111.4 1 and 2; 10A.323; and 10A.324, subdivisions 1 and 3, and Minnesota Rules, parts
 111.5 4503.1400, subparts 2, 3, 5, 6, 7, 8, and 9; and 4503.1450, are repealed. This paragraph
 111.6 is effective July 1, 2015, and applies to elections held on or after that date. Amounts
 111.7 designated under section 10A.31 on income tax and property tax refund returns filed after
 111.8 June 30, 2015, are not effective and remain in the general fund.

111.9 (b) Minnesota Statutes 2014, sections 3.886; 6.48; 349A.07, subdivision 6; and
 111.10 375.23, are repealed.

111.12 (d) Minnesota Statutes 2014, sections 3.9223; 3.9225; and 3.9226, subdivisions 1,
 111.13 2, 3, 4, 5, 6, and 7, are repealed.

58.15 **ARTICLE 3**

58.16 **MILITARY AND VETERANS AFFAIRS**

58.17 Section 1. Minnesota Statutes 2014, section 190.16, is amended by adding a
 58.18 subdivision to read:

58.19 Subd. 6b. **Reimbursement grants.** The adjutant general shall administer a
 58.20 reimbursement grant program under section 192.26, subdivision 3, and pay grants to local
 58.21 units of government to reimburse them for paying salary and benefits to public safety
 58.22 employees on authorized leave under section 192.26, subdivision 1.

58.23 **EFFECTIVE DATE.** This section is effective the day following final enactment
 58.24 for reimbursement of eligible costs incurred by local units of government in calendar
 58.25 year 2016 and thereafter.

58.26 Sec. 2. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

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

58.29 (1) grants to veterans service organizations;

58.30 (2) outreach to underserved veterans;

70.24 Sec. 62. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

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

70.27 (1) grants to veterans service organizations;

70.28 (2) outreach to underserved veterans;

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

59.2 (4) transfers to the vehicle services account for Gold Star license plates under

59.3 section 168.1253-;

59.4 (5) grants of up to \$100,000 to any organization approved by the commissioner of

59.5 veterans affairs for the purpose of supporting and improving the lives of veterans and

59.6 their families; and

59.7 (6) grants to an eligible foundation.

59.8 (b) For purposes of this subdivision, "eligible foundation" includes any organization

59.9 that:

59.10 (1) is a tax-exempt organization under section 501(c) of the Internal Revenue

59.11 Code; and

59.12 (2) is a nonprofit corporation under chapter 317A and the organization's articles of

59.13 incorporation specify that a purpose of the organization includes (i) providing assistance

59.14 to veterans and their families or (ii) enhancing the lives of veterans and their families.

59.15 Sec. 3. Minnesota Statutes 2014, section 190.19, subdivision 3, is amended to read:

59.16 Subd. 3. **Annual report.** The adjutant general and commissioner of veterans affairs

59.17 must report by February 1, ~~2007, and~~ each year thereafter, to the chairs and ranking minority

59.18 members of the legislative committees and divisions with jurisdiction over military and

59.19 veterans' affairs on the number, amounts, and use of grants made by ~~the adjutant general~~

59.20 each agency from the Minnesota "Support Our Troops" account in the previous year.

59.21 Sec. 4. Minnesota Statutes 2014, section 192.26, is amended by adding a subdivision

59.22 to read:

59.23 Subd. 3. **State reimbursement for costs of authorized leave.** (a) For purposes of

59.24 this subdivision, the terms in this paragraph have the meanings given them:

59.25 (1) "public safety employees" means peace officers, firefighters, and ambulance

59.26 service personnel, as defined in section 144E.001, subdivision 3a, who are full-time

59.27 employees of a local unit of government;

59.28 (2) "local unit of government" means a county or home rule charter or statutory

59.29 city; and

59.30 (3) "salary and benefits" means the wages or salaries and benefits paid to employees

59.31 of the local unit of government on authorized leave under this section.

59.32 (b) The adjutant general shall make grants to local units of government to reimburse

59.33 them for salary and benefits paid to public safety employees on authorized leave under

59.34 this section.

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

70.30 (4) transfers to the vehicle services account for Gold Star license plates under

70.31 section 168.1253-;

70.32 (5) grants of up to \$100,000 to any organization approved by the commissioner of

70.33 veterans affairs for the purpose of supporting and improving the lives of veterans and

70.34 their families; and

71.1 (6) grants to an eligible foundation.

71.2 (b) For purposes of this subdivision, "eligible foundation" includes any organization

71.3 that:

71.4 (1) is a tax-exempt organization under section 501(c) of the Internal Revenue

71.5 Code; and

71.6 (2) is a nonprofit corporation under chapter 317A and the organization's articles of

71.7 incorporation specify that a purpose of the organization includes (i) providing assistance

71.8 to veterans and their families or (ii) enhancing the lives of veterans and their families.

60.1 (c) To be eligible for state reimbursement of the amount of salary and benefits
 60.2 paid for the preceding calendar year as determined under this subdivision, the local unit
 60.3 of government shall apply to the adjutant general by March 15. By July 15, the adjutant
 60.4 general shall pay the reimbursement grants to the local units of government.

60.5 (d) The adjutant general shall prescribe the form and supporting information that
 60.6 must be supplied by the local unit of government as part of the application for state
 60.7 reimbursement.

60.8 (e) An appropriation by law from the general fund to the adjutant general must be
 60.9 used to pay the grants. If the appropriation is insufficient to pay the entire sum of all of
 60.10 the reimbursements for eligible costs for which local units of government have applied,
 60.11 the adjutant general shall reduce each grant proportionally so that the sum of the grants
 60.12 equals the available appropriation.

60.13 **EFFECTIVE DATE.** This section is effective the day following final enactment
 60.14 for reimbursement of eligible costs incurred by local units of government in calendar
 60.15 year 2016 and thereafter.

60.16 Sec. 5. Minnesota Statutes 2014, section 192.38, subdivision 1, is amended to read:

60.17 Subdivision 1. **Temporary emergency relief.** If any officer or enlisted member
 60.18 of the military forces is wounded or otherwise disabled, dies from disease contracted or
 60.19 injuries received, or is killed while in state active service as defined in section 190.05,
 60.20 subdivision 5a, the officer or member, or in the case of death the officer's or member's
 60.21 dependent spouse, child, or parent, may be provided with ~~immediate temporary relief as~~
 60.22 ~~necessary in cases of severe hardship, in an amount to be determined by the adjutant general~~
 60.23 ~~and approved by the governor~~ a death gratuity payment equal to the amount allowed for
 60.24 service members in a federal active service status. All payments under this subdivision
 60.25 shall be made from appropriations for ~~the maintenance of the state military forces~~
 60.26 emergency services. The adjutant general shall notify the Department of Management and
 60.27 Budget of any payments made pursuant to this subdivision and the amount of it shall be
 60.28 subtracted from any award made by the Department of Management and Budget.

60.29 Sec. 6. Minnesota Statutes 2014, section 192.501, is amended by adding a subdivision
 60.30 to read:

60.31 Subd. 1d. **Reclassification bonus program.** (a) The adjutant general must establish
 60.32 a program to provide a bonus to eligible members of the Minnesota National Guard who
 60.33 complete training that results in the award of a new military occupational specialty or
 61.1 Air Force specialty code in specialties that are identified by the adjutant general to be
 61.2 necessary for the enhanced readiness of the Minnesota National Guard.

61.3 (b) Eligibility for the bonus is limited to a member of the National Guard who:

71.9 Sec. 63. Minnesota Statutes 2014, section 192.38, subdivision 1, is amended to read:

71.10 Subdivision 1. **Temporary emergency relief.** If any officer or enlisted member
 71.11 of the military forces is wounded or otherwise disabled, dies from disease contracted or
 71.12 injuries received, or is killed while in state active service as defined in section 190.05,
 71.13 subdivision 5a, the officer or member, or in the case of death the officer's or member's
 71.14 dependent spouse, child, or parent, may be provided with immediate temporary relief as
 71.15 necessary in cases of severe hardship, in an amount to be determined by the adjutant general
 71.16 and approved by the governor or a death gratuity payment equal to the amount allowed for
 71.17 service members in a federal active service status. All payments under this subdivision
 71.18 shall be made from appropriations for ~~the maintenance of the state military forces~~
 71.19 emergency services. The adjutant general shall notify the Department of Management and
 71.20 Budget of any payments made pursuant to this subdivision and the amount of it shall be
 71.21 subtracted from any award made by the Department of Management and Budget.

71.22 Sec. 64. Minnesota Statutes 2014, section 192.501, is amended by adding a subdivision
 71.23 to read:

71.24 Subd. 1d. **Reclassification bonus program.** (a) The adjutant general may establish
 71.25 a program to provide a bonus to eligible members of the Minnesota National Guard who
 71.26 complete training that results in the award of a new military occupational specialty or
 71.27 air force specialty code in specialties that are identified by the Adjutant General to be
 71.28 necessary for the enhanced readiness of the Minnesota National Guard.

71.29 (b) Eligibility for the bonus is limited to a member of the National Guard who:

61.4 (1) is serving satisfactorily as determined by the adjutant general;
 61.5 (2) has 16 or fewer years of services creditable for retirement; and
 61.6 (3) undergoes military training deemed by the adjutant general as sufficiently
 61.7 important to the readiness of the National Guard or a unit of the National Guard to warrant
 61.8 the payment of a bonus in an amount to generally encourage the member's participation
 61.9 in the training.

61.10 The adjutant general may, within the limitations of this paragraph and other applicable
 61.11 laws, determine additional eligibility criteria for the bonus, and must specify all of the
 61.12 criteria in regulations and publish changes as necessary.

61.13 (c) The bonus payments must be made on a schedule that is determined and
 61.14 published in department regulations by the adjutant general.

61.15 (d) If a member fails to complete a term of reenlistment or an obligated term of
 61.16 commissioned service for which a bonus was paid, the adjutant general may seek to
 61.17 recoup a prorated amount of the bonus as determined by the adjutant general.

61.18 Sec. 7. Minnesota Statutes 2014, section 197.133, is amended to read:
 61.19 **197.133 DISPOSAL OF PROPERTY AND EXPIRATION OF BOARD OF**
 61.20 **GOVERNORS.**

61.21 (a) If a majority of the board determines that the disposal of the Big Island Veterans
 61.22 camp or a portion of the camp is in the best interests of Minnesota veterans, or if the camp
 61.23 is not used solely as a camp for and by disabled and other veterans and their families and
 61.24 operated and maintained in compliance with all state, federal, and local laws, the board
 61.25 may dispose of the property at market value as provided in this section. Before disposing
 61.26 of the property, the board shall give notice by certified mail to the commissioner of
 61.27 veterans affairs of its decision to dispose of the property. The commissioner shall publish
 61.28 the notice in the State Register. Interested governmental agencies have until the end of the
 61.29 next legislative session after the notice to appropriate money to purchase the property.

71.30 (1) is serving satisfactorily as determined by the adjutant general;
 71.31 (2) has 16 or fewer years of service creditable for retirement; and
 71.32 (3) undergoes military training deemed by the adjutant general as sufficiently
 71.33 important to the readiness of the National Guard or a unit of the National Guard to warrant
 71.34 the payment of a bonus in an amount to generally encourage the member's participation in
 72.1 such training. The adjutant general may, within the limitations of this paragraph and other
 72.2 applicable laws, determine additional eligibility criteria for the bonus, and must specify all
 72.3 of the criteria in regulations and publish changes as necessary.

72.4 (c) The bonus payments must be made on a schedule that is determined and
 72.5 published in department regulations by the adjutant general.

72.6 (d) If a member fails to complete a term of reenlistment or an obligated term of
 72.7 commissioned service for which a bonus was paid, the adjutant general may seek to
 72.8 recoup a prorated amount of the bonus as determined by the adjutant general.

(H.F. 134)**15-1383**

1.6 Section 1. Minnesota Statutes 2014, section 197.133, is amended to read:
 1.7 **197.133 DISPOSAL OF PROPERTY AND EXPIRATION OF BOARD OF**
 1.8 **GOVERNORS.**

1.9 (a) If a majority of the board determines that the disposal of the camp or a portion of
 1.10 the camp is in the best interests of Minnesota veterans, or if the camp is not used solely
 1.11 as a camp for and by disabled and other veterans and their families and operated and
 1.12 maintained in compliance with all state, federal, and local laws, the board may dispose of
 1.13 the property at market value as provided in this section. Before disposing of the property,
 1.14 the board shall give notice by certified mail to the commissioner of veterans affairs of its
 1.15 decision to dispose of the property. The commissioner shall publish the notice in the State
 1.16 Register. Interested governmental agencies have until the end of the next legislative
 1.17 session after the notice to appropriate money to purchase the property.

61.30 (b) Proceeds realized from the disposal of the property and any assets on hand at
 61.31 the time of the disposal of the property, must be placed in an irrevocable trust to be used
 61.32 for the initiation or maintenance of veterans programs in the state of Minnesota. Trustees
 61.33 must be appointed in the same manner as provided for under Minnesota Statutes 2014,
 61.34 section 197.131. The trustees shall consult with the commissioner of veterans affairs to
 61.35 determine the needs of Minnesota veterans and provide the commissioner with an annual
 62.1 written report on the trust. The commissioner must approve all expenditures from the
 62.2 trust. A certified audit of all assets, expenditures, and property must be conducted prior
 62.3 to any disposition of any assets under the control of the board. Any board member who
 62.4 would benefit directly or indirectly financially from the sale of this property must be
 62.5 removed by the board and a successor appointed as provided by Minnesota Statutes 2014,
 62.6 section 197.131. Upon final disposition of all assets to the trust, the board must disband.
 62.7 Should the assets of the trust be exhausted, the trust must be terminated.

62.8 (c) The trustees appointed under paragraph (b) shall have the exclusive authority
 62.9 to remove a trustee of the trust established under paragraph (b). A trustee may be
 62.10 removed at any time without cause upon a majority vote of the trustees with consent
 62.11 of the commissioner of veterans affairs.

62.12 (d) A vacancy in a trusteeship of the trust established under paragraph (b) must
 62.13 be filled for the remainder of the unexpired term in the same manner as the original
 62.14 appointment.

1.18 (b) Proceeds realized from the disposal of the property and any assets on hand at
 1.19 the time of the disposal of the property, must be placed in an irrevocable trust to be used
 1.20 for the initiation or maintenance of veterans programs in the state of Minnesota. Trustees
 1.21 must be appointed in the same manner as provided for under Minnesota Statutes 2014,
 1.22 section 197.131. The trustees shall consult with the commissioner of veterans affairs to
 1.23 determine the needs of Minnesota veterans and provide the commissioner with an annual
 1.24 written report on the trust. The commissioner must approve all expenditures from the
 2.1 trust. A certified audit of all assets, expenditures, and property must be conducted prior
 2.2 to any disposition of any assets under the control of the board. Any board member who
 2.3 would benefit directly or indirectly financially from the sale of this property must be
 2.4 removed by the board and a successor appointed as provided by Minnesota Statutes 2014,
 2.5 section 197.131. Upon final disposition of all assets to the trust, the board must disband.
 2.6 Should the assets of the trust be exhausted, the trust must be terminated.

2.7 (c) The trustees appointed under paragraph (b) shall have the exclusive authority
 2.8 to remove a trustee of the trust established under paragraph (b). A trustee may be
 2.9 removed at any time without cause upon a majority vote of the trustees with consent
 2.10 of the commissioner of veterans affairs.

2.11 (d) A vacancy in a trusteeship of the trust established under paragraph (b) must
 2.12 be filled for the remainder of the unexpired term in the same manner as the original
 2.13 appointment.

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72.9 Sec. 65. Minnesota Statutes 2014, section 197.46, is amended to read:

72.10 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**
 72.11 **OF MANDAMUS.**

72.12 (a) Any person whose rights may be in any way prejudiced contrary to any of the
 72.13 provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong.
 72.14 No person holding a position by appointment or employment in the several counties,
 72.15 cities, towns, school districts and all other political subdivisions in the state, who is a
 72.16 veteran separated from the military service under honorable conditions, shall be removed
 72.17 from such position or employment except for incompetency or misconduct shown after a
 72.18 hearing, upon due notice, upon stated charges, in writing.

72.19 (b) Any veteran who has been notified of the intent to discharge the veteran from an
 72.20 appointed position or employment pursuant to this section shall be notified in writing of
 72.21 such intent to discharge and of the veteran's right to request a hearing within 60 days of
 72.22 receipt of the notice of intent to discharge. The failure of a veteran to request a hearing
 72.23 within the provided 60-day period shall constitute a waiver of the right to a hearing. Such
 72.24 failure shall also waive all other available legal remedies for reinstatement.

72.25 Request for a hearing concerning such a discharge shall be made in writing and
72.26 submitted by mail or personal service to the employment office of the concerned employer
72.27 or other appropriate office or person. If the veteran requests a hearing under this section,
72.28 such written request must also contain the veteran's election to be heard by a civil service
72.29 board or commission, a merit authority, or a three-person panel as defined in paragraph
72.30 (c). If the veteran fails to identify the veteran's election, the governmental subdivision
72.31 may select the hearing body.

72.32 ~~In all governmental subdivisions having an established civil service board or~~
72.33 ~~commission, or merit system authority, such hearing for removal or discharge shall be~~
72.34 ~~held before such civil service board or commission or merit system authority. Where no~~
72.35 ~~such civil service board or commission or merit system authority exists, such hearing~~
73.1 shall be held by (c) Hearings under this section shall be held by a civil service board or
73.2 commission, a merit system authority, or a board of three persons appointed as follows:
73.3 one by the governmental subdivision, one by the veteran, and the third by the two so
73.4 selected. In the event that all governmental subdivisions having an established civil service
73.5 board or commission or merit system authority, the veteran shall elect which body will
73.6 hold the hearing. If the hearing is authorized to be veteran chooses to have the hearing held
73.7 before a three-person board, the governmental subdivision's notice of intent to discharge
73.8 shall state that the veteran must respond within 60 days of receipt of the notice of intent to
73.9 discharge, and provide in writing to the governmental subdivision the name, United States
73.10 mailing address, and telephone number of the veteran's selected representative for the
73.11 three-person board. The failure of a veteran to submit the name, address, and telephone
73.12 number of the veteran's selected representative to the governmental subdivision by mail or
73.13 by personal service within the provided notice's 60-day period, shall constitute a waiver of
73.14 the veteran's right to the hearing and all other legal remedies available for reinstatement of
73.15 the veteran's employment position. In the event the two persons selected by the veteran
73.16 and governmental subdivision do not appoint the third person within ten days after the
73.17 appointment of the last of the two, then the judge of the district court of the county
73.18 wherein the proceeding is pending, or if there be more than one judge in said county then
73.19 any judge in chambers, shall have jurisdiction to appoint, and upon application of either or
73.20 both of the two so selected shall appoint, the third person to the board and the person so
73.21 appointed by the judge with the two first selected shall constitute the board.

73.22 (d) Either the veteran or the governmental subdivision may appeal from the decision
73.23 of the board upon the charges to the district court by causing written notice of appeal,
73.24 stating the grounds thereof, to be served upon the other party within 15 days after notice of
73.25 the decision and by filing the original notice of appeal with proof of service thereof in the
73.26 office of the court administrator of the district court within ten days after service thereof.
73.27 Nothing in section 197.455 or this section shall be construed to apply to the position of
73.28 private secretary, superintendent of schools, or one chief deputy of any elected official
73.29 or head of a department, or to any person holding a strictly confidential relation to the
73.30 appointing officer. ~~Nothing in this section shall be construed to apply to the position of~~
73.31 ~~teacher.~~ The burden of establishing such relationship shall be upon the appointing officer
73.32 in all proceedings and actions relating thereto.

73.33 (e) The governmental subdivision shall bear all administrative costs associated with
73.34 the hearing. If the veteran prevails, the governmental subdivision shall pay the veteran's
73.35 reasonable attorney fees.

74.1 (f) All officers, boards, commissions, and employees shall conform to, comply with,
74.2 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this
74.3 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.
74.4 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

74.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
74.6 and applies to all notices of intent to discharge issued on or after that date.

74.7 Sec. 66. **[197.987] HONOR AND REMEMBER FLAG.**

74.8 Subdivision 1. **Legislative findings.** The legislature of the state of Minnesota finds
74.9 and determines that:

74.10 (1) since the Revolutionary War, more than 1,000,000 members of the United States
74.11 armed forces have paid the ultimate price by sacrificing their lives in active military
74.12 service for the United States of America;

74.13 (2) the contribution made by those fallen members of the armed forces is deserving
74.14 of state and national recognition; and

74.15 (3) the Honor and Remember Flag is an appropriate symbol that acknowledges the
74.16 selfless sacrifice of those members of the United States armed forces.

74.17 Subd. 2. **Designation.** The Honor and Remember Flag created by Honor and
74.18 Remember, Inc., is designated as the symbol of our state's concern and commitment to
74.19 honoring and remembering the lives of all members of the United States armed forces who
74.20 have lost their lives in the line of duty while serving honorably in active military service
74.21 in the United States armed forces or of a service-connected cause due to or aggravated
74.22 by that service, as determined by the United States Department of Defense or the United
74.23 States Department of Veterans Affairs.

74.24 Subd. 3. **Suggested days for flag display.** (a) The chief administrator of each
74.25 governmental building or facility within this state, as defined in paragraph (b), is
74.26 encouraged to display the Honor and Remember Flag on the following days each year:

74.27 (1) Armed Forces Day, the third Saturday in May;

74.28 (2) Flag Day, June 14;

74.29 (3) July 2nd and July 3rd, in remembrance of the 262 soldiers of the 1st Regiment
74.30 Minnesota Volunteer Infantry who, at the Battle of Gettysburg during the American Civil
74.31 War, fought so gallantly and successfully to repulse two major Confederate attacks on the
74.32 main Union line, suffering over 80 percent casualties, thereby turning the battle and the
74.33 war and helping to preserve the Union itself at that pivotal moment in our nation's history;

74.34 (4) July 4th, Independence Day;

74.35 (5) the third Friday of September, National POW/MIA Recognition Day;

75.1 (6) November 11, Veterans Day;

75.2 (7) July 27, Korean War Armistice Day; and

75.3 (8) March 29, Vietnam Veterans Day.

75.4 (b) For purposes of this section, "governmental building or facility within this state"
75.5 means the following locations:

75.6 (1) the Minnesota State Capitol, the Office of the Governor and each other Minnesota
75.7 constitutional office, the chambers of the Minnesota Senate and the Minnesota House of
75.8 Representatives, the Minnesota Supreme Court Building and each Minnesota District
75.9 Court House, as well as any official state of Minnesota veterans memorial, Minnesota
75.10 veterans home, or Minnesota veterans cemetery;

75.11 (2) to the extent authorized by federal law and regulation, any United States veterans
75.12 cemetery, veterans memorial, post office, or other federal building, as well as any United
75.13 States Department of Veterans Affairs medical center, veterans service center, and veterans
75.14 community-based outreach center; and

75.15 (3) any appropriate local government building or facility, as determined by the
75.16 governing body of that local government.

75.17 Subd. 4. **Limitation.** This section may not be construed or interpreted to require
75.18 any employee to report to work solely for the purpose of providing for the display of the
75.19 Honor and Remember Flag or any other flag.

75.20 Subd. 5. **Implementation.** If a governmental building or facility within this state
75.21 opts to display the Honor and Remember Flag, the chief administrator of that facility shall
75.22 prescribe procedures necessary for the display.

75.23 Subd. 6. **Flag donation.** Any named public office or public official may accept a
75.24 donation of one or more Honor and Remember Flags for the purpose of this section.

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

62.15 Sec. 8. Minnesota Statutes 2014, section 198.03, subdivision 2, is amended to read:

62.16 Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of
62.17 calculating the average cost of care for the domiciliary and nursing care residents. The cost
62.18 must be determined yearly based upon the average cost per resident taking into account,
62.19 but not limited to, administrative cost of the homes, the cost of service available to the
62.20 resident, and food and lodging costs. These average costs must be calculated separately for
62.21 domiciliary and nursing care residents. The amount charged each resident for maintenance,
62.22 if anything, must be based on the appropriate average cost of care calculation and the
62.23 assets and income of the resident but must not exceed the appropriate average cost of care.

62.24 (b) Using the authority granted in section 198.003, the commissioner shall set out
62.25 in rules the method of calculating each domiciliary resident's maintenance charge. This
62.26 maintenance charge shall establish a personal needs allowance based on each domiciliary
62.27 resident's monthly income. For the period of July 1, 2015, to June 30, 2016, the personal
62.28 needs allowance shall not be less than \$122 per month. For the period of July 1, 2016,
62.29 to June 30, 2017, the personal needs allowance shall not be less than \$130 per month.
62.30 Thereafter, the minimum personal needs allowance must be adjusted by multiplying
62.31 the allowance by one-half of the percentage change of the Consumer Price Index on
62.32 the first day of each fiscal year.

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

62.34 Sec. 9. Minnesota Statutes 2014, section 198.03, subdivision 3, is amended to read:

63.1 Subd. 3. **Arrearages.** Residents are liable for paying all of their overdue
 63.2 maintenance charges. Overdue maintenance charges incurred after May 1, 1990, may be
 63.3 charged interest according to section 334.01. A resident owing overdue maintenance to
 63.4 the state of Minnesota ~~for charges incurred prior to May 1, 1990~~; may continue to stay in
 63.5 the home if the resident enters into an agreement, including a payment schedule, with the
 63.6 administrator for the payment of the arrearage and abides by the agreement. Residents
 63.7 who do not promptly pay maintenance or who do not abide by their agreements to pay
 63.8 overdue maintenance to the state of Minnesota may be discharged from the home. The
 63.9 payment schedule agreed to between the administrator and the resident must provide for
 63.10 the prompt payment of the overdue maintenance owed by the resident, but it must not
 63.11 reduce the resident's personal needs allowance below ~~that which is provided for in the~~
 63.12 ~~administrative rules of the facility~~ the amount specified in subdivision 2.

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

63.14 Sec. 10. **REPEALER.**

63.15 Minnesota Statutes 2014, sections 197.131; and 197.132, are repealed.

63.16 **ARTICLE 4**

63.17 **PARI-MUTUEL HORSE RACING**

63.18 Section 1. Minnesota Statutes 2014, section 240.01, subdivision 22, is amended to read:

63.19 Subd. 22. **Racing season.** "Racing season" means that portion of the calendar
 63.20 year starting at the beginning of the day of the first live horse race conducted by the
 63.21 licensee and concluding at the end of the day of the last live horse race conducted by
 63.22 the licensee in any year.

63.23 ~~For purposes of this chapter, the racing season begins before the first Saturday in~~

63.24 ~~May and continues for not less than 25 consecutive weeks.~~

63.25 **EFFECTIVE DATE.** This section is effective January 1, 2016.

(H.F. 134)

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2.14 Sec. 2. **REPEALER.**

2.15 Minnesota Statutes 2014, sections 197.131; and 197.132, are repealed.

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76.3 Sec. 68. Minnesota Statutes 2014, section 240.01, subdivision 22, is amended to read:

76.4 Subd. 22. **Racing season.** "Racing season" means that portion of the calendar
 76.5 year starting at the beginning of the day of the first live horse race conducted by the
 76.6 licensee and concluding at the end of the day of the last live horse race conducted by
 76.7 the licensee in any year.

76.8 ~~For purposes of this chapter, the racing season begins before the first Saturday in~~

76.9 ~~May and continues for not less than 25 consecutive weeks.~~

76.10 **EFFECTIVE DATE.** This section is effective January 1, 2016.

63.26 Sec. 2. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 63.27 to read:

63.28 Subd. 28. **Takeout.** "Takeout" means the total amount of money, excluding
63.29 breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

63.30 Sec. 3. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 63.31 to read:

64.1 Subd. 29. **Handle** "Handle" means the aggregate of all pari-mutuel pools, excluding
64.2 refundable wagers or cancellations.

64.3 Sec. 4. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 64.4 to read:

64.5 Subd. 30. **Mixed meet.** "Mixed meet" means a racing day or series of racing days
64.6 on which the racing of more than one breed of horse occurs.

64.7 Sec. 5. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 64.8 to read:

64.9 Subd. 31. **Banked.** "Banked" means any game of chance that is played with the
64.10 house as a participant in the game, where the house takes on all players, collects from all
64.11 losers, and pays all winners, and the house can win.

64.12 Sec. 6. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 64.13 to read:

64.14 Subd. 32. **Steward.** A "steward" means an official described in section 240.16. The
64.15 term steward includes the terms "judge," "chief steward," and "presiding judge," and
64.16 applies to stewards and judges of the commission or a class B licensee, but not to other
64.17 racing officials, such as paddock or placement judges, who are employees or agents of
64.18 a class B licensee.

64.19 Sec. 7. Minnesota Statutes 2014, section 240.011, is amended to read:

64.20 **240.011 APPOINTMENT OF DIRECTOR.**

64.21 The governor shall appoint the director of the Minnesota Racing Commission,
64.22 who serves in the unclassified service at the governor's pleasure. The director must be
64.23 a person qualified by experience in the administration and regulation of pari-mutuel
64.24 racing and training to possess the skills necessary to discharge the duties of the director.
64.25 The governor must select a director from a list of one or more names submitted by the
64.26 Minnesota Racing Commission.

64.27 Sec. 8. Minnesota Statutes 2014, section 240.03, is amended to read:

64.28 **240.03 COMMISSION POWERS AND DUTIES.**

76.11 Sec. 69. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 76.12 to read:

76.13 Subd. 28. **Takeout.** "Takeout" means the total amount of money, excluding
76.14 breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

76.15 Sec. 70. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 76.16 to read:

76.17 Subd. 29. **Handle** "Handle" means the aggregate of all pari-mutuel pools, excluding
76.18 refundable wagers or cancellations.

76.19 Sec. 71. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 76.20 to read:

76.21 Subd. 30. **Mixed meet.** "Mixed meet" means a racing day or series of racing days
76.22 on which the racing of more than one breed of horse occurs.

76.23 Sec. 72. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 76.24 to read:

76.25 Subd. 31. **Banked.** "Banked" means any game of chance that is played with the
76.26 house as a participant in the game, where the house takes on all players, collects from all
76.27 losers, and pays all winners, and the house can win.

76.28 Sec. 73. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision 76.29 to read:

77.1 Subd. 32. **Steward.** A "steward" means an official described in section 240.16. The
77.2 term steward includes the terms "judge," "chief steward," and "presiding judge," and
77.3 applies to stewards and judges of the commission or a class B licensee, but not to other
77.4 racing officials, such as paddock or placement judges, who are employees or agents of
77.5 a class B licensee.

77.6 Sec. 74. Minnesota Statutes 2014, section 240.011, is amended to read:

77.7 **240.011 APPOINTMENT OF DIRECTOR.**

77.8 The governor shall appoint the director of the Minnesota Racing Commission,
77.9 who serves in the unclassified service at the governor's pleasure. The director must be
77.10 a person qualified by experience in the administration and regulation of pari-mutuel
77.11 racing and training to possess the skills necessary to discharge the duties of the director.
77.12 The governor must select a director from a list of one or more names submitted by the
77.13 Minnesota Racing Commission.

77.14 Sec. 75. Minnesota Statutes 2014, section 240.03, is amended to read:

77.15 **240.03 COMMISSION POWERS AND DUTIES.**

64.29 The commission has the following powers and duties:

64.30 (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public
64.31 interest;

65.1 (2) to issue licenses as provided in this chapter;

65.2 (3) to enforce all laws and rules governing horse racing;

65.3 (4) to collect and distribute all taxes provided for in this chapter;

65.4 (5) to conduct necessary investigations and inquiries and to issue subpoenas to

65.5 compel the attendance of witnesses and the submission of information, documents, ~~and~~
65.6 records, and other evidence it deems necessary to carry out its duties;

65.7 (6) to supervise the conduct of pari-mutuel betting on horse racing;

65.8 (7) to employ and supervise personnel under this chapter;

65.9 (8) to determine the number of racing days to be held in the state and at each
65.10 licensed racetrack;

65.11 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and

65.12 (10) to impose fees on the racing and card playing industries sufficient to recover the
65.13 operating costs of the commission with the approval of the legislature according to section
65.14 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the
65.15 commissioner of management and budget may grant interim approval for any new fees
65.16 or adjustments to existing fees that are not statutorily specified, until such time as the
65.17 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial
65.18 budget request, the commission must propose changes to its fees that will be sufficient to
65.19 recover the operating costs of the commission.

65.20 Sec. 9. Minnesota Statutes 2014, section 240.08, subdivision 2, is amended to read:

65.21 Subd. 2. **Application.** (a) An application for a class C license must be on a form
65.22 the commission prescribes and must be accompanied by an affidavit of qualification
65.23 that the applicant:

65.24 ~~(a)~~ (1) is not in default in the payment of an obligation or debt to the state under
65.25 Laws 1983, chapter 214;

65.26 ~~(b)~~ (2) does not have a felony conviction of record in a state or federal court and
65.27 does not have a state or federal felony charge pending;

65.28 ~~(c)~~ (3) is not and never has been connected with or engaged in an illegal business;

65.29 ~~(d)~~ (4) has never been found guilty of fraud or misrepresentation in connection
65.30 with racing or breeding;

77.16 The commission has the following powers and duties:

77.17 (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public
77.18 interest;

77.19 (2) to issue licenses as provided in this chapter;

77.20 (3) to enforce all laws and rules governing horse racing;

77.21 (4) to collect and distribute all taxes provided for in this chapter;

77.22 (5) to conduct necessary investigations and inquiries and to issue subpoenas to

77.23 compel the attendance of witnesses and the submission of information, documents, ~~and~~
77.24 records, and other evidence it deems necessary to carry out its duties;

77.25 (6) to supervise the conduct of pari-mutuel betting on horse racing;

77.26 (7) to employ and supervise personnel under this chapter;

77.27 (8) to determine the number of racing days to be held in the state and at each
77.28 licensed racetrack;

77.29 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and

77.30 (10) to impose fees on the racing and card playing industries sufficient to recover the
77.31 operating costs of the commission with the approval of the legislature according to section
77.32 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the
77.33 commissioner of management and budget may grant interim approval for any new fees
77.34 or adjustments to existing fees that are not statutorily specified, until such time as the
78.1 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial
78.2 budget request, the commission must propose changes to its fees that will be sufficient to
78.3 recover the operating costs of the commission.

78.4 Sec. 76. Minnesota Statutes 2014, section 240.08, subdivision 2, is amended to read:

78.5 Subd. 2. **Application.** (a) An application for a class C license must be on a form
78.6 the commission prescribes and must be accompanied by an affidavit of qualification
78.7 that the applicant:

78.8 ~~(a)~~ (1) is not in default in the payment of an obligation or debt to the state under
78.9 Laws 1983, chapter 214;

78.10 ~~(b)~~ (2) does not have a felony conviction of record in a state or federal court and
78.11 does not have a state or federal felony charge pending;

78.12 ~~(c)~~ (3) is not and never has been connected with or engaged in an illegal business;

78.13 ~~(d)~~ (4) has never been found guilty of fraud or misrepresentation in connection
78.14 with racing or breeding;

65.31 ~~(e)~~ (5) has never been found guilty of a violation of law or rule relating to horse
 65.32 racing, pari-mutuel betting or any other form of gambling which is a serious violation
 65.33 as defined by the commission's rules; and

66.1 ~~(f)~~ (6) has never been found to have knowingly violated ~~a rule or an~~ order of the
 66.2 commission or a law or rule of Minnesota or another jurisdiction relating to horse racing,
 66.3 pari-mutuel betting, or any other form of gambling.

66.4 (b) The application must also contain an irrevocable consent statement, to be signed
 66.5 by the applicant, which states that suits and actions relating to the subject matter of the
 66.6 application or acts or omissions arising from it may be commenced against the applicant in
 66.7 any court of competent jurisdiction in this state by the service on the secretary of state of
 66.8 any summons, process, or pleading authorized by the laws of this state. If any summons,
 66.9 process, or pleading is served upon the secretary of state, it must be by duplicate copies.
 66.10 One copy must be retained in the Office of the Secretary of State and the other copy must
 66.11 be forwarded immediately by certified mail to the address of the applicant, as shown by
 66.12 the records of the commission.

66.13 Sec. 10. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

66.14 Subd. 4. **License issuance and renewal.** If the commission determines that
 66.15 the applicant is qualified for the occupation for which licensing is sought and will
 66.16 not adversely affect the public health, welfare, and safety or the integrity of racing in
 66.17 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding
 66.18 for a renewal of a class C license it may renew the license. Class C licenses are effective
 66.19 for a minimum of one year for all class C licenses, and up to three years for certain
 66.20 classifications of class C licenses to be determined by the commission.

66.21 **EFFECTIVE DATE.** This section is effective July 1, 2015.

66.22 Sec. 11. Minnesota Statutes 2014, section 240.08, subdivision 5, is amended to read:

66.23 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C
 66.24 license for a violation of law or rule which in the commission's opinion adversely affects
 66.25 the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an
 66.26 intentional false statement made in a license application.

66.27 The commission may suspend a class C license for up to one year for a violation of
 66.28 law, order or rule.

66.29 The commission may delegate to its designated agents the authority to impose
 66.30 suspensions of class C licenses, and the revocation or suspension of a class C license may
 66.31 be appealed to the commission according to its rules.

78.15 ~~(e)~~ (5) has never been found guilty of a violation of law or rule relating to horse
 78.16 racing, pari-mutuel betting or any other form of gambling which is a serious violation
 78.17 as defined by the commission's rules; and

78.18 ~~(f)~~ (6) has never been found to have knowingly violated ~~a rule or an~~ order of the
 78.19 commission or a law or rule of Minnesota or another jurisdiction relating to horse racing,
 78.20 pari-mutuel betting, or any other form of gambling.

78.21 (b) The application must also contain an irrevocable consent statement, to be signed
 78.22 by the applicant, which states that suits and actions relating to the subject matter of the
 78.23 application or acts or omissions arising from it may be commenced against the applicant in
 78.24 any court of competent jurisdiction in this state by the service on the secretary of state of
 78.25 any summons, process, or pleading authorized by the laws of this state. If any summons,
 78.26 process, or pleading is served upon the secretary of state, it must be by duplicate copies.
 78.27 One copy must be retained in the Office of the Secretary of State and the other copy must
 78.28 be forwarded immediately by certified mail to the address of the applicant, as shown by
 78.29 the records of the commission.

78.30 Sec. 77. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

78.31 Subd. 4. **License issuance and renewal.** If the commission determines that
 78.32 the applicant is qualified for the occupation for which licensing is sought and will
 78.33 not adversely affect the public health, welfare, and safety or the integrity of racing in
 78.34 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding for
 79.1 a renewal of a class C license it may renew the license. Class C licenses are effective for
 79.2 one year until December 31 of the calendar year for which they are issued. Certain types
 79.3 of class C licenses, to be determined by the commission, are effective until December 31
 79.4 of the third calendar year for which they have been issued.

79.5 **EFFECTIVE DATE.** This section is effective July 1, 2015.

79.6 Sec. 78. Minnesota Statutes 2014, section 240.08, subdivision 5, is amended to read:

79.7 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C
 79.8 license for a violation of law or rule which in the commission's opinion adversely affects
 79.9 the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an
 79.10 intentional false statement made in a license application.

79.11 The commission may suspend a class C license for up to one year for a violation of
 79.12 law, order or rule.

79.13 The commission may delegate to its designated agents the authority to impose
 79.14 suspensions of class C licenses, and the revocation or suspension of a class C license may
 79.15 be appealed to the commission according to its rules.

66.32 (b) A license revocation or suspension for more than 90 days is a contested case
 66.33 under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to
 66.34 criminal penalties imposed for a violation of law or rule. The commission may summarily
 67.1 suspend a license for more than 90 days prior to a contested case hearing where it is
 67.2 necessary to ensure the integrity of racing or to protect the public health, welfare, or safety.
 67.3 A contested case hearing must be held within ~~20~~ 30 days of the summary suspension and
 67.4 the administrative law judge's report must be issued within ~~20~~ 30 days from the close of
 67.5 the hearing record. In all cases involving summary suspension the commission must issue
 67.6 its final decision within 30 days from receipt of the report of the administrative law judge
 67.7 and subsequent exceptions and argument under section 14.61.

67.8 Sec. 12. Minnesota Statutes 2014, section 240.10, is amended to read:

67.9 **240.10 LICENSE FEES.**

67.10 The fee for a class A license is \$253,000 per year and must be remitted on July 1.
 67.11 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day
 67.12 on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are~~
 67.13 ~~all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is
 67.14 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on
 67.15 class D licenses must be paid to the commission at a time and in a manner as provided by
 67.16 rule of the commission.

67.17 The commission shall by rule establish an annual license fee for each occupation it
 67.18 licenses under section 240.08 ~~but no annual fee for a class C license may exceed \$100.~~

67.19 **EFFECTIVE DATE.** This section is effective July 1, 2015.

67.20 Sec. 13. Minnesota Statutes 2014, section 240.13, subdivision 5, is amended to read:

67.21 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a
 67.22 licensee, an amount equal to not less than the following percentages of all money in all
 67.23 pools must be set aside by the licensee and used for purses for races conducted by the
 67.24 licensee, provided that a licensee may agree by contract with an organization representing
 67.25 a majority of the horsepersons racing the breed involved to set aside amounts in addition
 67.26 to the following percentages, if the contract is in writing and filed with the commission:

67.27 (1) for live races conducted at a class A facility, ~~and for races that are part of full~~
 67.28 ~~racing card simulcasting that takes place within the time period of the live races;~~ 8.4
 67.29 percent of handle;

67.30 (2) for simulcasts conducted during the racing season other than as provided for in
 67.31 ~~clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel~~
 67.32 ~~pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for~~
 67.33 ~~receipt of the signal; and~~

79.16 (b) A license revocation or suspension for more than 90 days is a contested case
 79.17 under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to
 79.18 criminal penalties imposed for a violation of law or rule. The commission may summarily
 79.19 suspend a license for more than 90 days prior to a contested case hearing where it is
 79.20 necessary to ensure the integrity of racing or to protect the public health, welfare, or safety.
 79.21 A contested case hearing must be held within ~~20~~ 30 days of the summary suspension and
 79.22 the administrative law judge's report must be issued within ~~20~~ 30 days from the close of
 79.23 the hearing record. In all cases involving summary suspension the commission must issue
 79.24 its final decision within 30 days from receipt of the report of the administrative law judge
 79.25 and subsequent exceptions and argument under section 14.61.

79.26 Sec. 79. Minnesota Statutes 2014, section 240.10, is amended to read:

79.27 **240.10 LICENSE FEES.**

79.28 The fee for a class A license is \$253,000 per year and must be remitted on July 1.
 79.29 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day
 79.30 on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are~~
 79.31 ~~all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is
 79.32 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on
 80.1 class D licenses must be paid to the commission at a time and in a manner as provided by
 80.2 rule of the commission.

80.3 The commission shall by rule establish an annual license fee for each occupation it
 80.4 licenses under section 240.08 ~~but no annual fee for a class C license may exceed \$100.~~

80.5 **EFFECTIVE DATE.** This section is effective July 1, 2015.

80.6 Sec. 80. Minnesota Statutes 2014, section 240.13, subdivision 5, is amended to read:

80.7 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a
 80.8 licensee, an amount equal to not less than the following percentages of all money in all
 80.9 pools must be set aside by the licensee and used for purses for races conducted by the
 80.10 licensee, provided that a licensee may agree by contract with an organization representing
 80.11 a majority of the horsepersons racing the breed involved to set aside amounts in addition
 80.12 to the following percentages, if the contract is in writing and filed with the commission:

80.13 (1) for live races conducted at a class A facility, ~~and for races that are part of full~~
 80.14 ~~racing card simulcasting that takes place within the time period of the live races;~~ 8.4
 80.15 percent of handle;

80.16 (2) for simulcasts conducted during the racing season other than as provided for in
 80.17 ~~clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel~~
 80.18 ~~pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for~~
 80.19 ~~receipt of the signal; and~~

68.1 ~~(3) (2) for simulcasts conducted outside of the racing season, 25 any day a class A~~
 68.2 ~~facility is licensed, not less than 37 percent of the takeout remaining after deduction for the~~
 68.3 ~~state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state~~
 68.4 ~~racetrack for receipt of the signal and, before January 1, 2005, a further deduction of~~
 68.5 ~~eight percent of all money in all pools. In the event that wagering on simulcasts outside~~
 68.6 ~~of the racing season exceeds \$125 million in any calendar year, the amount set aside for~~
 68.7 ~~purses by this formula is increased to 30 percent on amounts between \$125,000,000 and~~
 68.8 ~~\$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000~~
 68.9 ~~wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of~~
 68.10 ~~the eight percent deduction, A deduction as agreed to between the licensee and the~~
 68.11 ~~horsepersons' organization representing the majority of horsepersons racing at the licensee's~~
 68.12 ~~class A facility during the preceding 12 months, is allowed after December 31, 2004.~~

68.13 The commission may by rule provide for the administration and enforcement of
 68.14 this subdivision. The deductions for payment to the sending out-of-state racetrack must
 68.15 be actual, except that when there exists any overlap of ownership, control, or interest
 68.16 between the sending out-of-state racetrack and the receiving licensee, the deduction
 68.17 must not be greater than three percent unless agreed to between the licensee and the
 68.18 horsepersons' organization representing the majority of horsepersons racing the breed
 68.19 racing the majority of races during the existing racing meeting or, if outside of the racing
 68.20 season, during the most recent racing meeting.

68.21 ~~In lieu of the amount the licensee must pay to the commission for deposit in the~~
 68.22 ~~Minnesota breeders fund under section 240.15, subdivision 1, The licensee shall pay to the~~
 68.23 ~~commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from~~
 68.24 ~~all pari-mutuel pools generated by wagering at the licensee's facility on full-racing-card~~
 68.25 ~~simulcasts of races not conducted in this state.~~

68.26 (b) From the money set aside for purses, the licensee shall pay to the horseperson's
 68.27 organization representing the majority of the horsepersons racing the breed involved
 68.28 and contracting with the licensee with respect to purses and the conduct of the racing
 68.29 meetings and providing representation to its members, an amount as may be determined
 68.30 by agreement by the licensee and the horsepersons' organization sufficient to provide
 68.31 benevolent programs, benefits, and services for horsepersons and their on-track employees;
 68.32 an amount, sufficient to perform these services, as may be determined by agreement by
 68.33 the licensee and the horseperson's organization. The amount paid may be deducted only
 68.34 from the money set aside for purses to be paid in races for the breed represented by the
 68.35 horseperson's organization. With respect to racing meetings where more than one breed
 69.1 is racing, the licensee may contract independently with the horseperson's organization
 69.2 representing each breed racing.

69.3 (c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization
 69.4 representing the majority of the horsepersons racing a breed at a meeting, and the members
 69.5 thereof, may agree to withhold horses during a meeting.

80.20 ~~(3) (2) for simulcasts conducted outside of the racing season, 25 any day a class A~~
 80.21 ~~facility is licensed, not less than 37 percent of the takeout remaining after deduction for the~~
 80.22 ~~state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state~~
 80.23 ~~racetrack for receipt of the signal and, before January 1, 2005, a further deduction of~~
 80.24 ~~eight percent of all money in all pools. In the event that wagering on simulcasts outside~~
 80.25 ~~of the racing season exceeds \$125 million in any calendar year, the amount set aside for~~
 80.26 ~~purses by this formula is increased to 30 percent on amounts between \$125,000,000 and~~
 80.27 ~~\$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000~~
 80.28 ~~wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of~~
 80.29 ~~the eight percent deduction, A deduction as agreed to between the licensee and the~~
 80.30 ~~horsepersons' organization representing the majority of horsepersons racing at the licensee's~~
 80.31 ~~class A facility during the preceding 12 months, is allowed after December 31, 2004.~~

80.32 The commission may by rule provide for the administration and enforcement of
 80.33 this subdivision. The deductions for payment to the sending out-of-state racetrack must
 80.34 be actual, except that when there exists any overlap of ownership, control, or interest
 80.35 between the sending out-of-state racetrack and the receiving licensee, the deduction
 81.1 must not be greater than three percent unless agreed to between the licensee and the
 81.2 horsepersons' organization representing the majority of horsepersons racing the breed
 81.3 racing the majority of races during the existing racing meeting or, if outside of the racing
 81.4 season, during the most recent racing meeting.

81.5 ~~In lieu of the amount the licensee must pay to the commission for deposit in the~~
 81.6 ~~Minnesota breeders fund under section 240.15, subdivision 1, The licensee shall pay to the~~
 81.7 ~~commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from~~
 81.8 ~~all pari-mutuel pools generated by wagering at the licensee's facility on full-racing-card~~
 81.9 ~~simulcasts of races not conducted in this state.~~

81.10 (b) From the money set aside for purses, the licensee shall pay to the horseperson's
 81.11 organization representing the majority of the horsepersons racing the breed involved
 81.12 and contracting with the licensee with respect to purses and the conduct of the racing
 81.13 meetings and providing representation to its members, an amount as may be determined
 81.14 by agreement by the licensee and the horsepersons' organization sufficient to provide
 81.15 benevolent programs, benefits, and services for horsepersons and their on-track employees;
 81.16 an amount, sufficient to perform these services, as may be determined by agreement by
 81.17 the licensee and the horseperson's organization. The amount paid may be deducted only
 81.18 from the money set aside for purses to be paid in races for the breed represented by the
 81.19 horseperson's organization. With respect to racing meetings where more than one breed
 81.20 is racing, the licensee may contract independently with the horseperson's organization
 81.21 representing each breed racing.

81.22 (c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization
 81.23 representing the majority of the horsepersons racing a breed at a meeting, and the members
 81.24 thereof, may agree to withhold horses during a meeting.

69.6 ~~(d)~~ Money set aside for purses from wagering, during the racing season, on
 69.7 simulcasts must be used for purses for live races conducted at the licensee's class A facility
 69.8 during the same racing season, over and above the 8.4 percent purse requirement or any
 69.9 higher requirement to which the parties agree, for races conducted in this state. Money
 69.10 set aside for purses from wagering, outside of the racing season, on simulcasts must be
 69.11 for purses for live races conducted at the licensee's class A facility during the next racing
 69.12 season, over and above the 8.4 percent purse requirement or any higher requirement to
 69.13 which the parties agree, for races conducted in this state.

69.14 ~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for
 69.15 purses for live races involving the same breed involved in the simulcast except that money
 69.16 set aside for purses and payments to the breeders fund from wagering on ~~full racing card~~
 69.17 simulcasts of races not conducted in this state, occurring during a live mixed meet, must
 69.18 be allotted to the purses and breeders fund for each breed participating in the mixed meet
 69.19 as agreed upon by the breed organizations participating in the live mixed meet. The
 69.20 agreement shall be in writing and filed with the commission prior to the first day of the live
 69.21 mixed meet. In the absence of a written agreement filed with the commission, the money
 69.22 set aside for purses and payments to the breeders fund from wagering on simulcasts,
 69.23 occurring during a live mixed meet, shall be allotted to each breed participating in the live
 69.24 mixed meet in the same proportion that the number of live races run by each breed bears
 69.25 to the total number of live races conducted during the period of the mixed meet.

69.26 ~~(f)~~ (e) The allocation of money set aside for purses to particular racing meets may be
 69.27 adjusted, relative to overpayments and underpayments, by contract between the licensee
 69.28 and the horsepersons' organization representing the majority of horsepersons racing the
 69.29 breed involved at the licensee's facility.

69.30 ~~(g)~~ (f) Subject to the provisions of this chapter, money set aside from pari-mutuel
 69.31 pools for purses must be for the breed involved in the race that generated the pool, except
 69.32 that if the breed involved in the race generating the pari-mutuel pool is not racing in the
 69.33 current racing meeting, or has not raced within the preceding 12 months at the licensee's
 69.34 class A facility, money set aside for purses may be distributed proportionately to those
 69.35 breeds that have run during the preceding 12 months or paid to the commission and
 70.1 used for purses or to promote racing for the breed involved in the race generating the
 70.2 pari-mutuel pool, or both, in a manner prescribed by the commission.

70.3 ~~(h)~~ (g) This subdivision does not apply to a class D licensee.

70.4 EFFECTIVE DATE. This section is effective January 1, 2016.

70.5 Sec. 14. Minnesota Statutes 2014, section 240.13, subdivision 6, is amended to read:

81.25 ~~(d)~~ Money set aside for purses from wagering, during the racing season, on
 81.26 simulcasts must be used for purses for live races conducted at the licensee's class A facility
 81.27 during the same racing season, over and above the 8.4 percent purse requirement or any
 81.28 higher requirement to which the parties agree, for races conducted in this state. Money
 81.29 set aside for purses from wagering, outside of the racing season, on simulcasts must be
 81.30 for purses for live races conducted at the licensee's class A facility during the next racing
 81.31 season, over and above the 8.4 percent purse requirement or any higher requirement to
 81.32 which the parties agree, for races conducted in this state.

81.33 ~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for
 81.34 purses for live races involving the same breed involved in the simulcast except that money
 81.35 set aside for purses and payments to the breeders fund from wagering on ~~full racing card~~
 81.36 simulcasts of races not conducted in this state, occurring during a live mixed meet, must
 82.1 be allotted to the purses and breeders fund for each breed participating in the mixed meet
 82.2 as agreed upon by the breed organizations participating in the live mixed meet. The
 82.3 agreement shall be in writing and filed with the commission prior to the first day of the live
 82.4 mixed meet. In the absence of a written agreement filed with the commission, the money
 82.5 set aside for purses and payments to the breeders fund from wagering on simulcasts,
 82.6 occurring during a live mixed meet, shall be allotted to each breed participating in the live
 82.7 mixed meet in the same proportion that the number of live races run by each breed bears
 82.8 to the total number of live races conducted during the period of the mixed meet.

82.9 ~~(f)~~ (e) The allocation of money set aside for purses to particular racing meets may be
 82.10 adjusted, relative to overpayments and underpayments, by contract between the licensee
 82.11 and the horsepersons' organization representing the majority of horsepersons racing the
 82.12 breed involved at the licensee's facility.

82.13 ~~(g)~~ (f) Subject to the provisions of this chapter, money set aside from pari-mutuel
 82.14 pools for purses must be for the breed involved in the race that generated the pool, except
 82.15 that if the breed involved in the race generating the pari-mutuel pool is not racing in the
 82.16 current racing meeting, or has not raced within the preceding 12 months at the licensee's
 82.17 class A facility, money set aside for purses may be distributed proportionately to those
 82.18 breeds that have run during the preceding 12 months or paid to the commission and
 82.19 used for purses or to promote racing for the breed involved in the race generating the
 82.20 pari-mutuel pool, or both, in a manner prescribed by the commission.

82.21 ~~(h)~~ (g) This subdivision does not apply to a class D licensee.

82.22 EFFECTIVE DATE. This section is effective January 1, 2016.

82.23 Sec. 81. Minnesota Statutes 2014, section 240.13, subdivision 6, is amended to read:

70.6 Subd. 6. **Simulcasting.** (a) The commission may permit an authorized licensee to
 70.7 conduct simulcasting at the licensee's facility on any day authorized by the commission.
 70.8 All simulcasts must comply with the Interstate Horse Racing Act of 1978, United States
 70.9 Code, title 15, sections 3001 to 3007.

70.10 (b) The commission may not authorize any day for simulcasting at a class A facility
 70.11 during the racing season, and a licensee may not be allowed to transmit out-of-state
 70.12 telecasts of races the licensee conducts, unless the licensee has obtained the approval of
 70.13 the horsepersons' organization representing the majority of the horsepersons racing the
 70.14 breed involved at the licensed racetrack during the preceding 12 months. In the case of
 70.15 a class A facility licensed under section 240.06, subdivision 5a, the approval applicable
 70.16 to the first year of the racetrack's operation may be obtained from the horsepersons'
 70.17 organization that represents the majority of horsepersons who will race the breed involved
 70.18 at the licensed racetrack during the first year of the racetrack's operation.

70.19 (c) The licensee may pay fees and costs to an entity transmitting a telecast of a
 70.20 race to the licensee for purposes of conducting pari-mutuel wagering on the race. The
 70.21 licensee may deduct fees and costs related to the receipt of televised transmissions from a
 70.22 pari-mutuel pool on the televised race, provided that one-half of any amount recouped in
 70.23 this manner must be added to the amounts required to be set aside for purses.

70.24 (d) With the approval of the commission and subject to the provisions of this
 70.25 subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes,
 70.26 to locations outside the state, and the commission may allow this to be done on a
 70.27 commingled pool basis.

70.28 (e) Except as otherwise provided in this section, simulcasting may be conducted on a
 70.29 ~~separate commingled~~ pool basis or, with the approval of the commission, on a ~~commingled~~
 70.30 separate pool basis. All provisions of law governing pari-mutuel betting apply to
 70.31 simulcasting except as otherwise provided in this subdivision or in the commission's
 70.32 rules. If pools are commingled, wagering at the licensed facility must be on equipment
 70.33 electronically linked with the equipment at the licensee's class A facility or with the
 70.34 sending racetrack via the totalizator computer at the licensee's class A facility. Subject to
 70.35 the approval of the commission, the types of betting, takeout, and distribution of winnings
 71.1 on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage
 71.2 for pari-mutuel pools on a televised race must be calculated in accordance with the law or
 71.3 rules governing the sending racetrack for these pools, and must be distributed in a manner
 71.4 agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7
 71.5 and section 240.15, subdivision 5, the commission may approve procedures governing the
 71.6 definition and disposition of unclaimed tickets that are consistent with the law and rules
 71.7 governing unclaimed tickets at the sending racetrack. For the purposes of this section,
 71.8 "sending racetrack" is either the racetrack outside of this state where the horse race is
 71.9 conducted or, with the consent of the racetrack, an alternative facility that serves as the
 71.10 racetrack for the purpose of commingling pools.

82.24 Subd. 6. **Simulcasting.** (a) The commission may permit an authorized licensee to
 82.25 conduct simulcasting at the licensee's facility on any day authorized by the commission.
 82.26 All simulcasts must comply with the Interstate Horse Racing Act of 1978, United States
 82.27 Code, title 15, sections 3001 to 3007.

82.28 (b) The commission may not authorize any day for simulcasting at a class A facility
 82.29 during the racing season, and a licensee may not be allowed to transmit out-of-state
 82.30 telecasts of races the licensee conducts, unless the licensee has obtained the approval of
 82.31 the horsepersons' organization representing the majority of the horsepersons racing the
 82.32 breed involved at the licensed racetrack during the preceding 12 months. In the case of
 82.33 a class A facility licensed under section 240.06, subdivision 5a, the approval applicable
 82.34 to the first year of the racetrack's operation may be obtained from the horsepersons'
 83.1 organization that represents the majority of horsepersons who will race the breed involved
 83.2 at the licensed racetrack during the first year of the racetrack's operation.

83.3 (c) The licensee may pay fees and costs to an entity transmitting a telecast of a
 83.4 race to the licensee for purposes of conducting pari-mutuel wagering on the race. The
 83.5 licensee may deduct fees and costs related to the receipt of televised transmissions from a
 83.6 pari-mutuel pool on the televised race, provided that one-half of any amount recouped in
 83.7 this manner must be added to the amounts required to be set aside for purses.

83.8 (d) With the approval of the commission and subject to the provisions of this
 83.9 subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes,
 83.10 to locations outside the state, and the commission may allow this to be done on a
 83.11 commingled pool basis.

83.12 (e) Except as otherwise provided in this section, simulcasting may be conducted on a
 83.13 ~~separate commingled~~ pool basis or, with the approval of the commission, on a ~~commingled~~
 83.14 separate pool basis. All provisions of law governing pari-mutuel betting apply to
 83.15 simulcasting except as otherwise provided in this subdivision or in the commission's
 83.16 rules. If pools are commingled, wagering at the licensed facility must be on equipment
 83.17 electronically linked with the equipment at the licensee's class A facility or with the
 83.18 sending racetrack via the totalizator computer at the licensee's class A facility. Subject to
 83.19 the approval of the commission, the types of betting, takeout, and distribution of winnings
 83.20 on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage
 83.21 for pari-mutuel pools on a televised race must be calculated in accordance with the law or
 83.22 rules governing the sending racetrack for these pools, and must be distributed in a manner
 83.23 agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7
 83.24 and section 240.15, subdivision 5, the commission may approve procedures governing the
 83.25 definition and disposition of unclaimed tickets that are consistent with the law and rules
 83.26 governing unclaimed tickets at the sending racetrack. For the purposes of this section,
 83.27 "sending racetrack" is either the racetrack outside of this state where the horse race is
 83.28 conducted or, with the consent of the racetrack, an alternative facility that serves as the
 83.29 racetrack for the purpose of commingling pools.

71.11 (f) Except as otherwise provided in section 240.06, subdivision 5b, paragraph (2),
 71.12 if there is more than one class B licensee conducting racing within the seven-county
 71.13 metropolitan area, simulcasting may be conducted only on races run by a breed that ran at
 71.14 the licensee's class A facility within the 12 months preceding the event.

71.15 Sec. 15. Minnesota Statutes 2014, section 240.135, is amended to read:
 71.16 **240.135 CARD CLUB REVENUE.**

71.17 (a) From the amounts received from charges authorized under section 240.30,
 71.18 subdivision 4, the licensee shall set aside the amounts specified in this section to be
 71.19 used for purse payments. These amounts are in addition to the breeders fund and purse
 71.20 requirements set forth elsewhere in this chapter.

71.21 (1) For amounts between zero and \$6,000,000, the licensee shall set aside not less
 71.22 than ten percent to be used as purses.

71.23 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than
 71.24 14 percent to be used as purses.

71.25 (b) From all amounts set aside under paragraph (a), the licensee shall set aside
 71.26 ten percent to be deposited in the breeders fund. ~~The licensee and the horseperson's~~
 71.27 ~~organization representing the majority of horsepersons who have raced at the racetrack~~
 71.28 ~~during the preceding 12 months may negotiate percentages different from those stated in~~
 71.29 ~~this section if the agreement is in writing and filed with the Racing Commission.~~

71.30 (c) It is the intent of the legislature that the proceeds of the card playing activities
 71.31 authorized by this chapter be used to improve the horse racing industry by improving purses.
 71.32 The licensee and the horseperson's organization representing the majority of horsepersons
 71.33 who have raced at the racetrack during the preceding 12 months may negotiate percentages
 71.34 that exceed those stated in this section if the agreement is in writing and filed with the
 71.35 commission. The commission shall annually review the financial details of card playing
 72.1 activities and determine if the present use of card playing proceeds is consistent with the
 72.2 policy established by this paragraph. If the commission determines that the use of the
 72.3 proceeds does not comply with the policy set forth herein, then the commission shall direct
 72.4 the parties to make the changes necessary to ensure compliance. If these changes require
 72.5 legislation, the commission shall make the appropriate recommendations to the legislature.

72.6 Sec. 16. Minnesota Statutes 2014, section 240.15, subdivision 1, is amended to read:

72.7 Subdivision 1. **Taxes imposed.** (a) There is imposed a tax at the rate of six percent
 72.8 of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by
 72.9 the licensee, including breakage and amounts withheld under section 240.13, subdivision
 72.10 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of
 72.11 the next year.

83.30 (f) Except as otherwise provided in section 240.06, subdivision 5b, paragraph (2),
 83.31 if there is more than one class B licensee conducting racing within the seven-county
 83.32 metropolitan area, simulcasting may be conducted only on races run by a breed that ran at
 83.33 the licensee's class A facility within the 12 months preceding the event.

83.34 Sec. 82. Minnesota Statutes 2014, section 240.135, is amended to read:
 83.35 **240.135 CARD CLUB REVENUE.**

84.1 (a) From the amounts received from charges authorized under section 240.30,
 84.2 subdivision 4, the licensee shall set aside the amounts specified in this section to be
 84.3 used for purse payments. These amounts are in addition to the breeders fund and purse
 84.4 requirements set forth elsewhere in this chapter.

84.5 (1) For amounts between zero and \$6,000,000, the licensee shall set aside not less
 84.6 than ten percent to be used as purses.

84.7 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than
 84.8 14 percent to be used as purses.

84.9 (b) From all amounts set aside under paragraph (a), the licensee shall set aside
 84.10 ten percent to be deposited in the breeders fund. ~~The licensee and the horseperson's~~
 84.11 ~~organization representing the majority of horsepersons who have raced at the racetrack~~
 84.12 ~~during the preceding 12 months may negotiate percentages different from those stated in~~
 84.13 ~~this section if the agreement is in writing and filed with the Racing Commission.~~

84.14 (c) It is the intent of the legislature that the proceeds of the card playing activities
 84.15 authorized by this chapter be used to improve the horse racing industry by improving purses.
 84.16 The licensee and the horseperson's organization representing the majority of horsepersons
 84.17 who have raced at the racetrack during the preceding 12 months may negotiate percentages
 84.18 that exceed those stated in this section if the agreement is in writing and filed with the
 84.19 commission. The commission shall annually review the financial details of card playing
 84.20 activities and determine if the present use of card playing proceeds is consistent with the
 84.21 policy established by this paragraph. If the commission determines that the use of the
 84.22 proceeds does not comply with the policy set forth herein, then the commission shall direct
 84.23 the parties to make the changes necessary to ensure compliance. If these changes require
 84.24 legislation, the commission shall make the appropriate recommendations to the legislature.

84.25 Sec. 83. Minnesota Statutes 2014, section 240.15, subdivision 1, is amended to read:

84.26 Subdivision 1. **Taxes imposed.** (a) There is imposed a tax at the rate of six percent
 84.27 of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by
 84.28 the licensee, including breakage and amounts withheld under section 240.13, subdivision
 84.29 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of
 84.30 the next year.

72.12 In addition to the above tax, the licensee must designate and pay to the commission
 72.13 a tax of one percent of the ~~total amount bet on each racing day~~ handle for live races
 72.14 conducted at a class A facility, for deposit in the Minnesota breeders fund.

72.15 The taxes imposed by this clause must be paid from the amounts permitted to be
 72.16 withheld by a licensee under section 240.13, subdivision 4.

72.17 (b) The commission may impose an admissions tax of not more than ten cents on
 72.18 each paid admission at a licensed racetrack on a racing day if:

72.19 (1) the tax is requested by a local unit of government within whose borders the
 72.20 track is located;

72.21 (2) a public hearing is held on the request; and

72.22 (3) the commission finds that the local unit of government requesting the tax is in
 72.23 need of its revenue to meet extraordinary expenses caused by the racetrack.

72.24 Sec. 17. Minnesota Statutes 2014, section 240.15, subdivision 6, is amended to read:

72.25 Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all
 72.26 money received under this section, and all money received from license fees and fines it
 72.27 collects, according to this subdivision. All money designated for deposit in the Minnesota
 72.28 breeders fund must be paid into that fund for distribution under section 240.18 except that
 72.29 all money generated by ~~full-racing-card~~ simulcasts must be distributed as provided in
 72.30 section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue
 72.31 from an admissions tax imposed under subdivision 1 must be paid to the local unit of
 72.32 government at whose request it was imposed, at times and in a manner the commission
 72.33 determines. Taxes received under this section and fines collected under section 240.22
 72.34 must be paid to the commissioner of management and budget for deposit in the general
 73.1 fund. All revenues from licenses and other fees imposed by the commission must be
 73.2 deposited in the state treasury and credited to a racing and card playing regulation account
 73.3 in the special revenue fund. Receipts in this account are available for the operations of the
 73.4 commission up to the amount authorized in biennial appropriations from the legislature.

73.5 Sec. 18. Minnesota Statutes 2014, section 240.16, subdivision 1, is amended to read:

73.6 Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must
 73.7 be presided over by a board of three stewards, who must be appointees of the commission or
 73.8 persons approved by it. The commission shall designate one steward as chair. At least two
 73.9 stewards for all races either shall be employees of the commission who shall serve in the
 73.10 unclassified service, or shall be under contract with the commission to serve as stewards.
 73.11 The commission may delegate the following duties and powers to a board of stewards:

73.12 (a) to ensure that races are run in accordance with the commission's rules;

73.13 (b) to supervise the conduct of racing to ensure the integrity of the sport;

84.31 In addition to the above tax, the licensee must designate and pay to the commission
 84.32 a tax of one percent of the ~~total amount bet on each racing day~~ handle for live races
 84.33 conducted at a class A facility, for deposit in the Minnesota breeders fund.

84.34 The taxes imposed by this clause must be paid from the amounts permitted to be
 84.35 withheld by a licensee under section 240.13, subdivision 4.

85.1 (b) The commission may impose an admissions tax of not more than ten cents on
 85.2 each paid admission at a licensed racetrack on a racing day if:

85.3 (1) the tax is requested by a local unit of government within whose borders the
 85.4 track is located;

85.5 (2) a public hearing is held on the request; and

85.6 (3) the commission finds that the local unit of government requesting the tax is in
 85.7 need of its revenue to meet extraordinary expenses caused by the racetrack.

85.8 Sec. 84. Minnesota Statutes 2014, section 240.15, subdivision 6, is amended to read:

85.9 Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all
 85.10 money received under this section, and all money received from license fees and fines it
 85.11 collects, according to this subdivision. All money designated for deposit in the Minnesota
 85.12 breeders fund must be paid into that fund for distribution under section 240.18 except that
 85.13 all money generated by ~~full-racing-card~~ simulcasts must be distributed as provided in
 85.14 section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue
 85.15 from an admissions tax imposed under subdivision 1 must be paid to the local unit of
 85.16 government at whose request it was imposed, at times and in a manner the commission
 85.17 determines. Taxes received under this section and fines collected under section 240.22
 85.18 must be paid to the commissioner of management and budget for deposit in the general
 85.19 fund. All revenues from licenses and other fees imposed by the commission must be
 85.20 deposited in the state treasury and credited to a racing and card playing regulation account
 85.21 in the special revenue fund. Receipts in this account are available for the operations of the
 85.22 commission up to the amount authorized in biennial appropriations from the legislature.

85.23 Sec. 85. Minnesota Statutes 2014, section 240.16, subdivision 1, is amended to read:

85.24 Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must
 85.25 be presided over by a board of three stewards, who must be appointees of the commission or
 85.26 persons approved by it. The commission shall designate one steward as chair. At least two
 85.27 stewards for all races either shall be employees of the commission who shall serve in the
 85.28 unclassified service, or shall be under contract with the commission to serve as stewards.
 85.29 The commission may delegate the following duties and powers to a board of stewards:

85.30 (a) to ensure that races are run in accordance with the commission's rules;

85.31 (b) to supervise the conduct of racing to ensure the integrity of the sport;

73.14 (c) to settle disputes arising from the running of horse races, and to certify official
73.15 results;

73.16 (d) to impose on licensees, for violation of law or commission rules, fines not
73.17 exceeding ~~\$2,000~~ \$5,000 and license suspensions not exceeding 90 days;

73.18 (e) to recommend to the commission where warranted penalties in excess of those
73.19 in clause (d);

73.20 (f) to otherwise enforce the laws and rules of racing; and

73.21 (g) to perform other duties and have other powers assigned by the commission.

73.22 Sec. 19. Minnesota Statutes 2014, section 240.22, is amended to read:
73.23 **240.22 FINES.**

73.24 (a) The commission shall by rule establish a graduated schedule of civil fines for
73.25 violations of laws related to horse racing or of the commission's rules. The schedule
73.26 must include minimum and maximum fines for each violation and be based on and
73.27 reflect the culpability, frequency and severity of the violator's actions. The commission
73.28 may impose a fine from this schedule on a licensee for a violation of those rules or laws
73.29 relating to horse racing. The fine is in addition to any criminal penalty imposed for the
73.30 same violation. Fines imposed by the commission must be paid to the commission and
73.31 except as provided in paragraph (b), forwarded to the commissioner of management and
73.32 budget for deposit in the general fund. A fine in excess of ~~\$2,000~~ \$5,000 is a contested
73.33 case under the Administrative Procedure Act.

74.1 (b) If the commission is the prevailing party in a contested case proceeding, the
74.2 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
74.3 attorney fees and costs associated with the contested case.

74.4 **EFFECTIVE DATE.** This section is effective July 1, 2016.

74.5 Sec. 20. Minnesota Statutes 2014, section 240.23, is amended to read:
74.6 **240.23 RULEMAKING AUTHORITY.**

74.7 The commission has the authority, in addition to all other rulemaking authority
74.8 granted elsewhere in this chapter to promulgate rules governing:

74.9 (a) the conduct of horse races held at licensed racetracks in Minnesota, including but
74.10 not limited to the rules of racing, standards of entry, operation of claiming races, filing and
74.11 handling of objections, carrying of weights, and declaration of official results;

74.12 (b) ~~wire wired and wireless~~ communications between the premises of a licensed
74.13 racetrack and any place outside the premises;

74.14 (c) information on horse races which is sold on the premises of a licensed racetrack;

85.32 (c) to settle disputes arising from the running of horse races, and to certify official
85.33 results;

86.1 (d) to impose on licensees, for violation of law or commission rules, fines not
86.2 exceeding ~~\$2,000~~ \$5,000 and license suspensions not exceeding 90 days;

86.3 (e) to recommend to the commission where warranted penalties in excess of those
86.4 in clause (d);

86.5 (f) to otherwise enforce the laws and rules of racing; and

86.6 (g) to perform other duties and have other powers assigned by the commission.

86.7 Sec. 86. Minnesota Statutes 2014, section 240.22, is amended to read:
86.8 **240.22 FINES.**

86.9 (a) The commission shall by rule establish a graduated schedule of civil fines for
86.10 violations of laws related to horse racing or of the commission's rules. The schedule
86.11 must include minimum and maximum fines for each violation and be based on and
86.12 reflect the culpability, frequency and severity of the violator's actions. The commission
86.13 may impose a fine from this schedule on a licensee for a violation of those rules or laws
86.14 relating to horse racing. The fine is in addition to any criminal penalty imposed for the
86.15 same violation. Fines imposed by the commission must be paid to the commission and
86.16 except as provided in paragraph (b), forwarded to the commissioner of management and
86.17 budget for deposit in the general fund. A fine in excess of ~~\$2,000~~ \$5,000 is a contested
86.18 case under the Administrative Procedure Act.

86.19 (b) If the commission is the prevailing party in a contested case proceeding, the
86.20 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
86.21 attorney fees and costs associated with the contested case.

86.22 **EFFECTIVE DATE.** This section is effective July 1, 2016.

86.23 Sec. 87. Minnesota Statutes 2014, section 240.23, is amended to read:
86.24 **240.23 RULEMAKING AUTHORITY.**

86.25 The commission has the authority, in addition to all other rulemaking authority
86.26 granted elsewhere in this chapter to promulgate rules governing:

86.27 (a) the conduct of horse races held at licensed racetracks in Minnesota, including but
86.28 not limited to the rules of racing, standards of entry, operation of claiming races, filing and
86.29 handling of objections, carrying of weights, and declaration of official results;

86.30 (b) ~~wire wired and wireless~~ communications between the premises of a licensed
86.31 racetrack and any place outside the premises;

86.32 (c) information on horse races which is sold on the premises of a licensed racetrack;

74.15 (d) liability insurance which it may require of all class A, class B, and class D
74.16 licensees;

74.17 (e) the auditing of the books and records of a licensee by an auditor employed
74.18 or appointed by the commission;

74.19 (f) emergency action plans maintained by licensed racetracks and their periodic
74.20 review;

74.21 (g) safety, security, and sanitation of stabling facilities at licensed racetracks;

74.22 (h) entry fees and other funds received by a licensee in the course of conducting
74.23 racing which the commission determines must be placed in escrow accounts;

74.24 (i) affirmative action in employment and contracting by class A, class B, and class D
74.25 licensees; ~~and~~

74.26 (j) procedures for the sampling and testing of any horse that is eligible to race in
74.27 Minnesota for substances or practices that are prohibited by law or rule; and

74.28 ~~(j)~~ (k) any other aspect of horse racing or pari-mutuel betting which in its opinion
74.29 affects the integrity of racing or the public health, welfare, or safety.

74.30 Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

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

74.32 Sec. 21. Minnesota Statutes 2014, section 364.09, is amended to read:

74.33 **364.09 EXCEPTIONS.**

75.1 (a) This chapter does not apply to the licensing process for peace officers; to law
75.2 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire
75.3 protection agencies; to eligibility for a private detective or protective agent license; to the
75.4 licensing and background study process under chapters 245A and 245C; to the licensing
75.5 and background investigation process under chapter 240; to eligibility for school bus
75.6 driver endorsements; to eligibility for special transportation service endorsements; to
75.7 eligibility for a commercial driver training instructor license, which is governed by section
75.8 171.35 and rules adopted under that section; to emergency medical services personnel, or
75.9 to the licensing by political subdivisions of taxicab drivers, if the applicant for the license
75.10 has been discharged from sentence for a conviction within the ten years immediately
75.11 preceding application of a violation of any of the following:

75.12 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or
75.13 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

75.14 (2) any provision of chapter 152 that is punishable by a maximum sentence of
75.15 15 years or more; or

87.1 (d) liability insurance which it may require of all class A, class B, and class D
87.2 licensees;

87.3 (e) the auditing of the books and records of a licensee by an auditor employed
87.4 or appointed by the commission;

87.5 (f) emergency action plans maintained by licensed racetracks and their periodic
87.6 review;

87.7 (g) safety, security, and sanitation of stabling facilities at licensed racetracks;

87.8 (h) entry fees and other funds received by a licensee in the course of conducting
87.9 racing which the commission determines must be placed in escrow accounts;

87.10 (i) affirmative action in employment and contracting by class A, class B, and class D
87.11 licensees; ~~and~~

87.12 (j) procedures for the sampling and testing of any horse that is eligible to race in
87.13 Minnesota for substances or practices that are prohibited by law or rule; and

87.14 ~~(j)~~ (k) any other aspect of horse racing or pari-mutuel betting which in its opinion
87.15 affects the integrity of racing or the public health, welfare, or safety.

87.16 Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

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

99.9 Sec. 106. Minnesota Statutes 2014, section 364.09, is amended to read:

99.10 **364.09 EXCEPTIONS.**

99.11 (a) This chapter does not apply to the licensing process for peace officers; to law
99.12 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire
99.13 protection agencies; to eligibility for a private detective or protective agent license; to the
99.14 licensing and background study process under chapters 245A and 245C; to the licensing
99.15 and background investigation process under chapter 240; to eligibility for school bus
99.16 driver endorsements; to eligibility for special transportation service endorsements; to
99.17 eligibility for a commercial driver training instructor license, which is governed by section
99.18 171.35 and rules adopted under that section; to emergency medical services personnel, or
99.19 to the licensing by political subdivisions of taxicab drivers, if the applicant for the license
99.20 has been discharged from sentence for a conviction within the ten years immediately
99.21 preceding application of a violation of any of the following:

99.22 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or
99.23 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

99.24 (2) any provision of chapter 152 that is punishable by a maximum sentence of
99.25 15 years or more; or

75.16 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving
75.17 the scene of an accident, or reckless or careless driving.

75.18 This chapter also shall not apply to eligibility for juvenile corrections employment, where
75.19 the offense involved child physical or sexual abuse or criminal sexual conduct.

75.20 (b) This chapter does not apply to a school district or to eligibility for a license
75.21 issued or renewed by the Board of Teaching or the commissioner of education.

75.22 (c) Nothing in this section precludes the Minnesota Police and Peace Officers
75.23 Training Board or the state fire marshal from recommending policies set forth in this
75.24 chapter to the attorney general for adoption in the attorney general's discretion to apply to
75.25 law enforcement or fire protection agencies.

75.26 (d) This chapter does not apply to a license to practice medicine that has been denied
75.27 or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

75.28 (e) This chapter does not apply to any person who has been denied a license to
75.29 practice chiropractic or whose license to practice chiropractic has been revoked by the
75.30 board in accordance with section 148.10, subdivision 7.

75.31 (f) This chapter does not apply to any license, registration, or permit that has
75.32 been denied or revoked by the Board of Nursing in accordance with section 148.261,
75.33 subdivision 1a.

75.34 (g) This chapter does not supersede a requirement under law to conduct a criminal
75.35 history background investigation or consider criminal history records in hiring for
75.36 particular types of employment.

76.1 Sec. 22. **REVISOR'S INSTRUCTION.**

76.2 (a) The revisor of statutes shall renumber the subdivisions in Minnesota Statutes,
76.3 section 240.01, to put the definitions contained in that section in alphabetical order.

76.4 (b) The revisor of statutes shall correct any cross-references in Minnesota Statutes
76.5 and Minnesota Rules as a result of the renumbering in paragraph (a).

76.6 Sec. 23. **REPEALER.**

76.7 Minnesota Statutes 2014, section 240.01, subdivisions 12 and 23, are repealed.

99.26 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving
99.27 the scene of an accident, or reckless or careless driving.

99.28 This chapter also shall not apply to eligibility for juvenile corrections employment, where
99.29 the offense involved child physical or sexual abuse or criminal sexual conduct.

99.30 (b) This chapter does not apply to a school district or to eligibility for a license
99.31 issued or renewed by the Board of Teaching or the commissioner of education.

99.32 (c) Nothing in this section precludes the Minnesota Police and Peace Officers
99.33 Training Board or the state fire marshal from recommending policies set forth in this
99.34 chapter to the attorney general for adoption in the attorney general's discretion to apply to
99.35 law enforcement or fire protection agencies.

100.1 (d) This chapter does not apply to a license to practice medicine that has been denied
100.2 or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

100.3 (e) This chapter does not apply to any person who has been denied a license to
100.4 practice chiropractic or whose license to practice chiropractic has been revoked by the
100.5 board in accordance with section 148.10, subdivision 7.

100.6 (f) This chapter does not apply to any license, registration, or permit that has
100.7 been denied or revoked by the Board of Nursing in accordance with section 148.261,
100.8 subdivision 1a.

100.9 (g) This chapter does not supersede a requirement under law to conduct a criminal
100.10 history background investigation or consider criminal history records in hiring for
100.11 particular types of employment.

REVISOR'S INSTRUCTION

110.16 (a) The revisor of statutes shall renumber the subdivisions in Minnesota Statutes,
110.17 section 240.01, to put the definitions contained in that section in alphabetical order.

110.18 (b) The revisor of statutes shall correct any cross-references in Minnesota Statutes
110.19 and Minnesota Rules as a result of the renumbering in paragraph (a).

REPEALER

111.11 (c) Minnesota Statutes 2014, section 240.01, subdivisions 12 and 23, are repealed.