

4.1 (5) \$812,000 is to provide training on
4.2 harassment, misconduct, and discrimination
4.3 policy, as provided by Minnesota Statutes,
4.4 section 43A.385, subdivision 6.

4.5 No later than February 15, 2019, the
4.6 commissioner of management and budget must
4.7 submit a report to the chairs and ranking
4.8 minority members of the legislative
4.9 committees with jurisdiction over state
4.10 government finance on the reduced human
4.11 resources workload and other cost savings
4.12 realized by individual agencies due to the
4.13 consolidation of these activities in a single
4.14 office.

4.15 The base for this appropriation is \$3,429,000
4.16 in fiscal year 2020 and thereafter.

4.17 (b) The department's fiscal year 2019
4.18 appropriation includes a reduction of \$50,000
4.19 resulting from the transfer of the
4.20 Pew-MacArthur Results First framework
4.21 responsibilities to the legislature. The
4.22 department's base for fiscal years 2020 and
4.23 2021 is reduced by \$122,000 each year to
4.24 reflect this transfer.

4.25 (c) No later than December 31, 2018, the
4.26 commissioner must credit at least \$500,000
4.27 to the general fund based on savings realized
4.28 through implementation of the employee
4.29 gainsharing program required by Minnesota
4.30 Statutes, section 16A.90. If a credit of at least
4.31 this amount has not been made to the general
4.32 fund as of that date, the appropriation provided
4.33 in this subdivision for fiscal year 2019 is
4.34 reduced in an amount equal to the difference
4.35 between the amount actually credited to the

5.1 general fund and the total credit required by
5.2 this paragraph.

5.3 Sec. 8. REVENUE \$ \$ (3,880,000)

5.4 (a) These amounts include a general reduction
5.5 to agency operations, subject to the
5.6 requirements of section 14, of \$3,895,000.

5.7 (b) \$15,000 is from the general fund for
5.8 preparing and submitting a supplemental 2018
5.9 tax incidence report meeting the requirements
5.10 of Minnesota Statutes, section 270C.13,
5.11 subdivision 1, as amended by this act. The
5.12 supplemental report must be completed and
5.13 submitted no later than January 2, 2019.

5.14 Sec. 9. HUMAN RIGHTS \$ \$ (1,409,000)

5.15 These amounts may not be used to reduce the
5.16 operations or services of the department's
5.17 regional office in St. Cloud.

5.18 Sec. 10. MINNESOTA HISTORICAL
5.19 SOCIETY \$ \$ 1,000,000

5.20 These amounts are from the general fund, for
5.21 digital preservation and access, including
5.22 planning and implementation of a program to
5.23 preserve and make available resources related
5.24 to Minnesota history. This is a onetime
5.25 appropriation.

5.26 Sec. 11. MINNESOTA HUMANITIES CENTER \$ \$ 600,000

5.27 (a) \$100,000 is from the general fund for the
5.28 Healthy Eating, Here at Home program under
5.29 Minnesota Statutes, section 138.912. This is
5.30 a onetime appropriation. No more than three
5.31 percent of the appropriation may be used for
5.32 the nonprofit administration of this program.

6.1 (b) \$250,000 is from the general fund for a
 6.2 grant to Everybody Wins!-Minnesota, a
 6.3 Minnesota 501(c)(3) corporation, to operate
 6.4 a reading program for Minnesota children.
 6.5 This is a onetime appropriation.

6.6 (c) \$250,000 is from the general fund for a
 6.7 grant to the Minnesota Council on Economic
 6.8 Education to provide staff development to
 6.9 teachers for the implementation of the state
 6.10 graduation standards in learning areas relating
 6.11 to economic education. This is a onetime
 6.12 appropriation and does not cancel, but is
 6.13 available until expended. The commissioner
 6.14 of education, in consultation with the council,
 6.15 shall develop expected results of staff
 6.16 development, eligibility criteria for
 6.17 participants, an evaluation procedure, and
 6.18 guidelines for direct and in-kind contributions
 6.19 by the council.

6.20 **Sec. 12. BOARD OF COSMETOLOGIST**
 6.21 **EXAMINERS** \$ \$ (518,000)

6.22 This is a general reduction to board operations,
 6.23 subject to the requirements of section 14.

6.24 **Sec. 13. VETERANS AFFAIRS** \$ \$ 26,000,000

6.25 (a) \$26,000,000 in fiscal year 2019 is from the
 6.26 amounts transferred to the general fund from
 6.27 the stadium reserve account under section 16,
 6.28 for the following:

6.29 (1) \$10,000,000 is to design, construct,
 6.30 furnish, and equip a veterans home in Preston;

6.31 (2) \$6,000,000 is to design, construct, furnish,
 6.32 and equip a veterans home in Montevideo;
 6.33 and

7.1 (3) \$10,000,000 is to design, construct,
7.2 furnish, and equip a veterans home in Bemidji.

7.3 (b) These veterans homes are subject to the
7.4 requirements of The People's Veterans Home
7.5 Act, as provided in Article 2. This is a onetime
7.6 appropriation, and is available until June 30,
7.7 2021. The appropriations are not available
7.8 until the commissioner of management and
7.9 budget, in consultation with the commissioner
7.10 of veterans affairs, determines that amounts
7.11 sufficient to complete the projects are
7.12 committed from nonstate sources.

7.13 **Sec. 14. REDUCED APPROPRIATIONS; PRESERVATION OF PROGRAMS AND**
7.14 **SERVICES.**

7.15 To the extent that appropriations provided by this article reflect reductions in amounts
7.16 appropriated under Laws 2017, First Special Session chapter 4, and the purpose for the
7.17 reduction is not otherwise specified, the affected constitutional office, agency, or board
7.18 must allocate the reduction across all program activities, prioritizing reductions to central
7.19 administration and general operations. Unless otherwise specified, reductions must not be
7.20 made to programs or services that are provided directly to members of the public.

7.21 **Sec. 15. EXECUTIVE AGENCY APPROPRIATIONS; MNLARS TARGETED**
7.22 **REDUCTIONS.**

7.23 (a) By October 31, 2018, the commissioner of management and budget must, with the
7.24 approval of the governor and after consulting the Legislative Advisory Commission, reduce
7.25 general fund appropriations for executive agency operating expenditures by \$9,650,000 for
7.26 the biennium ending June 30, 2019. This is a onetime reduction. In making reductions, the
7.27 commissioner must prioritize reductions to any increased central operating or administrative
7.28 expenses within an agency that resulted from the enactment of operating adjustments for
7.29 that agency for the biennium ending June 30, 2019, compared to appropriations enacted for
7.30 the agency for the biennium ending June 30, 2017. The commissioner must not reduce
7.31 appropriations for client-facing health care, corrections, public safety, mental health
7.32 programs, or other services that are provided directly to members of the public.

8.1 (b) By June 30, 2018, the commissioner of management and budget must transfer
 8.2 \$7,500,000 from the general fund to the driver services operating account in the special
 8.3 revenue fund, and \$2,150,000 to the vehicle services operating account in the special revenue
 8.4 fund.

8.5 (c) For purposes of this subdivision, "executive agency" has the meaning given in
 8.6 Minnesota Statutes, section 16A.011, subdivision 12, and includes constitutional officers.

8.7 Sec. 16. MINNESOTA SPORTS FACILITIES AUTHORITY; STADIUM RESERVE
 8.8 TRANSFER.

8.9 \$30,817,000 must be transferred to the unrestricted general fund from the general reserve
 8.10 account established by the commissioner of management and budget under Minnesota
 8.11 Statutes, section 297E.021, no later than June 30, 2019. This is a onetime transfer.

8.12 Sec. 17. MN.IT PRIORITIZATION OF CYBERSECURITY.

8.13 The state chief information officer must prioritize the enhancement of cybersecurity
 8.14 across state government when expending any appropriations or fund transfers provided to
 8.15 the Office of MN.IT Services, including but not limited to those provided by Laws 2017,
 8.16 First Special Session chapter 4, article 1, section 10, and amounts credited to the Information
 8.17 and Telecommunications Technology Systems and Services account established under
 8.18 Minnesota Statutes, section 16E.21.

8.19 ARTICLE 2

8.20 STATE GOVERNMENT OPERATIONS

8.21 Section 1. Minnesota Statutes 2016, section 1.26, subdivision 1, is amended to read:

8.22 Subdivision 1. ~~Political subdivision defined~~ Definitions. As used in this section:

8.23 (1) "political subdivision" includes counties, home rule charter and statutory cities,
 8.24 towns, townships, school districts, authorities, and other public corporations and entities
 8.25 whether organized and existing under charter or general law; and

8.26 (2) "declared emergency" has the meaning provided in section 12.03, subdivision 1e.

8.27 Sec. 2. Minnesota Statutes 2016, section 1.26, subdivision 2, is amended to read:

8.28 Subd. 2. **State government.** When, due to ~~an emergency resulting from the effects of~~
 8.29 ~~enemy attack, or the anticipated effects of a threatened enemy attack~~ a declared emergency,
 8.30 it becomes imprudent, inexpedient or impossible to conduct the affairs of state government

9.1 in the city of St. Paul, Ramsey County, Minnesota, the governor shall, as often as the
9.2 exigencies of the situation require, by proclamation, declare an emergency temporary
9.3 location, or locations, for the seat of government at a place, or places, in or out of the state
9.4 as the governor deems advisable under the circumstances, and shall take action and issue
9.5 orders as necessary for an orderly transition of the affairs of state government to the
9.6 emergency temporary location, or locations. To the extent practical, the governor's orders
9.7 must be consistent with the state comprehensive emergency operations plan required by
9.8 section 12.21, subdivision 3. The emergency temporary location, or locations, shall remain
9.9 the seat of government until the legislature by law establishes a new location, or locations,
9.10 or until the emergency is declared to be ended by the governor and the seat of government
9.11 is returned to its normal location.

9.12 Sec. 3. Minnesota Statutes 2016, section 1.26, subdivision 4, is amended to read:

9.13 Subd. 4. **Local governments.** When, due to ~~an emergency resulting from the effects of~~
9.14 ~~enemy attack, or the anticipated effects of a threatened enemy attack~~ a declared emergency,
9.15 it becomes imprudent, inexpedient or impossible to conduct the affairs of local government
9.16 at their regular or usual place or places, the governing body of each political subdivision of
9.17 this state may meet at any place in or out of the territorial limits of the political subdivision
9.18 on the call of the presiding officer or any two members of the governing body, and shall
9.19 designate by ordinance, resolution or other manner, alternate or substitute places as the
9.20 emergency temporary location, or locations, of government where all, or any part, of the
9.21 public business may be conducted during the emergency situation. The places may be in or
9.22 out of the territorial limits of the political subdivision and the state.

9.23 Sec. 4. **[2.92] DISTRICTING PRINCIPLES.**

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

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

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

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

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

10.5 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,
10.6 beginning with house district 1A in the northwest corner of the state and proceeding across
10.7 the state from west to east, north to south, but bypassing the 11-county metropolitan area
10.8 until the southeast corner has been reached; then to the 11-county metropolitan area. In a
10.9 county that includes more than one whole senate district, the districts must be numbered
10.10 consecutively.

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

10.13 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting
10.14 strength is contrary to the laws of the United States and the state of Minnesota. These
10.15 principles must not be construed to supersede any provision of the Voting Rights Act of
10.16 1965, as amended.

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

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

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

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

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

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

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

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

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

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

11.16 Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the
 11.17 principles contained in subdivisions 2 to 8, a redistricting plan must give priority to those
 11.18 principles in the order in which they are listed, except to the extent that doing so would
 11.19 violate federal or state law.

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

11.22 Sec. 5. Minnesota Statutes 2016, section 3.303, is amended by adding a subdivision to
 11.23 read:

11.24 Subd. 12. **Emergency operations and continuity of the legislative branch.** The
 11.25 commission must adopt and regularly review an emergency operations and continuity of
 11.26 government plan for the legislative branch, as required by section 12.401.

11.27 Sec. 6. Minnesota Statutes 2016, section 3.8841, subdivision 9, is amended to read:

11.28 Subd. 9. **Powers; duties; Metropolitan Council appointments oversight.** The
 11.29 commission must monitor appointments to the Metropolitan Council and may make
 11.30 recommendations on appointments to the nominating committee under section 473.123,
 11.31 subdivision 3, or to the governor before the governor makes the appointments. The

12.1 commission may also make recommendations to the senate before appointments are presented
12.2 to the senate for its advice and consent.

12.3 Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended
12.4 to read:

12.5 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established
12.6 ~~under control of the Legislative Coordinating Commission~~ to provide the house of
12.7 representatives and senate with nonpartisan, accurate, and timely information on the fiscal
12.8 impact of proposed legislation, without regard to political factors.

12.9 **EFFECTIVE DATE.** This section is effective July 1, 2018.

12.10 Sec. 8. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended
12.11 to read:

12.12 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established
12.13 under control of the Legislative Coordinating Commission to provide the house of
12.14 representatives and senate with nonpartisan, accurate, and timely information on the fiscal
12.15 impact of proposed legislation, and to evaluate the effectiveness of state and county programs
12.16 authorized by the legislature using the return on taxpayer investment methodology established
12.17 by the Pew-MacArthur Results First framework. The duties of the office must be conducted
12.18 without regard to political factors.

12.19 **EFFECTIVE DATE.** This section is effective January 8, 2019.

12.20 Sec. 9. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
12.21 subdivision to read:

12.22 Subd. 1a. **Oversight commission.** (a) The Legislative Budget Office Oversight
12.23 Commission is established. The commission consists of:

12.24 (1) two members of the senate appointed by the Subcommittee on Committees of the
12.25 Committee on Rules and Administration;

12.26 (2) two members of the senate appointed by the senate minority leader;

12.27 (3) two members of the house of representatives appointed by the speaker of the house;
12.28 and

12.29 (4) two members of the house of representatives appointed by the minority leader.

13.1 The director of the Legislative Budget Office is the executive secretary of the commission.
13.2 The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan
13.3 fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio,
13.4 nonvoting members of the commission.

13.5 (b) Members serve at the pleasure of the appointing authority, or until they are not
13.6 members of the legislative body from which they were appointed. Appointing authorities
13.7 shall fill vacancies on the commission within 30 days of a vacancy being created.

13.8 (c) The commission shall meet in January of each odd-numbered year to elect its chair
13.9 and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall
13.10 alternate biennially between the senate and the house of representatives. The commission
13.11 shall meet at the call of the chair. The members shall serve without compensation but may
13.12 be reimbursed for their reasonable expenses consistent with the rules of the legislature
13.13 governing expense reimbursement.

13.14 (d) The commission shall review the work of the Legislative Budget Office and make
13.15 recommendations, as the commission determines necessary, to improve the office's ability
13.16 to fulfill its duties, and shall perform other functions as directed by this section.

13.17 **EFFECTIVE DATE; FIRST MEETING.** This section is effective the day following
13.18 final enactment. Appointments to the oversight commission must be made no later than
13.19 June 15, 2018. The chair of the Legislative Coordinating Commission must designate one
13.20 appointee to convene the commission's first meeting. The designated appointee must convene
13.21 the first meeting no later than July 1, 2018.

13.22 Sec. 10. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended
13.23 to read:

13.24 Subd. 2. **Staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget Office
13.25 Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The
13.26 director may hire staff necessary to do the work of the office. The director serves in the
13.27 unclassified service for a term of six years and may not be removed during a term except
13.28 for cause after a public hearing. The director of the office is a public official for purposes
13.29 of sections 10A.07 to 10A.09.

13.30 **EFFECTIVE DATE.** This section is effective July 1, 2018.

14.1 Sec. 11. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
14.2 subdivision to read:

14.3 Subd. 3. **Standards and guidelines.** The Legislative Budget Office must adopt uniform
14.4 standards, guidelines, and procedures governing the timely preparation of fiscal notes as
14.5 required by this section and section 3.98. The standards, guidelines, and procedures are not
14.6 effective until they are approved by the oversight commission. Upon approval, the standards
14.7 and guidelines must be published in the State Register and on the office's Web site.

14.8 **EFFECTIVE DATE.** This section is effective January 8, 2019, provided that the uniform
14.9 procedures to be used may be developed and adopted by the oversight commission prior to
14.10 the effective date of this section.

14.11 Sec. 12. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
14.12 subdivision to read:

14.13 Subd. 4. **Access to data.** (a) Upon request of the director of the Legislative Budget
14.14 Office, the head or chief administrative officer of each department or agency of state
14.15 government, including the Supreme Court, must promptly supply any data that, in the
14.16 director's judgment, is relevant to legislation that is the subject of a fiscal note prepared by
14.17 the department or agency.

14.18 (b) To the extent that data supplied to the Legislative Budget Office are classified as not
14.19 public under chapter 13 or other applicable law, the Legislative Budget Office must maintain
14.20 and administer the data in the same manner as required of a government entity subject to
14.21 that classification. Not public data supplied under this subdivision may only be used by the
14.22 Legislative Budget Office to review a department or agency's work in preparing a fiscal
14.23 note and may not be used or disseminated for any other purpose, including use by or
14.24 dissemination to a legislator or to any officer, department, agency, or committee within the
14.25 legislative branch. A violation of this paragraph by the director or other staff of the
14.26 Legislative Budget Office is subject to the penalties and remedies provided in sections 13.08
14.27 and 13.09, and any other applicable law governing the unauthorized use or acquisition of
14.28 not public data.

14.29 (c) Upon approval by the Legislative Budget Office, a completed fiscal note must be
14.30 delivered to the legislative committee chair who made the request, and to the chief author
14.31 of the legislation to which it relates. Within 24 hours of approval, a completed fiscal note
14.32 must be posted on the office's public Web site, unless data maintained by a government
14.33 entity related to the fiscal note are classified as not public under section 13.64, subdivision
14.34 3.

15.1 **EFFECTIVE DATE.** This section is effective January 8, 2019.

15.2 Sec. 13. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to
15.3 read:

15.4 Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each
15.5 department or agency of the state government, including the Supreme Court, shall ~~cooperate,~~
15.6 in consultation with the Legislative Budget Office ~~and the Legislative Budget Office must~~
15.7 and consistent with the standards, guidelines, and procedures adopted under section 3.8853,
15.8 prepare a fiscal note at the request of the chair of the standing committee to which a bill
15.9 has been referred, or the chair of the house of representatives Ways and Means Committee,
15.10 or the chair of the senate Committee on Finance.

15.11 ~~(b) Upon request of the Legislative Budget Office, the head or chief administrative~~
15.12 ~~officer of each department or agency of state government, including the Supreme Court,~~
15.13 ~~must promptly supply all information necessary for the Legislative Budget Office to prepare~~
15.14 ~~an accurate and timely fiscal note.~~

15.15 ~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing~~
15.16 ~~of responses to requests for information and governing access to data, consistent with laws~~
15.17 ~~governing access to data. Agencies must comply with these standards and guidelines and~~
15.18 ~~the Legislative Budget Office must publish them on the office's Web site.~~

15.19 ~~(d)~~ (b) For purposes of this subdivision, "Supreme Court" includes all agencies,
15.20 committees, and commissions supervised or appointed by the state Supreme Court or the
15.21 state court administrator.

15.22 **EFFECTIVE DATE.** This section is effective January 8, 2019.

15.23 Sec. 14. **[4.074] PAYMENTS FROM EXECUTIVE AGENCIES.**

15.24 The Office of the Governor may not receive payments to the governor's office account
15.25 in the special revenue fund of more than \$750,000, in total, each fiscal year from other
15.26 executive agencies under section 15.53 to support costs, not including the residence
15.27 groundskeeper, incurred by the office.

15.28 Sec. 15. **[5.42] DISPLAY OF BUSINESS ADDRESS ON WEB SITE.**

15.29 (a) A business entity may request in writing that all addresses submitted by the business
15.30 entity to the secretary of state be omitted from display on the secretary of state's Web site.

16.1 A business entity may only request that all addresses be omitted from display if the entity
16.2 certifies that:

16.3 (1) there is only one shareholder, member, manager, or owner of the business entity;

16.4 (2) the shareholder, manager, member, or owner is a natural person; and

16.5 (3) at least one of the addresses provided is the residential address of the sole shareholder,
16.6 manager, member, or owner.

16.7 The secretary of state shall post a notice that this option is available and a link to the form
16.8 needed to make a request on the secretary's Web site. The secretary of state shall also attach
16.9 a copy of the request form to all business filing forms provided in a paper format that require
16.10 a business entity to submit an address.

16.11 (b) This section does not change the classification of data under chapter 13 and addresses
16.12 shall be made available to the public in response to requests made by telephone, mail,
16.13 electronic mail, and facsimile transmission.

16.14 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to business
16.15 entity filings filed with the secretary of state on or after that date.

16.16 Sec. 16. Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3, is amended
16.17 to read:

16.18 Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the
16.19 standards and be in a form meeting recognized industry auditing standards. The state auditor
16.20 may require additional information from the CPA firm if the state auditor determines that
16.21 is in the public interest, but the state auditor must accept the audit unless the state auditor
16.22 determines the audit or its form does not meet recognized industry auditing standards. The
16.23 state auditor may make additional examinations as the auditor determines to be in the public
16.24 interest.

16.25 (b) When the state auditor requires additional information from the CPA firm or makes
16.26 additional examinations that the state auditor determines to be in the public interest, the
16.27 state auditor must afford counties and CPA firms an opportunity to respond to potential
16.28 findings, conclusions, or questions, as follows:

16.29 (1) at least 30 days before beginning a review for work performed by a certified public
16.30 accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA
16.31 firm that the state auditor will be conducting a review and must identify the type and scope
16.32 of review the state auditor will perform;

17.1 (2) throughout the state auditor's review, the auditor shall allow the county and the CPA
 17.2 firm at least 30 days to respond to any request by the auditor for documents or other
 17.3 information;

17.4 (3) the state auditor must provide the CPA firm with a draft report of the state auditor's
 17.5 findings at least 30 days before issuing a final report;

17.6 (4) at least 20 days before issuing a final report, the state auditor must hold a formal exit
 17.7 conference with the CPA firm to discuss the findings in the state auditor's draft report;

17.8 (5) the state auditor shall make changes to the draft report that are warranted as a result
 17.9 of information provided by the CPA firm during the state auditor's review; and

17.10 (6) the state auditor's final report must include any written responses provided by the
 17.11 CPA firm.

17.12 Sec. 17. Minnesota Statutes 2016, section 8.065, is amended to read:

17.13 **8.065 PRIVATE ATTORNEY CONTRACTS.**

17.14 (a) The attorney general may not enter into a contract for legal services in which the
 17.15 fees and expenses paid by the state exceed, or can reasonably be expected to exceed,
 17.16 \$1,000,000 unless the attorney general first submits the proposed contract to the Legislative
 17.17 Advisory Commission, and waits at least 20 days to receive a possible recommendation
 17.18 from the commission.

17.19 (b) The attorney general may not contract for legal services on a contingent fee basis.

17.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 17.21 applies to contracts entered on or after that date.

17.22 Sec. 18. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

17.23 Subd. 35. **Public official.** "Public official" means any:

17.24 (1) member of the legislature;

17.25 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
 17.26 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor
 17.27 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
 17.28 Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis
 17.29 Department;

18.1 (3) constitutional officer in the executive branch and the officer's chief administrative
18.2 deputy;

18.3 (4) solicitor general or deputy, assistant, or special assistant attorney general;

18.4 (5) commissioner, deputy commissioner, or assistant commissioner of any state
18.5 department or agency as listed in section 15.01 or 15.06, or the state chief information
18.6 officer;

18.7 (6) member, chief administrative officer, or deputy chief administrative officer of a state
18.8 board or commission that has either the power to adopt, amend, or repeal rules under chapter
18.9 14, or the power to adjudicate contested cases or appeals under chapter 14;

18.10 (7) individual employed in the executive branch who is authorized to adopt, amend, or
18.11 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

18.12 (8) executive director of the State Board of Investment;

18.13 (9) deputy of any official listed in clauses (7) and (8);

18.14 (10) judge of the Workers' Compensation Court of Appeals;

18.15 (11) administrative law judge or compensation judge in the State Office of Administrative
18.16 Hearings or unemployment law judge in the Department of Employment and Economic
18.17 Development;

18.18 (12) member, regional administrator, division director, general counsel, or operations
18.19 manager of the Metropolitan Council;

18.20 (13) member or chief administrator of a metropolitan agency;

18.21 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
18.22 of Public Safety;

18.23 (15) member or executive director of the Higher Education Facilities Authority;

18.24 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;

18.25 (17) member of the board of directors or executive director of the Minnesota State High
18.26 School League;

18.27 (18) member of the Minnesota Ballpark Authority established in section 473.755;

18.28 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

18.29 (20) manager of a watershed district, or member of a watershed management organization
18.30 as defined under section 103B.205, subdivision 13;

- 19.1 (21) supervisor of a soil and water conservation district;
- 19.2 (22) director of Explore Minnesota Tourism;
- 19.3 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
- 19.4 97A.056;
- 19.5 (24) citizen member of the Clean Water Council established in section 114D.30;
- 19.6 (25) member or chief executive of the Minnesota Sports Facilities Authority established
- 19.7 in section 473J.07;
- 19.8 (26) district court judge, appeals court judge, or Supreme Court justice;
- 19.9 (27) county commissioner;
- 19.10 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- 19.11 (29) member of the Destination Medical Center Corporation established in section
- 19.12 469.41.

19.13 **EFFECTIVE DATE.** This section is effective July 1, 2018.

19.14 Sec. 19. Minnesota Statutes 2016, section 12.09, subdivision 2, is amended to read:

19.15 Subd. 2. **State emergency plan.** The division shall develop and maintain a comprehensive

19.16 state emergency operations plan and emergency management program in accord with section

19.17 12.21, subdivision 3, ~~clause (2) paragraph (b)~~, and ensure that other state emergency plans

19.18 that may be developed are coordinated and consistent with the comprehensive state

19.19 emergency operations plan. The director of the division must provide assistance to the

19.20 legislative branch, the judicial branch, and the executive council in developing the plans

19.21 required by sections 12.401, 12.402, and 12.403.

19.22 Sec. 20. Minnesota Statutes 2016, section 12.21, subdivision 3, is amended to read:

19.23 Subd. 3. **Specific authority.** (a) In performing duties under this chapter and to effect its

19.24 policy and purpose, the governor may:

19.25 (1) make, amend, and rescind the necessary orders and rules to carry out the provisions

19.26 of this chapter and section 216C.15 within the limits of the authority conferred by this

19.27 section, with due consideration of the plans of the federal government and without complying

19.28 with sections 14.001 to 14.69, but no order or rule has the effect of law except as provided

19.29 by section 12.32;

20.1 ~~(2) ensure that a comprehensive emergency operations plan and emergency management~~
20.2 ~~program for this state are developed and maintained, and are integrated into and coordinated~~
20.3 ~~with the emergency plans of the federal government and of other states to the fullest possible~~
20.4 ~~extent;~~

20.5 ~~(3)~~ (2) in accordance with the emergency operations plan and the emergency management
20.6 program of this state, procure supplies, equipment, and facilities; institute training programs
20.7 and public information programs; and take all other preparatory steps, including the partial
20.8 or full activation of emergency management organizations in advance of actual disaster to
20.9 ensure the furnishing of adequately trained and equipped forces of emergency management
20.10 personnel in time of need;

20.11 ~~(4)~~ (3) make studies and surveys of the industries, resources, and facilities in this state
20.12 as may be necessary to ascertain the capabilities of the state for emergency management
20.13 and to plan for the most efficient emergency use of those industries, resources, and facilities;

20.14 ~~(5)~~ (4) on behalf of this state, enter into mutual aid arrangements or cooperative
20.15 agreements with other states, tribal authorities, and Canadian provinces, and coordinate
20.16 mutual aid plans between political subdivisions of this state;

20.17 ~~(6)~~ (5) delegate administrative authority vested in the governor under this chapter, except
20.18 the power to make rules, and provide for the subdelegation of that authority;

20.19 ~~(7)~~ (6) cooperate with the president and the heads of the armed forces, the Emergency
20.20 Management Agency of the United States and other appropriate federal officers and agencies,
20.21 and with the officers and agencies of other states in matters pertaining to the emergency
20.22 management of the state and nation, including the direction or control of:

20.23 (i) emergency preparedness drills and exercises;

20.24 (ii) warnings and signals for drills or actual emergencies and the mechanical devices to
20.25 be used in connection with them;

20.26 (iii) shutting off water mains, gas mains, electric power connections and the suspension
20.27 of all other utility services;

20.28 (iv) the conduct of persons in the state, including entrance or exit from any stricken or
20.29 threatened public place, occupancy of facilities, and the movement and cessation of
20.30 movement of pedestrians, vehicular traffic, and all forms of private and public transportation
20.31 during, prior, and subsequent to drills or actual emergencies;

20.32 (v) public meetings or gatherings; and

21.1 (vi) the evacuation, reception, and sheltering of persons;

21.2 ~~(8)~~ (7) contribute to a political subdivision, within the limits of the appropriation for
21.3 that purpose, not more than 25 percent of the cost of acquiring organizational equipment
21.4 that meets standards established by the governor;

21.5 ~~(9)~~ (8) formulate and execute, with the approval of the Executive Council, plans and
21.6 rules for the control of traffic in order to provide for the rapid and safe movement over
21.7 public highways and streets of troops, vehicles of a military nature, and materials for national
21.8 defense and war or for use in any war industry, for the conservation of critical materials, or
21.9 for emergency management purposes; and coordinate the activities of the departments or
21.10 agencies of the state and its political subdivisions concerned directly or indirectly with
21.11 public highways and streets, in a manner that will best effectuate those plans;

21.12 ~~(10)~~ (9) alter or adjust by executive order, without complying with sections 14.01 to
21.13 14.69, the working hours, workdays and work week of, and annual and sick leave provisions
21.14 and payroll laws regarding all state employees in the executive branch as the governor
21.15 deems necessary to minimize the impact of the disaster or emergency, conforming the
21.16 alterations or adjustments to existing state laws, rules, and collective bargaining agreements
21.17 to the extent practicable;

21.18 ~~(11)~~ (10) authorize the commissioner of education to alter school schedules, curtail
21.19 school activities, or order schools closed as defined in section 120A.05, subdivisions 9, 11,
21.20 13, and 17, and including charter schools under chapter 124E, and elementary schools
21.21 enrolling prekindergarten pupils in district programs; and

21.22 ~~(12)~~ (11) transfer the direction, personnel, or functions of state agencies to perform or
21.23 facilitate response and recovery programs.

21.24 (b) In performing duties under this chapter and to effect its policy and purpose, the
21.25 governor must direct the Division of Emergency Management to adopt and maintain a
21.26 comprehensive emergency operations plan and emergency management program for this
21.27 state that is integrated into and coordinated with the emergency plans of the federal
21.28 government and other states to the fullest possible extent. The comprehensive emergency
21.29 operations plan must incorporate plans for the secure, continued operation of state
21.30 government in the event of a disaster or emergency, including those adopted under sections
21.31 12.401, 12.402, and 12.403.

22.1 Sec. 21. **[12.401] EMERGENCY OPERATIONS AND CONTINUITY PLAN;**
22.2 **LEGISLATIVE BRANCH.**

22.3 Subdivision 1. Adoption of the plan required. (a) The Legislative Coordinating
22.4 Commission must adopt and maintain an emergency operations and continuity of government
22.5 plan to ensure the secure, continued operation of the house of representatives, senate, and
22.6 joint legislative offices in the event of a disaster, emergency, or declared emergency. In
22.7 developing the plan, the commission must consult and cooperate with the state director of
22.8 emergency management to ensure the plan's compatibility with the comprehensive state
22.9 emergency operations plan and emergency management program. The commission must
22.10 also consult with the governor or the governor's designee, and the chief justice of the Supreme
22.11 Court or the chief justice's designee, to ensure the plan's compatibility with those adopted
22.12 for the judicial branch under section 12.402 and the executive council under section 12.403,
22.13 to the extent practical.

22.14 (b) At a minimum, the commission's plan must address reasonably foreseeable effects
22.15 of a disaster, emergency, or declared emergency on the ability of the legislature to perform
22.16 its constitutional functions, including but not limited to the following:

22.17 (1) identification of at least three suitable locations within the state at which the legislature
22.18 could conduct operations in the event of a disaster or declared emergency that makes the
22.19 State Capitol unsafe or inaccessible, with one location designated as a primary alternate
22.20 location and two designated as backup alternate locations if the primary location is unsafe
22.21 or inaccessible;

22.22 (2) plans to provide timely and secure communications regarding a disaster, emergency,
22.23 or declared emergency to all affected members and personnel, including alternate methods
22.24 of communication if a primary method is unavailable;

22.25 (3) plans to securely transport all members, designated personnel, and necessary
22.26 equipment and records to an alternate location and begin legislative operations at that location
22.27 in a timely manner;

22.28 (4) plans to ensure reasonable public notice of the legislature's operations and access to
22.29 its proceedings in-person or by electronic, broadcast, or other means as the circumstances
22.30 of the emergency allow;

22.31 (5) additional procedures, as necessary, to implement the requirements of subdivisions
22.32 2 and 3;

23.1 (6) procedures for the orderly return of legislative operations to the State Capitol, as
23.2 soon as circumstances allow; and

23.3 (7) policy decisions that address any other procedures or protocols recommended for
23.4 inclusion by the state director of emergency management.

23.5 (c) The plan must be adopted and maintained by the Legislative Coordinating Commission
23.6 no later than January 30, 2019, and may be subsequently amended at any time. At a minimum,
23.7 the plan must be reviewed by the full commission and designated legislative staff no later
23.8 than January 30 of each odd-numbered year. A meeting of the commission may be closed
23.9 to the public for any of these purposes.

23.10 (d) Copies of the plan must be filed with the governor, the secretary of state, the state
23.11 director of emergency management, and at each of the alternate locations designated in the
23.12 plan. Unless otherwise directed by the Legislative Coordinating Commission, the copies of
23.13 the plan must be securely maintained and may not be further disclosed to any person except
23.14 as required by this chapter, or as necessary to develop and implement the plan's requirements.
23.15 To the extent data regarding the plan is held by a government entity, as defined in section
23.16 13.02, subdivision 7a, the data are security information under section 13.37.

23.17 Subd. 2. **Implementation of plan.** (a) The governor or the chair of the Legislative
23.18 Coordinating Commission may order that the legislature's emergency operations and
23.19 continuity of government plan be implemented in whole or in part, if an emergency is
23.20 declared or if circumstances indicate a disaster or emergency is occurring or a declared
23.21 emergency may be imminent. If a change in location is ordered, the legislature must be
23.22 directed to a location designated in the plan, or if those designated locations are unsafe or
23.23 inaccessible, to any other location within or outside of the state which the governor or chair
23.24 deems safe and accessible. If implementation of the plan is ordered by the chair of the
23.25 Legislative Coordinating Commission, the chair must notify the governor and the state
23.26 director of emergency management as soon as practicable following implementation.

23.27 (b) A legislative session convened at an alternate location must be reconvened at the
23.28 State Capitol as soon as practical after the capitol is secured and restored to accessibility.

23.29 Subd. 3. **Special session at an alternate location; legislative procedure.** (a) In the
23.30 event of a declared emergency, if the legislature is not in session, the governor shall convene
23.31 a special session when required by section 12.31, subdivisions 1 and 2.

23.32 (b) If the governor fails to convene a special session after declaring a national security
23.33 emergency, the chair of the Legislative Coordinating Commission shall order implementation
23.34 of the legislature's emergency operations and continuity of government plan, and the

24.1 legislature shall convene at the State Capitol, or alternate location designated by the plan,
24.2 on the first Tuesday after the first Monday more than 30 days after the national security
24.3 emergency was declared.

24.4 (c) At a special session convened at an alternate location due to a disaster, emergency,
24.5 or declared emergency, the quorum requirement for the legislature is a majority of the
24.6 members of each house who convene for the session. If the affirmative vote of a specified
24.7 proportion of members of the legislature would otherwise be required to approve a bill,
24.8 resolution, or for any other action, the same proportion of the members of each house
24.9 convening at the session is sufficient. At the time the special session convenes, the legislature
24.10 shall adopt temporary joint rules as necessary to ensure the orderly conduct of legislative
24.11 business in the alternate location, including compliance with the requirements of the
24.12 Minnesota Constitution and the rules of parliamentary practice.

24.13 **Sec. 22. [12.402] EMERGENCY OPERATIONS AND CONTINUITY PLAN;**
24.14 **JUDICIAL BRANCH.**

24.15 Subdivision 1. **Adoption of plan required.** (a) The Supreme Court must adopt and
24.16 maintain an emergency operations and continuity of government plan to ensure the secure,
24.17 continued operation of the judicial branch in the event of a disaster, emergency, or declared
24.18 emergency. In developing the plan, the court must consult and cooperate with the state
24.19 director of emergency management to ensure the plan's compatibility with the comprehensive
24.20 state emergency operations plan and emergency management program. The court must also
24.21 consult the governor or the governor's designee, and the chair of the Legislative Coordinating
24.22 Commission, or the chair's designee, to ensure the plan's compatibility with those adopted
24.23 for the executive council and legislative branch under sections 12.401 and 12.403, to the
24.24 extent practical.

24.25 (b) At a minimum, the Supreme Court's plan must address reasonably foreseeable effects
24.26 of a disaster, emergency, or declared emergency, on the ability of the judicial branch to
24.27 perform its constitutional functions, including but not limited to the following:

24.28 (1) identification of at least three suitable locations within the state at which the Supreme
24.29 Court, Court of Appeals, and central administrative functions of the judicial branch could
24.30 operate in the event of a disaster or declared emergency that make its regular location unsafe
24.31 or inaccessible, with one location designated as a primary alternate location and two
24.32 designated as backup alternate locations if the primary location is unsafe or inaccessible;

25.1 (2) plans to provide timely and secure communications regarding a disaster, emergency,
25.2 or declared emergency to all affected personnel, including alternate methods of
25.3 communication if a primary method is unavailable;

25.4 (3) plans to securely transport affected justices, judges, designated personnel, and
25.5 necessary equipment and records to an alternate location and begin judicial operations at
25.6 that location in a timely manner;

25.7 (4) plans to ensure reasonable public notice of the judicial branch's operations and access
25.8 to its proceedings and records in-person or by electronic, broadcast, or other means as the
25.9 rules of the court require and the circumstances of the emergency allow;

25.10 (5) plans to ensure the rights and protections guaranteed by the federal and state
25.11 constitutions to criminal defendants, petitioners, and civil litigants are preserved;

25.12 (6) procedures for the orderly return of judicial branch operations to their regular location,
25.13 as soon as circumstances allow; and

25.14 (7) policy decisions that address any other procedures or protocols recommended for
25.15 inclusion by the state director of emergency management.

25.16 (c) The plan must be adopted and maintained by the Supreme Court no later than January
25.17 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be
25.18 reviewed by the justices and judges of the Supreme Court and Court of Appeals, and
25.19 designated staff, no later than January 30 of each odd-numbered year.

25.20 (d) Copies of the plan must be filed with the governor, the secretary of state, the state
25.21 director of emergency management, and at each of the alternate locations designated in the
25.22 plan. Unless otherwise directed by the court, the copies of the plan must be securely
25.23 maintained and may not be further disclosed to any person except as required by this chapter,
25.24 or as necessary to develop and implement the plan's requirements. To the extent data
25.25 regarding the plan is held by a government entity, as defined in section 13.02, subdivision
25.26 7a, the data are security information under section 13.37.

25.27 Subd. 2. **Implementation of plan.** (a) The governor or the chief justice may order that
25.28 the judiciary's emergency operations and continuity of government plan be implemented in
25.29 whole or in part, if an emergency is declared or if circumstances indicate a disaster or
25.30 emergency is occurring or a declared emergency may be imminent. If a change in location
25.31 is ordered, the affected personnel must be directed to a location designated in the plan, or
25.32 if those designated locations are unsafe or inaccessible, to any other location within or
25.33 outside of the state which the governor or chief justice deems safe and accessible. If

26.1 implementation of the plan is ordered by the chief justice, the chief justice must notify the
26.2 governor and the state director of emergency management as soon as practicable following
26.3 implementation.

26.4 (b) A court convened at an alternate location must be reconvened at its regular location
26.5 as soon as practical after the location is secured and restored to accessibility.

26.6 Sec. 23. **[12.403] EMERGENCY OPERATIONS AND CONTINUITY PLAN;**
26.7 **CONSTITUTIONAL OFFICERS.**

26.8 Subdivision 1. Adoption of plan required. (a) The executive council must adopt and
26.9 maintain an emergency operations and continuity of government plan to ensure the secure,
26.10 continued operation of each constitutional office in the event of a disaster, emergency, or
26.11 declared emergency. In developing the plan, the council must consult and cooperate with
26.12 the state director of emergency management to ensure the plan's compatibility with the
26.13 comprehensive state emergency operations plan and emergency management program. The
26.14 council must also consult the chair of the Legislative Coordinating Commission or the chair's
26.15 designee, and the chief justice of the Supreme Court or the chief justice's designee, to ensure
26.16 the plan's compatibility with those adopted for the legislative branch and judicial branch
26.17 under sections 12.401 and 12.402, to the extent practical.

26.18 (b) At a minimum, the council's plan must address reasonably foreseeable effects of a
26.19 disaster, emergency, or declared emergency, on the ability of the state constitutional officers
26.20 to perform their constitutional functions, including but not limited to the following:

26.21 (1) identification of at least three suitable locations within the state at which the
26.22 constitutional officers could conduct operations in the event of a disaster, emergency, or
26.23 declared emergency that make their regular locations unsafe or inaccessible, with one
26.24 location designated as a primary alternate location and two designated as backup alternate
26.25 locations if the primary location is unsafe or inaccessible;

26.26 (2) plans to provide timely and secure communications regarding a disaster, emergency,
26.27 or declared emergency to all affected constitutional officers and personnel, including alternate
26.28 methods of communication if a primary method is unavailable;

26.29 (3) plans to securely transport all constitutional officers, designated personnel, and
26.30 necessary equipment and records to an alternate location and begin operations at that location
26.31 in a timely manner;

27.1 (4) plans to ensure reasonable public notice of each constitutional officer's operations
27.2 and access to the officers and records in person or by electronic, broadcast, or other means
27.3 as the circumstances of the emergency allow;

27.4 (5) procedures for the orderly return of operations to the State Capitol, as soon as
27.5 circumstances allow; and

27.6 (6) policy decisions that address any other procedures or protocols recommended for
27.7 inclusion by the state director of emergency management.

27.8 (c) The plan must be adopted no later than January 30, 2019, and may be subsequently
27.9 amended at any time. At a minimum, the plan must be reviewed by the executive council
27.10 and designated staff no later than January 30 of each odd-numbered year. A meeting of the
27.11 council may be closed to the public for any of these purposes.

27.12 (d) Copies of the plan must be filed with each constitutional officer, the state director
27.13 of emergency management, and at each of the alternate locations designated in the plan.
27.14 Unless otherwise directed by the executive council, the copies of the plan are security data
27.15 under section 13.37, must be securely maintained, and may not be further disclosed to any
27.16 person except as required by this chapter, or as necessary to develop and implement its
27.17 requirements.

27.18 Subd. 2. **Implementation of plan.** (a) The governor or any constitutional officer, with
27.19 respect to that officer's constitutional office, may order that the executive council's emergency
27.20 operations and continuity of government plan be implemented in whole or in part, if an
27.21 emergency is declared or if circumstances indicate a disaster or emergency is occurring or
27.22 a declared emergency may be imminent. If a change in location is ordered, affected personnel
27.23 must be directed to a location designated in the plan, or if those designated locations are
27.24 unsafe or inaccessible, to any other location within or outside of the state which the governor
27.25 or constitutional officer deems safe and accessible. If implementation of the plan is ordered
27.26 by a constitutional officer other than the governor, the officer must notify the governor and
27.27 the state director of emergency management as soon as practicable following implementation.

27.28 (b) A constitutional officer's primary office must be returned to its regular location as
27.29 soon as practical after that location is secured and restored to accessibility.

27.30 Sec. 24. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to
27.31 read:

27.32 Subd. 1a. **Chief administrative law judge.** "Chief administrative law judge" means the
27.33 chief administrative law judge of the state Office of Administrative Hearings.

28.1 Sec. 25. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to
28.2 read:

28.3 Subd. 8a. **Information policy analysis unit.** "Information policy analysis unit" means
28.4 the work unit within the Office of Administrative Hearings established under section 13.071.

28.5 Sec. 26. **[13.071] INFORMATION POLICY ANALYSIS UNIT; DATA PRACTICES**
28.6 **COORDINATOR.**

28.7 Subdivision 1. **Information policy analysis unit established.** An information policy
28.8 analysis unit is established as a work unit within the Office of Administrative Hearings.

28.9 Subd. 2. **Data practices coordinator.** (a) The chief administrative law judge shall
28.10 appoint a data practices coordinator in the unclassified service who shall oversee the
28.11 operations of the information policy analysis unit.

28.12 (b) The coordinator must be knowledgeable about the Minnesota Government Data
28.13 Practices Act, the Minnesota Open Meeting Law, and federal laws and regulations regarding
28.14 data privacy. The coordinator must have experience in dealing with both private enterprise
28.15 and governmental entities, interpreting laws and regulations, record keeping, report writing,
28.16 public speaking, and management.

28.17 Subd. 3. **Duties.** The information policy analysis unit shall:

28.18 (1) informally advise and serve as a technical resource for government entities on
28.19 questions related to public access to government data, rights of subjects of data, classification
28.20 of data, or applicable duties under chapter 13D;

28.21 (2) informally advise persons regarding their rights under this chapter or chapter 13D;

28.22 (3) administer training on chapter 13D and the public information policy training program
28.23 under section 13.073;

28.24 (4) issue advisory opinions pursuant to section 13.072;

28.25 (5) operate in a manner that effectively screens the work of the information policy
28.26 analysis unit from any administrative law judges assigned to a contested case pursuant to
28.27 section 13.085; and

28.28 (6) perform other duties as directed by the chief administrative law judge.

28.29 Subd. 4. **Effect of informal advice.** Informal advice or trainings offered by the
28.30 information policy analysis unit is not binding on a government entity or members of a body
28.31 subject to chapter 13D, does not constitute legal advice or an advisory opinion under section

29.1 13.072, and has no effect on liability, fines, or fee awards arising from a violation of this
 29.2 chapter or chapter 13D. This section does not preclude a person from, in addition to or
 29.3 instead of requesting advice from the information policy analysis unit, seeking an advisory
 29.4 opinion under section 13.072, or bringing any other action under this chapter or other law.

29.5 Subd. 5. **Data submitted to information policy analysis unit.** A government entity
 29.6 may submit not public data to the information policy analysis unit for the purpose of
 29.7 requesting advice. Government data submitted to the information policy analysis unit by a
 29.8 government entity or copies of government data submitted by other persons have the same
 29.9 classification as the data have when held by the government entity.

29.10 Sec. 27. Minnesota Statutes 2016, section 13.072, is amended to read:

29.11 **13.072 ADVISORY OPINIONS BY THE COMMISSIONER INFORMATION**
 29.12 **POLICY ANALYSIS UNIT.**

29.13 Subdivision 1. **Advisory opinion; when required.** (a) Upon request of a government
 29.14 entity, the ~~commissioner may~~ information policy analysis unit shall give a written advisory
 29.15 opinion on any question relating to public access to government data, rights of subjects of
 29.16 data, or classification of data under this chapter or other Minnesota statutes governing
 29.17 government data practices. Upon request of any person who disagrees with a determination
 29.18 regarding data practices made by a government entity, the ~~commissioner may~~ information
 29.19 policy analysis unit shall give a written advisory opinion regarding the person's rights as a
 29.20 subject of government data or right to have access to government data.

29.21 (b) Upon request of a body subject to chapter 13D, the ~~commissioner may~~ information
 29.22 policy analysis unit shall give a written advisory opinion on any question relating to the
 29.23 body's duties under chapter 13D. Upon request of a person who disagrees with the manner
 29.24 in which members of a governing body perform their duties under chapter 13D, the
 29.25 ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion
 29.26 on compliance with chapter 13D. ~~A governing body or person requesting an opinion under~~
 29.27 ~~this paragraph must pay the commissioner a fee of \$200. Money received by the~~
 29.28 ~~commissioner under this paragraph is appropriated to the commissioner for the purposes of~~
 29.29 ~~this section.~~

29.30 (c) ~~If the commissioner determines that no opinion will be issued, the commissioner~~
 29.31 ~~shall give the government entity or body subject to chapter 13D or person requesting the~~
 29.32 ~~opinion notice of the decision not to issue the opinion within five business days of receipt~~
 29.33 ~~of the request. If this notice is not given, the commissioner~~ The information policy analysis
 29.34 unit shall issue an advisory opinion within 20 days of receipt of the request.

30.1 (d) For good cause and upon written notice to the person requesting the advisory opinion,
30.2 the ~~commissioner~~ chief administrative law judge may extend this deadline for one additional
30.3 30-day period. The notice must state the reason for extending the deadline. The government
30.4 entity or the members of a body subject to chapter 13D must be provided a reasonable
30.5 opportunity to explain the reasons for its decision regarding the data or how they perform
30.6 their duties under chapter 13D. The ~~commissioner~~ information policy analysis unit or the
30.7 government entity or body subject to chapter 13D may choose to give notice to the subject
30.8 of the data concerning the dispute regarding the data or compliance with chapter 13D.

30.9 (e) This section does not apply to a determination made by the commissioner of health
30.10 under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

30.11 (f) A written, numbered, and published opinion issued by the attorney general shall take
30.12 precedence over an advisory opinion issued by the ~~commissioner~~ information policy analysis
30.13 unit under this section.

30.14 (g) A decision of the Office of Administrative Hearings issued under section 13.085
30.15 shall take precedence over an advisory opinion issued by the information policy analysis
30.16 unit under this section.

30.17 Subd. 2. **Effect.** (a) Advisory opinions issued by the ~~commissioner~~ information policy
30.18 analysis unit under this section are not binding on the government entity or members of a
30.19 body subject to chapter 13D whose data or performance of duties is the subject of the
30.20 advisory opinion, but an advisory opinion described in subdivision 1, paragraph (a), must
30.21 be given deference by a court or other tribunal in a proceeding involving the data. The
30.22 ~~commissioner~~ information policy analysis unit shall arrange for public dissemination of
30.23 advisory opinions issued under this section, and shall indicate when the principles stated in
30.24 an advisory opinion are not intended to provide guidance to all similarly situated persons
30.25 or government entities. This section does not preclude a person from bringing any other
30.26 action under this chapter or other law in addition to or instead of requesting a written advisory
30.27 opinion. A government entity, members of a body subject to chapter 13D, or person that
30.28 acts in conformity with a written advisory opinion of the ~~commissioner~~ information policy
30.29 analysis unit issued to the government entity, members, or person or to another party is not
30.30 liable for compensatory or exemplary damages or awards of attorneys fees in actions for
30.31 violations arising under section 13.08 or 13.085, or for a penalty under section 13.09 or for
30.32 fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body
30.33 subject to chapter 13D is not subject to forfeiture of office if the member was acting in
30.34 reliance on an advisory opinion.

31.1 (b) The information policy analysis unit shall publish and maintain all previously issued
 31.2 written opinions of the commissioner of administration in the same manner as advisory
 31.3 opinions issued by the information policy analysis unit. A previously issued written opinion
 31.4 by the commissioner of administration has the same effect as an advisory opinion issued
 31.5 by the information policy analysis unit.

31.6 Subd. 4. **Data submitted to ~~commissioner~~ information policy analysis unit.** A
 31.7 government entity may submit not public data to the ~~commissioner~~ information policy
 31.8 analysis unit for the purpose of requesting or responding to a person's request for an advisory
 31.9 opinion. Government data submitted to the ~~commissioner~~ information policy analysis unit
 31.10 by a government entity or copies of government data submitted by other persons have the
 31.11 same classification as the data have when held by the government entity. If the nature of
 31.12 the advisory opinion is such that the release of the advisory opinion would reveal not public
 31.13 data, the ~~commissioner~~ information policy analysis unit may issue an advisory opinion using
 31.14 pseudonyms for individuals. Data maintained by the ~~commissioner~~ information policy
 31.15 analysis unit, in the record of an advisory opinion issued using pseudonyms that would
 31.16 reveal the identities of individuals protected by the use of the pseudonyms, are private data
 31.17 on individuals.

31.18 Sec. 28. Minnesota Statutes 2016, section 13.08, subdivision 4, is amended to read:

31.19 Subd. 4. **Action to compel compliance.** (a) Actions to compel compliance may be
 31.20 brought either under this subdivision or section 13.085. For actions under this subdivision,
 31.21 in addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved
 31.22 person seeking to enforce the person's rights under this chapter or obtain access to data may
 31.23 bring an action in district court to compel compliance with this chapter and may recover
 31.24 costs and disbursements, including reasonable attorney's fees, as determined by the court.
 31.25 If the court determines that an action brought under this subdivision is frivolous and without
 31.26 merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible
 31.27 authority. If the court issues an order to compel compliance under this subdivision, the court
 31.28 may impose a civil penalty of up to \$1,000 against the government entity. This penalty is
 31.29 payable to the state general fund and is in addition to damages under subdivision 1. The
 31.30 matter shall be heard as soon as possible. In an action involving a request for government
 31.31 data under section 13.03 or 13.04, the court may inspect in camera the government data in
 31.32 dispute, but shall conduct its hearing in public and in a manner that protects the security of
 31.33 data classified as not public. If the court issues an order to compel compliance under this
 31.34 subdivision, the court shall forward a copy of the order to the ~~commissioner of administration~~
 31.35 chief administrative law judge.

32.1 (b) In determining whether to assess a civil penalty under this subdivision, the court or
 32.2 other tribunal shall consider whether the government entity has substantially complied with
 32.3 general data practices under this chapter, including but not limited to, whether the government
 32.4 entity has:

32.5 (1) designated a responsible authority under section 13.02, subdivision 16;

32.6 (2) designated a data practices compliance official under section 13.05, subdivision 13;

32.7 (3) prepared the data inventory that names the responsible authority and describes the
 32.8 records and data on individuals that are maintained by the government entity under section
 32.9 13.025, subdivision 1;

32.10 (4) developed public access procedures under section 13.03, subdivision 2; procedures
 32.11 to guarantee the rights of data subjects under section 13.025, subdivision 3; and procedures
 32.12 to ensure that data on individuals are accurate and complete and to safeguard the data's
 32.13 security under section 13.05, subdivision 5;

32.14 (5) acted in conformity with an advisory opinion issued under section 13.072 that was
 32.15 sought by a government entity or another person;

32.16 (6) acted in conformity with a decision of the Office of Administrative Hearings issued
 32.17 under section 13.085; or

32.18 ~~(6)~~ (7) provided ongoing training to government entity personnel who respond to requests
 32.19 under this chapter.

32.20 (c) The court shall award reasonable attorney fees to a prevailing plaintiff who has
 32.21 brought an action under this subdivision if the government entity that is the defendant in
 32.22 the action was also the subject of ~~a written~~ an advisory opinion issued under section 13.072
 32.23 or a decision of the Office of Administrative Hearings issued under section 13.085 and the
 32.24 court finds that the opinion or decision is directly related to the cause of action being litigated
 32.25 and that the government entity did not act in conformity with the opinion or decision.

32.26 Sec. 29. Minnesota Statutes 2016, section 13.085, subdivision 2, is amended to read:

32.27 Subd. 2. **Complaints.** (a) A complaint alleging a violation of this chapter or chapter
 32.28 13D for which an order to compel compliance is requested may be filed with the office. An
 32.29 action to compel compliance does not include procedures pursuant to section 13.04,
 32.30 subdivision 4 or 4a.

32.31 (b) The complaint must be filed with the office within two years after the occurrence of
 32.32 the act or failure to act that is the subject of the complaint, except that if the act or failure

33.1 to act involves concealment or misrepresentation by the government entity that could not
33.2 be discovered during that period, the complaint may be filed with the office within one year
33.3 after the concealment or misrepresentation is discovered.

33.4 (c) The complaint must be made in writing, submitted under oath, and detail the factual
33.5 basis for the claim that a violation of law has occurred. The office may prescribe a standard
33.6 form for the complaint. The complaint must be accompanied by a filing fee of ~~\$1,000~~ \$250
33.7 or a bond to guarantee the payment of this fee.

33.8 (d) Upon receipt of a filed complaint, the office must immediately notify the respondent
33.9 and, if known, the applicable responsible authority for the government entity, if the
33.10 responsible authority is not otherwise named as the respondent. The office must provide
33.11 the respondent with a copy of the complaint by the most expeditious means available. Notice
33.12 to a responsible authority must be delivered by certified mail. The office must also notify,
33.13 to the extent practicable, any individual or entity that is the subject of all or part of the data
33.14 in dispute.

33.15 (e) ~~The office must notify the commissioner of administration of an action filed under~~
33.16 ~~this section.~~ Proceedings under this section must be dismissed without prejudice as untimely
33.17 and the complainant's filing fee must be refunded if a request for an advisory opinion from
33.18 ~~the commissioner~~ was accepted on the matter under section 13.072 before the complaint
33.19 was filed, and the ~~complainant's filing fee must be refunded~~ advisory opinion has not yet
33.20 been issued.

33.21 (f) The respondent must file a response to the complaint within 15 business days of
33.22 receipt of the notice. For good cause shown, the office may extend the time for filing a
33.23 response.

33.24 Sec. 30. Minnesota Statutes 2016, section 13.085, subdivision 3, is amended to read:

33.25 Subd. 3. **Probable cause review.** (a) In conformity with the Minnesota Code of Judicial
33.26 Conduct, the chief administrative law judge must assign an administrative law judge to
33.27 review each complaint. The chief administrative law judge must ensure that any assigned
33.28 administrative law judge is screened from any involvement with any informal advice provided
33.29 under section 13.071 or with an advisory opinion issued under section 13.072 that involves
33.30 the parties to the complaint. Within 20 business days after a response is filed, or the
33.31 respondent's time to file the response, including any extension, has expired, the administrative
33.32 law judge must make a preliminary determination for its disposition as follows:

34.1 (1) if the administrative law judge determines that the complaint and any timely response
34.2 of the respondent agency do not present sufficient facts to believe that a violation of this
34.3 chapter has occurred, the complaint must be dismissed; or

34.4 (2) if the administrative law judge determines that the complaint and any timely response
34.5 of the respondent agency do present sufficient facts to believe that a violation of this chapter
34.6 has occurred, the judge must schedule a hearing as provided in subdivision 4.

34.7 (b) The office must notify all parties of the determination made under paragraph (a).
34.8 The notice must provide as follows:

34.9 (1) if the complaint is scheduled for a hearing, the notice must identify the time and
34.10 place of the hearing and inform all parties that they may submit evidence, affidavits,
34.11 documentation, and argument for consideration by the administrative law judge; or

34.12 (2) if the complaint is dismissed for failure to present sufficient facts to believe that a
34.13 violation of this chapter has occurred, the notice must inform the parties of the right of the
34.14 complainant to seek reconsideration of the decision on the record by the chief administrative
34.15 law judge, as provided in paragraph (c).

34.16 (c) A petition for reconsideration may be filed no later than five business days after a
34.17 complaint is dismissed for failure to present sufficient facts to believe that a violation of
34.18 this chapter has occurred. The chief administrative law judge must review the petition and
34.19 make a final ruling within ten business days after its receipt. If the chief administrative law
34.20 judge determines that the assigned administrative law judge made a clear material error,
34.21 the chief administrative law judge must schedule the matter for a hearing as provided in
34.22 subdivision 4.

34.23 Sec. 31. Minnesota Statutes 2016, section 13.085, subdivision 4, is amended to read:

34.24 Subd. 4. **Hearing; procedure.** (a) A hearing on a complaint must be held within 30
34.25 business days after the parties are notified that a hearing will be held. An oral hearing to
34.26 resolve questions of law may be waived upon consent of all parties and the ~~presiding~~ assigned
34.27 administrative law judge. For good cause shown, the judge may delay the date of a hearing
34.28 by no more than ten business days. The judge may continue a hearing to enable the parties
34.29 to submit additional evidence or testimony.

34.30 (b) The administrative law judge must consider any evidence and argument submitted
34.31 until the hearing record is closed, including affidavits and documentation.

34.32 (c) All hearings, and any records relating to the hearing, must be open to the public,
34.33 except that the judge may inspect in camera any government data in dispute. If the hearing

35.1 record contains information that is not public data, the judge may conduct a closed hearing
35.2 to consider the information, issue necessary protective orders, and seal all or part of the
35.3 hearing record, as provided in section 14.60, subdivision 2. If a party contends, and the
35.4 judge concludes, that not public data could be improperly disclosed while that party is
35.5 presenting its arguments, the judge shall close any portion of the hearing as necessary to
35.6 prevent the disclosure. A hearing may be conducted by conference telephone call or
35.7 interactive audio/video system, at the discretion of the ~~presiding~~ assigned judge, and upon
35.8 consent of all parties.

35.9 Sec. 32. Minnesota Statutes 2016, section 13.085, subdivision 5, is amended to read:

35.10 Subd. 5. **Disposition.** (a) Following a hearing, the judge must determine whether the
35.11 violation alleged in the complaint occurred and must make at least one of the following
35.12 dispositions. The judge may:

35.13 (1) dismiss the complaint;

35.14 (2) find that an act or failure to act constituted a violation of this chapter;

35.15 (3) impose a civil penalty against the respondent of up to \$300;

35.16 (4) issue an order compelling the respondent to comply with a provision of law that has
35.17 been violated, and may establish a deadline for production of data, if necessary; and

35.18 (5) refer the complaint to the appropriate prosecuting authority for consideration of
35.19 criminal charges.

35.20 (b) In determining whether to assess a civil penalty, the office shall consider the factors
35.21 described in section 13.08, subdivision 4.

35.22 (c) The judge must render a decision on a complaint within ten business days after the
35.23 hearing record closes. ~~The chief administrative law judge shall provide for public~~
35.24 ~~dissemination of orders issued under this section. If the judge determines that a government~~
35.25 ~~entity has violated a provision of law and issues an order to compel compliance, the office~~
35.26 ~~shall forward a copy of the order to the commissioner of administration. Any order issued~~
35.27 pursuant to this section is enforceable through the district court for the district in which the
35.28 respondent is located.

35.29 (d) A party aggrieved by a final decision on a complaint filed under this section is entitled
35.30 to judicial review as provided in sections 14.63 to 14.69. Proceedings on a complaint are
35.31 not a contested case within the meaning of chapter 14 and are not otherwise governed by
35.32 chapter 14.

36.1 ~~(e) A decision of the office under this section is not controlling in any subsequent action~~
36.2 ~~brought in district court alleging the same violation and seeking damages.~~

36.3 ~~(f)~~ (e) A government entity or person that releases not public data pursuant to an order
36.4 under this section is immune from civil and criminal liability for that release. A government
36.5 entity or person that acts in conformity with an order issued under this section to the
36.6 government entity or to any other person is not liable for compensatory or exemplary damage
36.7 or awards of attorney fees for acting in conformity with that order in actions under this
36.8 section or section 13.08, or for a penalty under section 13.09.

36.9 Sec. 33. Minnesota Statutes 2016, section 13.085, subdivision 6, is amended to read:

36.10 Subd. 6. **Costs; attorney fees.** (a) A rebuttable presumption shall exist that a complainant
36.11 who substantially prevails on the merits in an action brought under this section is entitled
36.12 to an award of reasonable attorney fees, not to exceed \$5,000. An award of attorney fees
36.13 may be denied if the judge determines that the violation is merely technical or that there is
36.14 a genuine uncertainty about the meaning of the governing law.

36.15 (b) Reasonable attorney fees, not to exceed \$5,000, must be awarded to a substantially
36.16 prevailing complainant if the government entity that is the respondent in the action was also
36.17 the subject of ~~a written~~ an advisory opinion issued under section 13.072 or a prior decision
36.18 of the Office of Administrative Hearings issued under this section and the administrative
36.19 law judge finds that the opinion or decision is directly related to the matter in dispute and
36.20 that the government entity did not act in conformity with the opinion or decision.

36.21 (c) The office shall refund the filing fee of a substantially prevailing complainant in full,
36.22 less \$50, and the office's costs in conducting the matter shall be billed to the respondent,
36.23 not to exceed \$1,000.

36.24 (d) A complainant that does not substantially prevail on the merits shall be entitled to a
36.25 refund of the filing fee, less any costs incurred by the office in conducting the matter.

36.26 (e) If the administrative law judge determines that a complaint is frivolous, or brought
36.27 for purposes of harassment, the judge must order that the complainant pay the respondent's
36.28 reasonable attorney fees, not to exceed \$5,000. The complainant shall not be entitled to a
36.29 refund of the filing fee.

36.30 (f) The court shall award the complainant costs and attorney fees incurred in bringing
36.31 an action in district court to enforce an order of the Office of Administrative Hearings under
36.32 this section.

37.1 Sec. 34. Minnesota Statutes 2016, section 13.085, is amended by adding a subdivision to
37.2 read:

37.3 Subd. 8. **Publication and authority of decisions.** (a) The chief administrative law judge
37.4 shall provide for public dissemination of the office's decisions issued under this section.
37.5 Public dissemination must include the publication and maintenance of all decisions in a
37.6 user-friendly, searchable database conspicuously located on the office's Web site. Not public
37.7 data contained in a decision must be redacted prior to public dissemination.

37.8 (b) Unless the decision states otherwise, a decision of the office issued under this section
37.9 has precedential effect on future complaints under this section and shall, where appropriate,
37.10 be used to provide guidance to similarly situated persons or government entities.

37.11 (c) A government entity, member of a body subject to chapter 13D, or person that acts
37.12 in conformity with a decision of the office made under this section is not liable for
37.13 compensatory or exemplary damages or awards of attorney fees in actions for violations
37.14 arising under this section or section 13.08, or for a penalty under section 13.09 or for fines,
37.15 awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject
37.16 to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on
37.17 a decision of the office made under this section.

37.18 Sec. 35. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to
37.19 read:

37.20 Subd. 4. **Fiscal note data must be shared with Legislative Budget Office.** A
37.21 government entity must provide any data, regardless of its classification, to the director of
37.22 the Legislative Budget Office for review, upon the director's request and consistent with
37.23 section 3.8853, subdivision 4. The data must be supplied according to any standards,
37.24 guidelines, or procedures adopted under section 3.8853, subdivision 3, including any
37.25 standards or procedures governing timeliness. Notwithstanding section 13.05, subdivision
37.26 9, a responsible authority may not require the Legislative Budget Office to pay a cost for
37.27 supplying data requested under this subdivision.

37.28 **EFFECTIVE DATE.** This section is effective January 8, 2019.

37.29 Sec. 36. Minnesota Statutes 2016, section 13.685, is amended to read:

37.30 **13.685 MUNICIPAL UTILITY CUSTOMER DATA.**

37.31 Data on customers of municipal electric utilities are private data on individuals or
37.32 nonpublic data, but may be released to:

38.1 (1) a law enforcement agency that requests access to the data in connection with an
38.2 investigation;

38.3 (2) a school for purposes of compiling pupil census data;

38.4 (3) the Metropolitan Council for use in studies or analyses required by law;

38.5 (4) a public child support authority for purposes of establishing or enforcing child support;

38.6 or

38.7 (5) a person where use of the data directly advances the general welfare, health, or safety
38.8 of the public; the ~~commissioner of administration~~ information policy analysis unit may issue
38.9 advisory opinions construing this clause pursuant to section 13.072.

38.10 Sec. 37. Minnesota Statutes 2016, section 13D.06, subdivision 4, is amended to read:

38.11 Subd. 4. **Costs; attorney fees; requirements; limits.** (a) In addition to other remedies,
38.12 the court may award reasonable costs, disbursements, and reasonable attorney fees of up to
38.13 \$13,000 to any party in an action under this chapter.

38.14 (b) The court may award costs and attorney fees to a defendant only if the court finds
38.15 that the action under this chapter was frivolous and without merit.

38.16 (c) A public body may pay any costs, disbursements, or attorney fees incurred by or
38.17 awarded against any of its members in an action under this chapter.

38.18 (d) No monetary penalties or attorney fees may be awarded against a member of a public
38.19 body unless the court finds that there was an intent to violate this chapter.

38.20 (e) The court shall award reasonable attorney fees to a prevailing plaintiff who has
38.21 brought an action under this section if the public body that is the defendant in the action
38.22 was also the subject of a prior ~~written~~ advisory opinion issued under section 13.072 or a
38.23 prior decision of the Office of Administrative Hearings issued under section 13.085, and
38.24 the court finds that the opinion or decision is directly related to the cause of action being
38.25 litigated and that the public body did not act in conformity with the opinion or decision.
38.26 The court shall give deference to the opinion or decision in a proceeding brought under this
38.27 section.

38.28 Sec. 38. Minnesota Statutes 2017 Supplement, section 15A.0815, subdivision 3, is amended
38.29 to read:

38.30 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall
38.31 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually

39.1 on January 1. The new limit must equal the limit for the prior year increased by the percentage
39.2 increase, if any, in the Consumer Price Index for all urban consumers from October of the
39.3 second prior year to October of the immediately prior year. The commissioner of management
39.4 and budget must publish the limit on the department's Web site. This subdivision applies
39.5 to the following positions:

39.6 Executive director of Gambling Control Board;

39.7 Commissioner of Iron Range resources and rehabilitation;

39.8 Commissioner, Bureau of Mediation Services;

39.9 Ombudsman for Mental Health and Developmental Disabilities;

39.10 ~~Chair, Metropolitan Council;~~

39.11 School trust lands director;

39.12 Executive director of pari-mutuel racing; and

39.13 Commissioner, Public Utilities Commission.

39.14 **EFFECTIVE DATE.** This section is effective January 1, 2019.

39.15 Sec. 39. Minnesota Statutes 2016, section 16A.013, is amended by adding a subdivision
39.16 to read:

39.17 **Subd. 1a. Opportunity to make gifts via Web site.** The commissioner of management
39.18 and budget must maintain a secure Web site which permits any person to make a gift of
39.19 money electronically for any purpose authorized by subdivision 1. Gifts made using the
39.20 Web site are subject to all other requirements of this section, sections 16A.014 to 16A.016,
39.21 and any other applicable law governing the receipt of gifts by the state and the purposes for
39.22 which a gift may be used. The Web site must include historical data on the total amount of
39.23 gifts received using the site, itemized by month.

39.24 Sec. 40. Minnesota Statutes 2016, section 16A.11, subdivision 1, is amended to read:

39.25 Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature.
39.26 Parts one and two, the budget message and detailed operating budget, must be submitted
39.27 by the fourth Tuesday in January in each odd-numbered year. However, in a year following
39.28 the election of a governor who had not been governor the previous year, parts one and two
39.29 must be submitted by the third Tuesday in February. Part three, the detailed recommendations
39.30 as to capital expenditure, must be submitted as follows: agency capital budget requests by
39.31 July 15 of each odd-numbered year, and governor's recommendations by January 15 of each

40.1 even-numbered year. ~~Detailed recommendations as to information technology expenditure~~
40.2 ~~must be submitted as part of the detailed operating budget. Information technology~~
40.3 ~~recommendations must include projects to be funded during the next biennium and planning~~
40.4 ~~estimates for an additional two bienniums. Information technology recommendations must~~
40.5 ~~specify purposes of the funding such as infrastructure, hardware, software, or training.~~

40.6 Sec. 41. Minnesota Statutes 2016, section 16A.11, is amended by adding a subdivision to
40.7 read:

40.8 Subd. 6a. **Information technology and cyber security.** (a) Detailed recommendations
40.9 as to information and telecommunications technology systems and services expenditures
40.10 must be submitted as part of the detailed operating budget. These recommendations must
40.11 include projects to be funded during the next biennium and planning estimates for an
40.12 additional two bienniums, and must specify purposes of the funding, such as infrastructure,
40.13 hardware, software, or training. The detailed operating budget must also separately
40.14 recommend expenditures for the maintenance and enhancement of cyber security for the
40.15 state's information and telecommunications technology systems and services.

40.16 (b) The commissioner of management and budget, in consultation with the state chief
40.17 information officer, shall establish budget guidelines for the recommendations required by
40.18 this subdivision. Unless otherwise set by the commissioner at a higher amount, the amount
40.19 to be budgeted each fiscal year for maintenance and enhancement of cyber security must
40.20 be at least 3.5 percent of a department's or agency's total operating budget for information
40.21 and telecommunications technology systems and services in that year.

40.22 (c) As used in this subdivision:

40.23 (1) "information and telecommunications technology systems and services" has the
40.24 meaning given in section 16E.03, subdivision 1, paragraph (a); and

40.25 (2) "cyber security" has the meaning given in section 16E.03, subdivision 1, paragraph
40.26 (d).

40.27 Sec. 42. Minnesota Statutes 2016, section 16D.09, is amended to read:

40.28 **16D.09 UNCOLLECTIBLE DEBTS.**

40.29 Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be
40.30 uncollectible, the debt may be written off by the state agency from the state agency's financial
40.31 accounting records and no longer recognized as an account receivable for financial reporting
40.32 purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts

41.1 have been exhausted, (2) the cost of further collection action will exceed the amount
41.2 recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence,
41.3 (4) the debtor cannot be located, (5) the available assets or income, current or anticipated,
41.4 that may be available for payment of the debt are insufficient, (6) the debt has been
41.5 discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt
41.6 has expired, or (8) it is not in the public interest to pursue collection of the debt.

41.7 (b) The determination of the uncollectibility of a debt must be reported by the state
41.8 agency along with the basis for that decision as part of its quarterly reports to the
41.9 commissioner of management and budget. If a state agency's quarterly report includes an
41.10 uncollectible debt that exceeds \$10,000, a copy of the report must be submitted to the chairs
41.11 and ranking minority members of the legislative committees with jurisdiction over the state
41.12 agency's budget at the same time the report is delivered to the commissioner of management
41.13 and budget. Determining that the debt is uncollectible does not cancel the legal obligation
41.14 of the debtor to pay the debt.

41.15 Sec. 43. Minnesota Statutes 2016, section 16E.016, is amended to read:

41.16 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
41.17 **AND EQUIPMENT.**

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

41.21 (1) state data centers;

41.22 (2) mainframes including system software;

41.23 (3) servers including system software;

41.24 (4) desktops including system software;

41.25 (5) laptop computers including system software;

41.26 (6) a data network including system software;

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

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

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

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

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

42.5 (12) network-connected output devices.

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

42.12 (c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a
42.13 state agency to obtain services specified in paragraph (a) through a contract with an outside
42.14 vendor when the chief information officer and the agency head agree that a contract would
42.15 provide best value, as defined in section 16C.02, under the service-level agreement. The
42.16 chief information officer must require that agency contracts with outside vendors ensure
42.17 that systems and services are compatible with standards established by the Office of MN.IT
42.18 Services.

42.19 ~~(d) The Minnesota State Retirement System, the Public Employees Retirement~~
42.20 ~~Association, the Teachers Retirement Association, the State Board of Investment, the~~
42.21 ~~Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio~~
42.22 ~~Board are not state agencies for purposes of this section.~~

42.23 (d) Effective upon certification by the chief information officer that the information
42.24 technology systems and services provided under this section meet all professional and
42.25 technical standards necessary for the entity to perform its functions, the following are state
42.26 agencies for purposes of this section: the Campaign Finance and Public Disclosure Board,
42.27 the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the
42.28 Public Employees Retirement Association, the Teachers Retirement Association, and the
42.29 State Board of Investment.

42.30 Sec. 44. Minnesota Statutes 2016, section 16E.03, subdivision 4, is amended to read:

42.31 Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as
42.32 necessary, update and modify procedures to evaluate information and communications
42.33 projects proposed by state agencies. The evaluation procedure must assess the necessity,

43.1 design and plan for development, ability to meet user requirements, accessibility, feasibility,
43.2 and flexibility of the proposed data processing device or system, its relationship to other
43.3 state or local data processing devices or systems, and its costs and benefits when considered
43.4 by itself and when compared with other options. The evaluation procedure must also include
43.5 a process for consultation with affected local units of government, if implementation of the
43.6 proposed project requires the participation of both a state agency and a local government.

43.7 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to the evaluation
43.8 procedure for information and telecommunications technology projects reviewed by the
43.9 state chief information officer on or after January 1, 2019.

43.10 Sec. 45. Minnesota Statutes 2016, section 16E.03, subdivision 7, is amended to read:

43.11 Subd. 7. **Cyber security systems.** In consultation with the attorney general and
43.12 appropriate agency heads, the chief information officer shall develop cyber security policies,
43.13 guidelines, and standards, and shall install and administer state data security systems on the
43.14 state's computer facilities consistent with these policies, guidelines, standards, and state law
43.15 to ensure the integrity of computer-based and other data and to ensure applicable limitations
43.16 on access to data, consistent with the public's right to know as defined in chapter 13. The
43.17 chief information officer is responsible for overall security of state agency networks
43.18 connected to the Internet. Each department or agency head is responsible for the security
43.19 of the department's or agency's data within the guidelines of established enterprise policy.
43.20 Unless otherwise expressly provided by law, at least 3.5 percent of each department's or
43.21 agency's expenditures in a fiscal year for information and telecommunications technology
43.22 systems and services must be directed to the maintenance and enhancement of cyber security.

43.23 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to expenditures
43.24 in fiscal years beginning on or after that date.

43.25 Sec. 46. Minnesota Statutes 2016, section 16E.03, is amended by adding a subdivision to
43.26 read:

43.27 Subd. 11. **Systems impacting local government.** An information and telecommunications
43.28 technology project that includes the participation of both a state agency and a local unit of
43.29 government may not be approved for full release or deployment until the project has been
43.30 field tested by at least one local unit of government, and the results of the field test
43.31 successfully demonstrate the integrity, security, and quality of the technology, and that the
43.32 functionality and usability of the overall project meet the expectations described in the
43.33 project's proposal. Standards for field testing that meet the requirements of this subdivision

44.1 must be incorporated into the project's development plan before it may be approved by the
44.2 chief information officer under subdivision 3.

44.3 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to information
44.4 and telecommunications technology projects approved by the state chief information officer
44.5 on or after that date.

44.6 Sec. 47. **[43A.035] USE OF AGENCY SAVINGS FROM VACANT POSITIONS.**

44.7 (a) To the extent that an executive branch agency accrues savings in personnel costs
44.8 resulting from the departure of an agency employee or the maintenance of a vacant position,
44.9 those savings may only be used to support a new employee in that position at an equal or
44.10 lesser rate of compensation, and for an equal or lesser full-time equivalent work status.
44.11 Savings accrued from departed personnel or maintenance of a vacant position may not be
44.12 transferred or reallocated to another program or activity within the executive branch agency,
44.13 or used to increase the number of full-time equivalent employees at the agency, unless
44.14 expressly authorized by law.

44.15 (b) For purposes of this section, an "executive branch agency" does not include the
44.16 Minnesota State Colleges and Universities or statewide pension plans.

44.17 Sec. 48. **[43A.385] HARASSMENT, MISCONDUCT, AND DISCRIMINATION;**
44.18 **INDEPENDENT OFFICE ESTABLISHED.**

44.19 Subdivision 1. **Office established; purpose.** An independent, centralized office to
44.20 receive and investigate complaints of harassment, misconduct, and discrimination, including
44.21 sexual harassment, in executive branch state agencies is established. The office shall be led
44.22 by a director, appointed by the commissioner of management and budget, who serves in
44.23 the unclassified service. The purpose of the office is to apply consistent practices in the
44.24 investigation of these complaints across agencies and reinforce a culture that encourages
44.25 the reporting of such complaints by increasing confidence in the process and the fairness
44.26 of the outcome.

44.27 Subd. 2. **Office duties.** (a) In addition to the requirements of subdivisions 3 to 7, the
44.28 office must:

44.29 (1) collect, maintain, and analyze data related to complaints of harassment, misconduct,
44.30 and discrimination across state government and must provide public, de-identified summary
44.31 reports on the data;

45.1 (2) provide an opportunity for state employees, and members of the public who interact
45.2 with state employees, to report a complaint, provided that the office's complaint procedures
45.3 must be in addition to existing opportunities for reporting available through other means;

45.4 (3) review complaints filed, and provide related investigation services, to all state
45.5 agencies;

45.6 (4) in the event the office determines that a complaint is substantiated, determine an
45.7 appropriate corrective action in response, in consultation with the agency employing the
45.8 person found to have engaged in improper conduct;

45.9 (5) track the outcomes of disciplinary or other corrective action, and advise agencies as
45.10 needed to ensure consistency in these actions; and

45.11 (6) employ trained staff to provide resources and information to all parties to a complaint.

45.12 (b) State agencies must provide applicable data to the office as required by this section,
45.13 and must otherwise assist the office in fulfilling its responsibilities, as requested by the
45.14 director.

45.15 Subd. 3. **State employee community survey.** The office must administer an employee
45.16 community survey to gain feedback on the workplace in state agencies. Results of the survey
45.17 must be used to review the effectiveness of existing agency leadership efforts, and the
45.18 application of existing policies and procedures within each agency. The survey must be
45.19 intended to solicit feedback from employees on:

45.20 (1) whether they feel safe in their workplaces;

45.21 (2) whether they are knowledgeable about the process for reporting complaints of
45.22 harassment, misconduct, or discrimination;

45.23 (3) their level of satisfaction with reporting a complaint, if applicable; and

45.24 (4) suggestions for ways their employing agency can provide additional support to
45.25 employees who have made a complaint.

45.26 Subd. 4. **Complaint hotline.** The office may enter a contract for the development and
45.27 maintenance of a hotline that may be used by state employees to report a complaint of
45.28 harassment, misconduct, or discrimination.

45.29 Subd. 5. **Audits.** The office must conduct audits, to ensure state agencies have effective
45.30 and consistent policies and procedures to prevent and correct harassment, misconduct, and
45.31 discrimination. The audits must include an evaluation of outcomes related to complaints of
45.32 harassment based on a status protected under chapter 363A. The office must provide technical

46.1 guidance and otherwise assist agencies in making corrections in response to an audit's
46.2 findings, and in ensuring consistency in the handling of complaints.

46.3 Subd. 6. **Training.** The office must provide a centralized, consistent, regular training
46.4 program for all state agencies designed to increase the knowledge of state employees in the
46.5 state's harassment, misconduct, and discrimination prevention policies, procedures, and
46.6 resources, and to create a culture of prevention and support for victims. The content of the
46.7 program must include bystander training, retaliation prevention training, and respect in the
46.8 workplace training. Customized training programs must be offered for: (1) general state
46.9 employees; (2) supervisors and managers; and (3) agency affirmative action and human
46.10 resources employees.

46.11 Subd. 7. **Annual legislative report required.** No later than January 15, 2019, and
46.12 annually thereafter, the office must provide a written report to the chairs and ranking minority
46.13 members of the legislative committees with jurisdiction over state government finance and
46.14 state government operations on the work of the office. The report must include detail on
46.15 disciplinary and other corrective actions taken by state agencies in response to a substantiated
46.16 complaint. The report must not identify a party to a complaint, unless the identity is public
46.17 under applicable law.

46.18 Subd. 8. **Transfer of responsibilities to office.** To the extent that a responsibility
46.19 described in subdivisions 1 to 7 conflicts with or duplicates the responsibilities of an existing
46.20 office or department within a state agency, those responsibilities are transferred to the
46.21 centralized office established by this section, consistent with the requirements of section
46.22 15.039. The commissioner of administration may, with the approval of the governor, issue
46.23 reorganization orders under section 16B.37 as necessary to complete the transfer of duties
46.24 required by this subdivision.

46.25 Sec. 49. Minnesota Statutes 2016, section 155A.23, subdivision 8, is amended to read:

46.26 Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician,
46.27 advanced practice esthetician, or nail technician practitioner, ~~or eyelash technician~~
46.28 ~~practitioner~~, and who has a manager license and provides any services under that license,
46.29 as defined in subdivision 3.

46.30 Sec. 50. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

46.31 Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this
46.32 subdivision.

- 47.1 (b) Three-year license fees are as follows:
- 47.2 (1) \$195 initial practitioner, manager, or instructor license, divided as follows:
- 47.3 (i) \$155 for each initial license; and
- 47.4 (ii) \$40 for each initial license application fee;
- 47.5 (2) \$115 renewal of practitioner license, divided as follows:
- 47.6 (i) \$100 for each renewal license; and
- 47.7 (ii) \$15 for each renewal application fee;
- 47.8 (3) \$145 renewal of manager or instructor license, divided as follows:
- 47.9 (i) \$130 for each renewal license; and
- 47.10 (ii) \$15 for each renewal application fee;
- 47.11 (4) \$350 initial salon license, divided as follows:
- 47.12 (i) \$250 for each initial license; and
- 47.13 (ii) \$100 for each initial license application fee;
- 47.14 (5) \$225 renewal of salon license, divided as follows:
- 47.15 (i) \$175 for each renewal; and
- 47.16 (ii) \$50 for each renewal application fee;
- 47.17 (6) \$4,000 initial school license, divided as follows:
- 47.18 (i) \$3,000 for each initial license; and
- 47.19 (ii) \$1,000 for each initial license application fee; and
- 47.20 (7) \$2,500 renewal of school license, divided as follows:
- 47.21 (i) \$2,000 for each renewal; and
- 47.22 (ii) \$500 for each renewal application fee.
- 47.23 (c) Penalties may be assessed in amounts up to the following:
- 47.24 (1) reinspection fee, \$150;
- 47.25 (2) manager and owner with expired practitioner found on inspection, \$150 each;
- 47.26 (3) expired practitioner or instructor found on inspection, \$200;
- 47.27 (4) expired salon found on inspection, \$500;

- 48.1 (5) expired school found on inspection, \$1,000;
- 48.2 (6) failure to display current license, \$100;
- 48.3 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 48.4 under section 155A.355, subdivision 1, \$500;
- 48.5 (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355,
- 48.6 subdivision 2, \$500;
- 48.7 (9) performing nail or cosmetology services in esthetician salon, or performing esthetician
- 48.8 or cosmetology services in a nail salon, \$500;
- 48.9 (10) owner and manager allowing an operator to work as an independent contractor,
- 48.10 \$200;
- 48.11 (11) operator working as an independent contractor, \$100;
- 48.12 (12) refusal or failure to cooperate with an inspection, \$500;
- 48.13 (13) practitioner late renewal fee, \$45; and
- 48.14 (14) salon or school late renewal fee, \$50.
- 48.15 (d) Administrative fees are as follows:
- 48.16 (1) homebound service permit, \$50 three-year fee;
- 48.17 (2) name change, \$20;
- 48.18 (3) certification of licensure, \$30 each;
- 48.19 (4) duplicate license, \$20;
- 48.20 (5) special event permit, \$75 per year;
- 48.21 ~~(6) registration of hair braiders, \$20 per year;~~
- 48.22 ~~(7)~~ (6) \$100 for each temporary military license for a cosmetologist, nail technician,
- 48.23 esthetician, or advanced practice esthetician one-year fee;
- 48.24 ~~(8)~~ (7) expedited initial individual license, \$150;
- 48.25 ~~(9)~~ (8) expedited initial salon license, \$300;
- 48.26 ~~(10)~~ (9) instructor continuing education provider approval, \$150 each year; and
- 48.27 ~~(11)~~ (10) practitioner continuing education provider approval, \$150 each year.

49.1 Sec. 51. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision
49.2 to read:

49.3 Subd. 5. **Hair braiders exempt.** The practice of hair braiding is exempt from the
49.4 requirements of this chapter.

49.5 Sec. 52. Minnesota Statutes 2016, section 155A.29, subdivision 1, is amended to read:

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

49.11 Sec. 53. Minnesota Statutes 2016, section 155A.29, subdivision 6, is amended to read:

49.12 Subd. 6. **Exemption.** The facility in which a person provides threading or eyelash
49.13 extension services and no other services requiring licensure by this chapter is exempt from
49.14 the requirement for a salon license under this section.

49.15 Sec. 54. Minnesota Statutes 2016, section 240.01, is amended by adding a subdivision to
49.16 read:

49.17 Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor"
49.18 means any person or entity that manufactures, sells, provides, distributes, repairs, or maintains
49.19 equipment or supplies used at a Class A facility or provides services to a Class A facility
49.20 or Class B license holder that are directly related to the running of a horse race, simulcasting,
49.21 pari-mutuel betting, or card playing.

49.22 Sec. 55. Minnesota Statutes 2016, section 240.02, subdivision 6, is amended to read:

49.23 Subd. 6. **Annual report.** The commission shall on February 15 of each odd-numbered
49.24 year submit a report to the governor and legislature on its activities, organizational structure,
49.25 receipts and disbursements, and recommendations for changes in the laws relating to racing
49.26 and pari-mutuel betting.

49.27 Sec. 56. Minnesota Statutes 2016, section 240.08, subdivision 5, is amended to read:

49.28 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C license
49.29 for a violation of law or rule which in the commission's opinion adversely affects the integrity

50.1 of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false
50.2 statement made in a license application.

50.3 The commission may suspend a class C license for up to one year for a violation of law,
50.4 order or rule.

50.5 The commission may delegate to its designated agents the authority to impose suspensions
50.6 of class C licenses, and the revocation or suspension of a class C license may be appealed
50.7 to the commission according to its rules.

50.8 (b) ~~A license revocation or suspension~~ If the commission revokes or suspends a license
50.9 for more than 90 180 days is, in lieu of appealing to the commission under paragraph (a),
50.10 the license holder has the right to request a contested case hearing under sections 14.57 to
50.11 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed
50.12 for a violation of law or rule. chapter 14. The request must be made in writing to the
50.13 commission by certified mail or personal service. A request sent by certified mail must be
50.14 postmarked within ten days after the license holder receives the revocation or suspension
50.15 order from the commission. A request sent by personal service must be received by the
50.16 commission within ten days after the license holder receives the revocation or suspension
50.17 order from the commission. The commission may summarily suspend a license for ~~more~~
50.18 ~~than up to 90 days prior to a contested case hearing~~ where it is necessary to ensure the
50.19 integrity of racing or to protect the public health, welfare, or safety. The license holder may
50.20 appeal a summary suspension by making a written request to the commission within five
50.21 calendar days after the license holder receives notice of the summary suspension. A contested
50.22 case hearing must be held within 30 ten days of the commission's receipt of the request for
50.23 appeal of a summary suspension and the administrative law judge's report must be issued
50.24 within 30 days from the close of the hearing record. In all cases involving summary
50.25 suspension the commission must issue its final decision within 30 days from receipt of the
50.26 report of the administrative law judge and subsequent exceptions and argument under section
50.27 14.61. to determine whether the license should remain suspended pending a final disciplinary
50.28 action.

50.29 Sec. 57. Minnesota Statutes 2016, section 240.131, subdivision 7, is amended to read:

50.30 Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent
50.31 of all amounts wagered by Minnesota residents with an authorized advance deposit wagering
50.32 provider. The fee shall be declared on a form prescribed by the commission. The ADW
50.33 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of
50.34 the month in which the wager was made. Fees collected under this paragraph must be

51.1 deposited in the state treasury and credited to a racing and card-playing regulation account
51.2 in the special revenue fund and are appropriated to the commission to offset the costs
51.3 associated with regulating horse racing and pari-mutuel wagering in Minnesota.

51.4 (b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all
51.5 amounts wagered by Minnesota residents with an authorized advance deposit wagering
51.6 provider. The fee shall be declared on a form prescribed by the commission. The ADW
51.7 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of
51.8 the month in which the wager was made. Fees collected under this paragraph must be
51.9 deposited in the state treasury and credited to a racing and card-playing regulation account
51.10 in the special revenue fund and are appropriated to the commission to offset the cost of
51.11 administering the breeders fund and promote horse breeding in Minnesota.

51.12 Sec. 58. Minnesota Statutes 2016, section 240.22, is amended to read:

51.13 **240.22 FINES.**

51.14 (a) The commission shall by rule establish a schedule of civil fines for violations of laws
51.15 related to horse racing or of the commission's rules. The schedule must be based on and
51.16 reflect the culpability, frequency and severity of the violator's actions. The commission may
51.17 impose a fine from this schedule on a licensee for a violation of those rules or laws relating
51.18 to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.
51.19 Fines imposed by the commission must be paid to the commission and except as provided
51.20 in paragraph (c), forwarded to the commissioner of management and budget for deposit in
51.21 the state treasury and credited to a racing and card-playing regulation account in the special
51.22 revenue fund and appropriated to the commission to distribute in the form of grants, contracts,
51.23 or expenditures to support racehorse adoption, retirement, and repurposing.

51.24 (b) If the commission issues a fine in excess of \$5,000, the license holder has the right
51.25 to request a contested case hearing under chapter 14, to be held as set forth in Minnesota
51.26 Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by
51.27 certified mail or personal service. An appeal sent by certified mail must be postmarked
51.28 within ten days after the license holder receives the fine order from the commission. An
51.29 appeal sent by personal service must be received by the commission within ten days after
51.30 the license holder receives the fine order from the commission.

51.31 (c) If the commission is the prevailing party in a contested case proceeding, the
51.32 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
51.33 attorney fees and costs associated with the contested case.

52.1 Sec. 59. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

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

52.10 Sec. 60. Minnesota Statutes 2016, section 340A.412, is amended by adding a subdivision
52.11 to read:

52.12 Subd. 12a. **Wine transfers.** Notwithstanding the provisions of subdivision 12, the holder
52.13 of an off-sale retail intoxicating liquor license may transfer wine from one licensed premises
52.14 to another provided that:

52.15 (1) the license for the transferring and receiving premises are held by the same licensee;
52.16 and

52.17 (2) only one transfer is made from a licensed premises in a three-month period.

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

52.19 Sec. 61. Minnesota Statutes 2016, section 349A.06, subdivision 11, is amended to read:

52.20 Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a)
52.21 The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from
52.22 selling lottery tickets at a business location who:

52.23 (1) has been convicted of a felony or gross misdemeanor;

52.24 (2) has committed fraud, misrepresentation, or deceit;

52.25 (3) has provided false or misleading information to the lottery; or

52.26 (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

52.27 (b) The director may cancel, suspend, or refuse to renew the contract of any lottery
52.28 retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

52.29 (1) changes business location;

52.30 (2) fails to account for lottery tickets received or the proceeds from tickets sold;

- 53.1 (3) fails to remit funds to the director in accordance with the director's rules;
- 53.2 (4) violates a law or a rule or order of the director;
- 53.3 (5) fails to comply with any of the terms in the lottery retailer's contract;
- 53.4 (6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;
- 53.5 (7) in the opinion of the director fails to maintain a sufficient sales volume to justify
- 53.6 continuation as a lottery retailer; ~~or~~
- 53.7 (8) has violated section 340A.503, subdivision 2, clause (1), two or more times within
- 53.8 a two-year period; or
- 53.9 (9) has violated the rules adopted pursuant to subdivision 6, clause (1), requiring a lottery
- 53.10 retailer to retain appropriate amounts from gross receipts from the sale of lottery tickets in
- 53.11 order to pay prizes to holders of winning tickets, three or more times within a one-year
- 53.12 period.
- 53.13 (c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract
- 53.14 or prohibit a lottery retailer from selling lottery tickets at a business location if there is a
- 53.15 material change in any of the factors considered by the director under subdivision 2.
- 53.16 (d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer
- 53.17 from selling lottery tickets at a business location under this subdivision is a contested case
- 53.18 under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a
- 53.19 violation of law or rule.
- 53.20 (e) The director may temporarily suspend a contract or temporarily prohibit a lottery
- 53.21 retailer from selling lottery tickets at a business location without notice for any of the reasons
- 53.22 specified in this subdivision provided that a hearing is conducted within seven days after a
- 53.23 request for a hearing is made by a lottery retailer. Within 20 days after receiving the
- 53.24 administrative law judge's report, the director shall issue an order vacating the temporary
- 53.25 suspension or prohibition or making any other appropriate order. If no hearing is requested
- 53.26 within 30 days of the temporary suspension or prohibition taking effect, the suspension or
- 53.27 prohibition becomes permanent unless the director vacates or modifies the order.
- 53.28 (f) A lottery retailer whose contract was solely canceled, suspended, or not renewed
- 53.29 pursuant to paragraph (b), clause (9), may petition the director to reinstate a canceled or
- 53.30 suspended contract, or enter into a new contract, after two years have passed since the order
- 53.31 took effect.

54.1 Sec. 62. Minnesota Statutes 2016, section 424B.20, subdivision 4, is amended to read:

54.2 Subd. 4. **Benefit trust fund establishment.** (a) After the settlement of nonbenefit legal
54.3 obligations of the special fund of the volunteer firefighters relief association under subdivision
54.4 3, the board of the relief association shall transfer the remaining assets of the special fund,
54.5 as securities or in cash, as applicable, to the chief financial official of the municipality in
54.6 which the associated fire department was located if the fire department was a municipal fire
54.7 department or to the chief financial official of the municipality with the largest population
54.8 served by the fire department if the fire department was an independent nonprofit firefighting
54.9 corporation. The board shall also compile a schedule of the relief association members to
54.10 whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the
54.11 amount of the service pension or benefit payable based on the applicable bylaws and state
54.12 law and the service rendered to the date of the dissolution, and the date on which the pension
54.13 or benefit would first be payable under the bylaws of the relief association and state law.

54.14 (b) The municipality in which is located a volunteer firefighters relief association that
54.15 is dissolving under this section shall establish a separate account in the municipal treasury
54.16 which must function as a trust fund for members of the volunteer firefighters relief association
54.17 and their beneficiaries to whom the volunteer firefighters relief association owes a service
54.18 pension or other benefit under the bylaws of the relief association and state law. Upon proper
54.19 application, on or after the initial date on which the service pension or benefit is payable,
54.20 the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared
54.21 under paragraph (a) and the other records of the dissolved relief association. The trust fund
54.22 under this section must be invested and managed consistent with chapter 356A and section
54.23 424A.095. Upon payment of the last service pension or benefit due and owing, any remaining
54.24 assets in the trust fund cancel to the general fund of the municipality. Funds that cancel to
54.25 the municipality under this paragraph on or after July 1, 2018, and before July 1, 2028, must
54.26 be distributed, on a proportional basis, to all living persons previously provided a benefit
54.27 as members of the dissolved relief association, and may not be used for any other purpose.
54.28 If the special fund of the volunteer firefighters relief association had an unfunded actuarial
54.29 accrued liability upon dissolution, the municipality is liable for that unfunded actuarial
54.30 accrued liability.

54.31 Sec. 63. Minnesota Statutes 2016, section 473.123, subdivision 1, is amended to read:

54.32 Subdivision 1. **Creation; membership.** (a) A Metropolitan Council with jurisdiction
54.33 in the metropolitan area is established as a public corporation and political subdivision of

55.1 the state. It shall be under the supervision and control of ~~17~~ 28 members, all of whom shall
55.2 be residents of the metropolitan area- and who shall be appointed as follows:

55.3 (1) a county commissioner from each of Anoka, Carver, Dakota, Ramsey, Scott, and
55.4 Washington Counties, appointed by the respective county boards;

55.5 (2) two county commissioners from Hennepin County appointed by the county board,
55.6 one of whom must represent a ward that is predominantly located within the city of
55.7 Minneapolis, and one of whom must represent a ward that does not include the city of
55.8 Minneapolis;

55.9 (3) a local elected official appointed from each Metropolitan Council district by the
55.10 municipal committee for the council district established in subdivision 2b;

55.11 (4) the commissioner of transportation or the commissioner's designee;

55.12 (5) one person to represent nonmotorized transportation, appointed by the commissioner
55.13 of transportation;

55.14 (6) one person to represent freight transportation, appointed by the commissioner of
55.15 transportation; and

55.16 (7) one person to represent public transit, appointed by the commissioner of
55.17 transportation.

55.18 (b) The local elected offices identified in paragraph (a) are compatible with the office
55.19 of a Metropolitan Council member.

55.20 (c) Notwithstanding any change to the definition of metropolitan area in section 473.121,
55.21 subdivision 2, the jurisdiction of the Metropolitan Council is limited to the seven-county
55.22 metropolitan area.

55.23 Sec. 64. Minnesota Statutes 2016, section 473.123, subdivision 2a, is amended to read:

55.24 Subd. 2a. **Terms.** (a) Following each apportionment of council districts, as provided
55.25 under subdivision 3a, council members must be appointed from newly drawn districts as
55.26 provided in subdivision 3a. Each council member, other than the chair, must reside in the
55.27 council district represented. Each council district must be represented by one member of
55.28 the council. The terms of members end with the term of the governor, except that all terms
55.29 expire on the effective date of the next apportionment. A member serves at the pleasure of
55.30 the governor. the municipal committee for each council district shall appoint a local elected
55.31 official who resides in the district to serve on the Metropolitan Council for a four-year term.
55.32 The terms of members appointed by municipal committees are staggered as follows: members

56.1 representing an odd-numbered district have terms ending the first Monday in January of
 56.2 the year ending in the numeral "1" and members representing an even-numbered district
 56.3 have terms ending the first Monday in January in the year ending in the numeral "3."
 56.4 Thereafter, the term of each member is four years, with terms ending the first Monday in
 56.5 January, except that all terms expire on the effective date of the next apportionment. A
 56.6 member's position on the Metropolitan Council becomes vacant if the member ceases to be
 56.7 a local elected official or as provided in chapter 351, and any vacancy must be filled as soon
 56.8 as practicable for the unexpired term in the same manner as the initial appointment. A
 56.9 member shall continue to serve the member's district until a successor is appointed and
 56.10 qualified; except that, following each apportionment, the member shall continue to serve
 56.11 at large until the ~~governor appoints 16 council members,~~ one municipal committee for the
 56.12 council district appoints a member from each of the newly drawn council districts district
 56.13 as provided under subdivision 3a, to serve terms as provided under this section. The
 56.14 appointment to the council must be made by the first Monday in March of the year in which
 56.15 the term ends.

56.16 (b) The terms of members appointed by county boards are staggered as follows: members
 56.17 representing the counties of Anoka, Dakota, Ramsey, and Scott have terms ending the first
 56.18 Monday in January of the year ending in the numeral "1," and members representing the
 56.19 counties of Carver, Hennepin, and Washington have terms ending the first Monday in
 56.20 January of the year ending in the numeral "3." Thereafter, the term for each member is four
 56.21 years. A member's position on the Metropolitan Council becomes vacant if the member
 56.22 ceases to be a local elected official or as provided in chapter 351, and any vacancy must be
 56.23 filled as soon as practicable for the unexpired term in the same manner as the initial
 56.24 appointment.

56.25 (c) An individual appointed by the commissioner of transportation under subdivision 1
 56.26 serves at the pleasure of the appointing authority.

56.27 Sec. 65. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision
 56.28 to read:

56.29 Subd. 2b. **Municipal committee in each council district.** The governing body of each
 56.30 home rule charter or statutory city and town in each Metropolitan Council district shall
 56.31 appoint a member to serve on a municipal committee for the council district. If a city or
 56.32 town is in more than one council district, the governing body must appoint a member to
 56.33 serve on each council district's municipal committee. A member appointed to a council
 56.34 district's municipal committee must reside in the council district. The municipal committee

57.1 must meet at least quarterly to discuss issues relating to the Metropolitan Council. Municipal
57.2 committee meetings are subject to the Minnesota Open Meeting Law, chapter 13D.

57.3 Sec. 66. Minnesota Statutes 2016, section 473.123, subdivision 3a, is amended to read:

57.4 Subd. 3a. **Redistricting.** The legislature shall redraw the boundaries of the council
57.5 districts after each decennial federal census so that each district has substantially equal
57.6 population. Redistricting is effective in the year ending in the numeral "3." Within 60 days
57.7 after a redistricting plan takes effect, the ~~governor~~ municipal committees shall appoint
57.8 members from the newly drawn districts to serve terms as provided under subdivision 2a.

57.9 Sec. 67. Minnesota Statutes 2016, section 473.123, subdivision 4, is amended to read:

57.10 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The
57.11 chair of the Metropolitan Council shall be ~~appointed~~ selected by ~~the governor as the 17th~~
57.12 ~~voting member thereof by and with the advice and consent of the senate to serve at the~~
57.13 ~~pleasure of the governor to represent the metropolitan area at large. Senate confirmation~~
57.14 ~~shall be as provided by section 15.066 and from among the members of the Metropolitan~~
57.15 Council. The chair shall serve at the pleasure of the council. In addition to any compensation
57.16 as a local elected official, the council shall pay the chair \$40,000 per year plus reimbursement
57.17 of actual and necessary expenses as approved by the council.

57.18 The chair of the Metropolitan Council shall, if present, preside at meetings of the council,
57.19 have the primary responsibility for meeting with local elected officials, serve as the principal
57.20 legislative liaison, present to the governor and the legislature, after council approval, the
57.21 council's plans for regional governance and operations, serve as the principal spokesperson
57.22 of the council, and perform other duties assigned by the council or by law.

57.23 (b) The Metropolitan Council shall elect other officers as it deems necessary for the
57.24 conduct of its affairs for a one-year term. A secretary and treasurer need not be members
57.25 of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan
57.26 Council and special meetings may be called by a majority of the members of the Metropolitan
57.27 Council or by the chair. ~~The chair and~~ In addition to any compensation as a local elected
57.28 official, each Metropolitan Council member shall be reimbursed for actual and necessary
57.29 expenses as approved by the council.

57.30 (c) Each member of the council shall attend and participate in council meetings and meet
57.31 regularly with local elected officials and legislative members from the council member's
57.32 district. Each council member shall serve on at least one division committee for
57.33 transportation, environment, or community development.

58.1 (d) In the performance of its duties the Metropolitan Council may adopt policies and
58.2 procedures governing its operation, establish committees, and, when specifically authorized
58.3 by law, make appointments to other governmental agencies and districts.

58.4 Sec. 68. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision
58.5 to read:

58.6 Subd. 9. **Authority to vote; quorum; votes required for action.** (a) The members
58.7 appointed by the counties and municipal committees may vote on all matters before the
58.8 council. The commissioner of transportation or the commissioner's designee and the three
58.9 members appointed by the commissioner may vote only on matters in which the council is
58.10 acting as the metropolitan planning organization for the region as provided in section
58.11 473.146.

58.12 (b) A quorum is a majority of the members permitted to vote on a matter. If a quorum
58.13 is present, the council may act on a majority vote of the members present, except:

58.14 (1) if a quorum is present, the council may adopt its levy only if at least 60 percent of
58.15 the members present vote in favor of the levy; and

58.16 (2) if a quorum is present, the council may adopt a metropolitan system plan or plan
58.17 amendment only if at least 60 percent of the members present vote in favor of its adoption.

58.18 **EFFECTIVE DATE; TRANSITION; APPLICATION.** (a) Except as provided in
58.19 paragraph (b), this section is effective January 1, 2019, and applies in the counties of Anoka,
58.20 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Metropolitan Council members
58.21 serving on the effective date of this section shall continue to serve until members are
58.22 appointed from districts by the municipal committees as provided in this section.

58.23 (b) Subdivisions 1, paragraph (c), and 2b are effective the day following final enactment.

58.24 Sec. 69. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

58.25 **Subd. 3. Development guide: transportation.** The transportation chapter must include
58.26 policies relating to all transportation forms and be designed to promote the legislative
58.27 determinations, policies, and goals set forth in section 473.371. In addition to the
58.28 requirements of subdivision 1 regarding the contents of the policy plan, the nontransit
58.29 element of the transportation chapter must include the following:

58.30 (1) a statement of the needs and problems of the metropolitan area with respect to the
58.31 functions covered, including the present and prospective demand for and constraints on

59.1 access to regional business concentrations and other major activity centers and the constraints
59.2 on and acceptable levels of development and vehicular trip generation at such centers;

59.3 (2) the objectives of and the policies to be forwarded by the policy plan;

59.4 (3) a general description of the physical facilities and services to be developed;

59.5 (4) a statement as to the general location of physical facilities and service areas;

59.6 (5) a general statement of timing and priorities in the development of those physical
59.7 facilities and service areas;

59.8 (6) a detailed statement, updated every two years, of timing and priorities for
59.9 improvements and expenditures needed on the metropolitan highway system;

59.10 (7) a general statement on the level of public expenditure appropriate to the facilities;
59.11 and

59.12 (8) a long-range assessment of air transportation trends and factors that may affect airport
59.13 development in the metropolitan area and policies and strategies that will ensure a
59.14 comprehensive, coordinated, and timely investigation and evaluation of alternatives for
59.15 airport development.

59.16 The council shall develop the nontransit element in consultation with ~~the transportation~~
59.17 ~~advisory board~~ and the Metropolitan Airports Commission and cities having an airport
59.18 located within or adjacent to its corporate boundaries. The council shall also take into
59.19 consideration the airport development and operations plans and activities of the commission.
59.20 The council shall transmit the results to the state Department of Transportation.

59.21 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2019, and
59.22 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

59.23 Sec. 70. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

59.24 Subd. 4. **Transportation planning.** ~~(a)~~ The Metropolitan Council is the designated
59.25 planning agency for any long-range comprehensive transportation planning required by
59.26 section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation
59.27 Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal
59.28 transportation laws. The council shall assure administration and coordination of transportation
59.29 planning with appropriate state, regional and other agencies, counties, and municipalities.

59.30 ~~(b) The council shall establish an advisory body consisting of citizens and representatives~~
59.31 ~~of municipalities, counties, and state agencies in fulfillment of the planning responsibilities~~
59.32 ~~of the council. The membership of the advisory body must consist of:~~

- 60.1 ~~(1) the commissioner of transportation or the commissioner's designee;~~
- 60.2 ~~(2) the commissioner of the Pollution Control Agency or the commissioner's designee;~~
- 60.3 ~~(3) one member of the Metropolitan Airports Commission appointed by the commission;~~
- 60.4 ~~(4) one person appointed by the council to represent nonmotorized transportation;~~
- 60.5 ~~(5) one person appointed by the commissioner of transportation to represent the freight~~
- 60.6 ~~transportation industry;~~
- 60.7 ~~(6) two persons appointed by the council to represent public transit;~~
- 60.8 ~~(7) ten elected officials of cities within the metropolitan area, including one representative~~
- 60.9 ~~from each first-class city, appointed by the Association of Metropolitan Municipalities;~~
- 60.10 ~~(8) one member of the county board of each county in the seven-county metropolitan~~
- 60.11 ~~area, appointed by the respective county boards;~~
- 60.12 ~~(9) eight citizens appointed by the council, one from each council precinct;~~
- 60.13 ~~(10) one elected official from a city participating in the replacement service program~~
- 60.14 ~~under section 473.388, appointed by the Suburban Transit Association; and~~
- 60.15 ~~(11) one member of the council, appointed by the council.~~
- 60.16 ~~(e) The council shall appoint a chair from among the members of the advisory body.~~

60.17 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2019, and

60.18 **applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.**

60.19 Sec. 71. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended

60.20 to read:

60.21 Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable

60.22 under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be

60.23 allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable

60.24 in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is

60.25 \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the

60.26 commissioner of revenue to make reimbursements to the commissioner of management and

60.27 budget for payments made under section 611.27. The reimbursements shall be to defray the

60.28 additional costs associated with court-ordered counsel under section 611.27. Any retained

60.29 amounts not used for reimbursement in a year shall be included in the next distribution of

60.30 county need aid that is certified to the county auditors for the purpose of property tax

60.31 reduction for the next taxes payable year.

61.1 (b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124,
61.2 subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer ~~to the~~
61.3 ~~commissioner of management and budget~~ \$207,000 annually for the cost of preparation of
61.4 local impact notes as required by section 3.987, ~~and other local government activities~~ to the
61.5 Legislative Coordinating Commission for use by the Legislative Budget Office.

61.6 The commissioner of revenue shall transfer to the commissioner of education \$7,000
61.7 annually for the cost of preparation of local impact notes for school districts as required by
61.8 section 3.987. The commissioner of revenue shall deduct the amounts transferred under this
61.9 paragraph from the appropriation under this paragraph. The amounts transferred are
61.10 appropriated to the commissioner of management and budget and the commissioner of
61.11 education respectively.

61.12 **EFFECTIVE DATE.** This section is effective January 8, 2019.

61.13 Sec. 72. Minnesota Statutes 2016, section 480.15, is amended by adding a subdivision to
61.14 read:

61.15 **Subd. 13. Emergency operations and continuity of the judicial branch.** The court
61.16 administrator shall assist the Supreme Court in developing an emergency operations and
61.17 continuity of government plan, as required by section 12.402.

61.18 Sec. 73. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date,
61.19 is amended to read:

61.20 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018.

61.21 **EFFECTIVE DATE.** This section is effective July 1, 2018.

61.22 Sec. 74. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date,
61.23 is amended to read:

61.24 **EFFECTIVE DATE.** Except where otherwise provided by law, this section is effective
61.25 ~~January 8, 2019~~ July 1, 2018.

61.26 **EFFECTIVE DATE.** This section is effective July 1, 2018.

61.27 Sec. 75. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective
61.28 date, is amended to read:

61.29 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018. The
61.30 contract required under this section must be executed no later than November 1, 2018, and

62.1 must provide for transfer of operational control of the fiscal note tracking system to the
62.2 Legislative Budget Office effective December 15, 2018.

62.3 **EFFECTIVE DATE.** This section is effective July 1, 2018.

62.4 Sec. 76. **TRANSFER OF DUTIES; RESULTS FIRST PROGRAM EVALUATIONS.**

62.5 Responsibilities of the commissioner of management and budget to develop and
62.6 implement a return on taxpayer investment methodology using the Pew-MacArthur Results
62.7 First framework, as first authorized by Laws 2015, chapter 77, article 1, section 13, including
62.8 the advisory committee established by the commissioner to assist in implementing these
62.9 responsibilities, are transferred from the commissioner to the Legislative Budget Office
62.10 established in Minnesota Statutes, section 3.8853. Minnesota Statutes, section 15.039,
62.11 applies to the transfer of these responsibilities. The commissioner of administration may,
62.12 with the approval of the governor, issue reorganization orders under Minnesota Statutes,
62.13 section 16B.37, as necessary to complete the transfer of duties required by this section.

62.14 **EFFECTIVE DATE.** This section is effective January 8, 2019.

62.15 Sec. 77. **TRANSFER OF DUTIES; DATA PRACTICES AND OPEN MEETINGS**
62.16 **LAW.**

62.17 (a) Responsibilities of the commissioner of administration under Minnesota Statutes,
62.18 sections 13.06, 13.07, 13.072, and 13.073, and any other law providing general oversight
62.19 responsibilities related to operation of the Minnesota Government Data Practices Act and
62.20 the Minnesota Open Meeting Law, are transferred from the commissioner to the chief
62.21 administrative law judge in the Office of Administrative Hearings. Minnesota Statutes,
62.22 section 15.039, applies to the transfer of these responsibilities, except that subdivision 7
62.23 does not apply. The commissioner may, with the approval of the governor, issue
62.24 reorganization orders under Minnesota Statutes, section 16B.37, as necessary to complete
62.25 the transfer of duties consistent with the requirements of this section.

62.26 (b) Nothing in this section relieves the commissioner of administration from the duty to
62.27 comply with Minnesota Statutes, chapter 13, or any other applicable law related to data
62.28 collected, created, or maintained by the commissioner, or to comply with Minnesota Statutes,
62.29 chapter 13D, related to meetings conducted by the commissioner.

63.1 Sec. 78. **ENTERPRISE SOFTWARE PROJECTS; RECODIFICATION OF**
63.2 **INFORMATION TECHNOLOGY STATUTES.**

63.3 Subdivision 1. **Enterprise software projects.** (a) Except as provided in paragraph (b),
63.4 an enterprise software project must be either purchased or built through a vendor contract.
63.5 Vendors must be selected as provided by Minnesota Statutes, chapter 16C. In addition to
63.6 the requirements of that chapter, a contract required by this section must include terms that
63.7 provide:

63.8 (1) a payment schedule that is conditioned on the vendor's demonstration of satisfactory
63.9 progress toward project completion; and

63.10 (2) a requirement that, upon 30 days written notice to the vendor, the contracting agency
63.11 must terminate a contract and the vendor must refund to the agency all amounts paid to
63.12 date, if the vendor fails to demonstrate satisfactory progress towards project completion.
63.13 The contract terms must permit the contracting agency to fulfill its obligations under this
63.14 clause without penalty.

63.15 (b) Paragraph (a) does not apply to an enterprise software project if the law appropriating
63.16 money for the project expressly directs the state chief information officer to design or build
63.17 the project in-house, or otherwise contains an exemption from paragraph (a) by specific
63.18 reference to this subdivision.

63.19 Subd. 2. **Recodification recommendations.** (a) The state chief information officer must
63.20 recommend, in consultation with the revisor of statutes and other appropriate legislative
63.21 staff, legislation to clarify and reorganize Minnesota Statutes, chapter 16E, and any other
63.22 applicable laws that relate to state information technology services or the scope of duties
63.23 of the Office of MN.IT Services. Except for implementation of the requirements of
63.24 subdivision 1, the recommendations must not be intended to change the meaning or prior
63.25 interpretation of any law.

63.26 (b) The recommended legislation must be submitted to the chairs and ranking minority
63.27 members of the house of representatives and senate committees with jurisdiction over state
63.28 government finance no later than January 15, 2019.

63.29 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
63.30 restrictions on enterprise software projects, as described in subdivision 1, apply to projects
63.31 newly approved for development on or after the effective date of this section.

64.1 Sec. 79. **STUDY OF VALUATION METHOD OF PIPELINE OPERATING**
64.2 **PROPERTY.**

64.3 (a) The commissioner of revenue shall study and prepare a report on the current methods
64.4 used to value pipeline operating property in the state of Minnesota. The commissioner must
64.5 enter a contract with a consultant to assist in completing the study and preparing the report.

64.6 (b) The report must:

64.7 (1) describe, in detail, prior and current methods used to value pipeline operating property
64.8 in Minnesota;

64.9 (2) evaluate whether the current methods used produce an accurate estimate of market
64.10 value;

64.11 (3) compile and explain, in detail, the number of state-assessed pipeline valuations that
64.12 have been appealed in the last 20 years, and the extent to which the market value was
64.13 increased or reduced, by agreement, settlement, or judgment;

64.14 (4) evaluate the extent to which host political subdivisions and communities are
64.15 adequately compensated under the existing Minnesota property tax system for the external
64.16 costs imposed by pipeline systems;

64.17 (5) describe, analyze, and compare the methods used to value pipeline operating property
64.18 in border states; and

64.19 (6) make recommendations and prepare legislation on improvements or alternative
64.20 valuation methods that produce a more accurate estimate of market value.

64.21 (c) The commissioner shall report the findings of the study to the committees of the
64.22 house of representatives and senate having jurisdiction over taxes by February 15, 2019,
64.23 and file the report as required by Minnesota Statutes, section 3.195.

64.24 Sec. 80. **NORDIC WORLD CUP SKI CHAMPIONSHIP.**

64.25 (a) Upon request of U.S. Ski and Snowboard, The Loppet Foundation, or other affiliated
64.26 organization, the Minnesota Amateur Sports Commission must support the preparation and
64.27 submission of a competitive bid to host an International Ski Federation Nordic World Cup
64.28 Ski Championship event in Minnesota. If the event is awarded, the commission must partner
64.29 with the organizing committee as an event host. Commission activities may include but are
64.30 not limited to assisting in the development of public-private partnerships to support the
64.31 event; soliciting sponsors; participating in public outreach activities; permitting the

65.1 commission's facilities to be developed and used as event venues; and providing other
65.2 administrative, technical, logistical, or financial support, within available resources.

65.3 (b) Within 30 days after a bid is submitted and, if an event is awarded to Minnesota as
65.4 a host, within 30 days after receiving notice of the award, the commission must notify the
65.5 chairs and ranking minority members of the legislative committees with jurisdiction over
65.6 the commission. The notification must describe the commission's work in support of the
65.7 event and indicate whether the commission anticipates seeking supplemental state or local
65.8 funds or other public resources to continue that work.

65.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
65.10 expires upon conclusion of a Nordic World Cup Ski Championship event hosted in
65.11 Minnesota.

65.12 Sec. 81. **CERTAIN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION**
65.13 **SERVICE PENSIONS.**

65.14 (a) As used in this section, "qualifying volunteer firefighters relief association" means
65.15 a volunteer firefighters relief association with a funding ratio of greater than 100 percent
65.16 as of the most recent fiscal year end, and which provides a lump sum pension benefit based
65.17 on a lump sum pension amount equal to \$9,500 or more, as of the effective date of this
65.18 section.

65.19 (b) Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision
65.20 3, paragraph (d), to the contrary, the maximum lump-sum pension amount for each year of
65.21 service credited that may be provided for in the bylaws of a qualifying volunteer firefighters
65.22 relief association is the maximum service pension figure corresponding to the average
65.23 amount of available financing per active covered firefighter for the applicable specified
65.24 period:

<u>Minimum Average Amount of Available Financing</u>	<u>Maximum Lump-Sum Service</u>
<u>per Firefighter</u>	<u>Pension Amount Payable for Each</u>
	<u>Year of Service</u>
\$...	\$ 10
<u>11</u>	<u>20</u>
<u>16</u>	<u>30</u>
<u>23</u>	<u>40</u>
<u>27</u>	<u>50</u>
<u>32</u>	<u>60</u>
<u>43</u>	<u>80</u>
<u>54</u>	<u>100</u>

66.1	<u>65</u>	<u>120</u>
66.2	<u>77</u>	<u>140</u>
66.3	<u>86</u>	<u>160</u>
66.4	<u>97</u>	<u>180</u>
66.5	<u>108</u>	<u>200</u>
66.6	<u>131</u>	<u>240</u>
66.7	<u>151</u>	<u>280</u>
66.8	<u>173</u>	<u>320</u>
66.9	<u>194</u>	<u>360</u>
66.10	<u>216</u>	<u>400</u>
66.11	<u>239</u>	<u>440</u>
66.12	<u>259</u>	<u>480</u>
66.13	<u>281</u>	<u>520</u>
66.14	<u>302</u>	<u>560</u>
66.15	<u>324</u>	<u>600</u>
66.16	<u>347</u>	<u>640</u>
66.17	<u>367</u>	<u>680</u>
66.18	<u>389</u>	<u>720</u>
66.19	<u>410</u>	<u>760</u>
66.20	<u>432</u>	<u>800</u>
66.21	<u>486</u>	<u>900</u>
66.22	<u>540</u>	<u>1000</u>
66.23	<u>594</u>	<u>1100</u>
66.24	<u>648</u>	<u>1200</u>
66.25	<u>702</u>	<u>1300</u>
66.26	<u>756</u>	<u>1400</u>
66.27	<u>810</u>	<u>1500</u>
66.28	<u>864</u>	<u>1600</u>
66.29	<u>918</u>	<u>1700</u>
66.30	<u>972</u>	<u>1800</u>
66.31	<u>1026</u>	<u>1900</u>
66.32	<u>1080</u>	<u>2000</u>
66.33	<u>1134</u>	<u>2100</u>
66.34	<u>1188</u>	<u>2200</u>
66.35	<u>1242</u>	<u>2300</u>
66.36	<u>1296</u>	<u>2400</u>
66.37	<u>1350</u>	<u>2500</u>
66.38	<u>1404</u>	<u>2600</u>

67.1	<u>1458</u>	<u>2700</u>
67.2	<u>1512</u>	<u>2800</u>
67.3	<u>1566</u>	<u>2900</u>
67.4	<u>1620</u>	<u>3000</u>
67.5	<u>1672</u>	<u>3100</u>
67.6	<u>1726</u>	<u>3200</u>
67.7	<u>1753</u>	<u>3250</u>
67.8	<u>1780</u>	<u>3300</u>
67.9	<u>1820</u>	<u>3375</u>
67.10	<u>1834</u>	<u>3400</u>
67.11	<u>1888</u>	<u>3500</u>
67.12	<u>1942</u>	<u>3600</u>
67.13	<u>1996</u>	<u>3700</u>
67.14	<u>2023</u>	<u>3750</u>
67.15	<u>2050</u>	<u>3800</u>
67.16	<u>2104</u>	<u>3900</u>
67.17	<u>2158</u>	<u>4000</u>
67.18	<u>2212</u>	<u>4100</u>
67.19	<u>2265</u>	<u>4200</u>
67.20	<u>2319</u>	<u>4300</u>
67.21	<u>2373</u>	<u>4400</u>
67.22	<u>2427</u>	<u>4500</u>
67.23	<u>2481</u>	<u>4600</u>
67.24	<u>2535</u>	<u>4700</u>
67.25	<u>2589</u>	<u>4800</u>
67.26	<u>2643</u>	<u>4900</u>
67.27	<u>2697</u>	<u>5000</u>
67.28	<u>2751</u>	<u>5100</u>
67.29	<u>2805</u>	<u>5200</u>
67.30	<u>2859</u>	<u>5300</u>
67.31	<u>2913</u>	<u>5400</u>
67.32	<u>2967</u>	<u>5500</u>
67.33	<u>3021</u>	<u>5600</u>
67.34	<u>3075</u>	<u>5700</u>
67.35	<u>3129</u>	<u>5800</u>
67.36	<u>3183</u>	<u>5900</u>
67.37	<u>3237</u>	<u>6000</u>
67.38	<u>3291</u>	<u>6100</u>

68.1	<u>3345</u>	<u>6200</u>
68.2	<u>3399</u>	<u>6300</u>
68.3	<u>3453</u>	<u>6400</u>
68.4	<u>3507</u>	<u>6500</u>
68.5	<u>3561</u>	<u>6600</u>
68.6	<u>3615</u>	<u>6700</u>
68.7	<u>3669</u>	<u>6800</u>
68.8	<u>3723</u>	<u>6900</u>
68.9	<u>3777</u>	<u>7000</u>
68.10	<u>3831</u>	<u>7100</u>
68.11	<u>3885</u>	<u>7200</u>
68.12	<u>3939</u>	<u>7300</u>
68.13	<u>3993</u>	<u>7400</u>
68.14	<u>4047</u>	<u>7500</u>
68.15	<u>4101</u>	<u>7600</u>
68.16	<u>4155</u>	<u>7700</u>
68.17	<u>4209</u>	<u>7800</u>
68.18	<u>4263</u>	<u>7900</u>
68.19	<u>4317</u>	<u>8000</u>
68.20	<u>4371</u>	<u>8100</u>
68.21	<u>4425</u>	<u>8200</u>
68.22	<u>4479</u>	<u>8300</u>
68.23	<u>4533</u>	<u>8400</u>
68.24	<u>4587</u>	<u>8500</u>
68.25	<u>4641</u>	<u>8600</u>
68.26	<u>4695</u>	<u>8700</u>
68.27	<u>4749</u>	<u>8800</u>
68.28	<u>4803</u>	<u>8900</u>
68.29	<u>4857</u>	<u>9000</u>
68.30	<u>4911</u>	<u>9100</u>
68.31	<u>4965</u>	<u>9200</u>
68.32	<u>5019</u>	<u>9300</u>
68.33	<u>5073</u>	<u>9400</u>
68.34	<u>5127</u>	<u>9500</u>
68.35	<u>5181</u>	<u>9600</u>
68.36	<u>5235</u>	<u>9700</u>
68.37	<u>5289</u>	<u>9800</u>
68.38	<u>5343</u>	<u>9900</u>

69.1	<u>5397</u>	<u>10,000</u>
69.2	<u>5451</u>	<u>10,100</u>
69.3	<u>5505</u>	<u>10,200</u>
69.4	<u>5559</u>	<u>10,300</u>
69.5	<u>5613</u>	<u>10,400</u>
69.6	<u>5667</u>	<u>10,500</u>
69.7	<u>5721</u>	<u>10,600</u>
69.8	<u>5775</u>	<u>10,700</u>
69.9	<u>5729</u>	<u>10,800</u>
69.10	<u>5883</u>	<u>10,900</u>
69.11	<u>5937</u>	<u>11,000</u>
69.12	<u>5991</u>	<u>11,100</u>
69.13	<u>6045</u>	<u>11,200</u>
69.14	<u>6099</u>	<u>11,300</u>
69.15	<u>6153</u>	<u>11,400</u>
69.16	<u>6207</u>	<u>11,500</u>
69.17	<u>6261</u>	<u>11,600</u>
69.18	<u>6315</u>	<u>11,700</u>
69.19	<u>6369</u>	<u>11,800</u>
69.20	<u>6423</u>	<u>11,900</u>
69.21	<u>6477</u>	<u>12,000</u>
69.22	<u>6531</u>	<u>12,100</u>
69.23	<u>6585</u>	<u>12,200</u>
69.24	<u>6639</u>	<u>12,300</u>
69.25	<u>6693</u>	<u>12,400</u>
69.26	<u>6747</u>	<u>12,500</u>
69.27	<u>any amount in excess of 6747</u>	<u>12,500</u>

69.28 (c) The maximum monthly service pension amount per month for each year of service
69.29 credited that may be provided for in the bylaws of the volunteer firefighters relief association
69.30 must be set pursuant to Minnesota Statutes, section 424A.02, subdivision 3, paragraph (c).

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

69.32 Sec. 82. **VETERANS HOMES CONSTRUCTION.**

69.33 Subdivision 1. **Short title.** This section may be cited as the "People's Veterans Homes
69.34 Act."

70.1 Subd. 2. **Veterans homes established.** (a) The commissioner of veterans affairs may
70.2 apply for federal funding and establish veterans homes with up to 140 beds available to
70.3 provide a continuum of care, including skilled nursing care, for eligible veterans and their
70.4 spouses in the following locations:

70.5 (1) Preston;

70.6 (2) Montevideo; and

70.7 (3) Bemidji.

70.8 (b) The state shall provide the necessary operating costs for the veterans homes in excess
70.9 of any revenue and federal funding for the homes that may be required to continue the
70.10 operation of the homes and care for Minnesota veterans.

70.11 Subd. 3. **Nonstate contribution.** The commissioner of administration may accept
70.12 contributions of land or money from private individuals, businesses, local governments,
70.13 veterans service organizations, and other nonstate sources for the purpose of providing
70.14 matching funding when soliciting federal funding for the development of the homes
70.15 authorized by this section.

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

70.17 Sec. 83. **REVISOR'S INSTRUCTION.**

70.18 In Minnesota Statutes, chapter 13, the revisor of statutes shall replace the term
70.19 "commissioner of administration" with "chief administrative law judge" and the term
70.20 "commissioner" with "chief administrative law judge" where it is clear the text is referring
70.21 to the commissioner of administration.

70.22 Sec. 84. **REPEALERS.**

70.23 Subdivision 1. **Continuity of legislature.** Minnesota Statutes 2016, sections 3.93; 3.94;
70.24 3.95; and 3.96, are repealed, effective July 1, 2018.

70.25 Subd. 2. **Data practices transfer.** Minnesota Statutes 2016, section 13.02, subdivision
70.26 2, is repealed, effective July 1, 2018.

70.27 Subd. 3. **Attorney general contingent fees.** Minnesota Statutes 2016, section 8.10, is
70.28 repealed, effective July 1, 2018.

70.29 Subd. 4. **Hair braiding.** Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3,
70.30 and 4, are repealed, effective July 1, 2018.

71.1 Subd. 5. **Legislative Budget Office.** Minnesota Statutes 2017 Supplement, section 3.98,
 71.2 subdivision 4, and Laws 2017, First Special Session chapter 4, article 2, section 59, are
 71.3 repealed, effective January 8, 2018.

71.4 Subd. 6. **Metropolitan Council.** Minnesota Statutes 2016, section 473.123, subdivision
 71.5 3, and Laws 1994, chapter 628, article 1, section 8, are repealed, effective January 1, 2019.

71.6 **ARTICLE 3**

71.7 **ADMINISTRATIVE RULE MAKING**

71.8 Section 1. Minnesota Statutes 2016, section 14.03, subdivision 3, is amended to read:

71.9 **Subd. 3. Rulemaking procedures.** (a) The definition of a rule in section 14.02,
 71.10 subdivision 4, does not include:

71.11 (1) rules concerning only the internal management of the agency or other agencies that
 71.12 do not directly affect the rights of or procedures available to the public;

71.13 (2) an application deadline on a form; and the remainder of a form and instructions for
 71.14 use of the form to the extent that they do not impose substantive requirements other than
 71.15 requirements contained in statute or rule;

71.16 (3) the curriculum adopted by an agency to implement a statute or rule permitting or
 71.17 mandating minimum educational requirements for persons regulated by an agency, provided
 71.18 the topic areas to be covered by the minimum educational requirements are specified in
 71.19 statute or rule;

71.20 (4) procedures for sharing data among government agencies, provided these procedures
 71.21 are consistent with chapter 13 and other law governing data practices.

71.22 (b) The definition of a rule in section 14.02, subdivision 4, does not include:

71.23 (1) rules of the commissioner of corrections relating to the release, placement, term, and
 71.24 supervision of inmates serving a supervised release or conditional release term, the internal
 71.25 management of institutions under the commissioner's control, and rules adopted under
 71.26 section 609.105 governing the inmates of those institutions;

71.27 (2) rules relating to weight limitations on the use of highways when the substance of the
 71.28 rules is indicated to the public by means of signs;

71.29 (3) opinions of the attorney general;

71.30 (4) the data element dictionary and the annual data acquisition calendar of the Department
 71.31 of Education to the extent provided by section 125B.07;

72.1 (5) the occupational safety and health standards provided in section 182.655;

72.2 (6) revenue notices and tax information bulletins of the commissioner of revenue;

72.3 (7) uniform conveyancing forms adopted by the commissioner of commerce under
72.4 section 507.09;

72.5 (8) standards adopted by the Electronic Real Estate Recording Commission established
72.6 under section 507.0945; or

72.7 (9) the interpretive guidelines developed by the commissioner of human services to the
72.8 extent provided in chapter 245A; or

72.9 (10) policies established pursuant to section 14.031.

72.10 **Sec. 2. [14.031] POLICY PRONOUNCEMENTS.**

72.11 Subdivision 1. **Definition.** (a) As used in this section, "policy" means a public written
72.12 policy, guideline, bulletin, manual, or similar document providing an interpretation,
72.13 clarification, or explanation of a statute or rule to provide guidance for agency regulatory
72.14 functions including but not limited to permits or enforcement actions.

72.15 The definition of a policy does not include:

72.16 (1) policies concerning only the internal management of the agency or other agencies
72.17 that do not directly affect the rights of or procedures available to the public;

72.18 (2) forms and instructions for use of the form to the extent that they do not impose
72.19 substantive requirements other than requirements contained in statute or rule;

72.20 (3) curriculums adopted by an agency to implement a statute or rule permitting or
72.21 mandating minimum educational requirements for persons regulated by an agency, provided
72.22 the topic areas to be covered by the minimum educational requirements are specified in
72.23 statute or rule;

72.24 (4) procedures for sharing data among government agencies, provided these procedures
72.25 are consistent with chapter 13 and other law governing data practices; or

72.26 (5) policies concerning agency actions required to comply with treaty obligations.

72.27 (b) A policy does not have the force of law.

72.28 (c) Policies established by the agency are subject to all of the following requirements:

72.29 (1) a policy shall comply with the statutes and rules that are in existence at the time the
72.30 policy is established;

73.1 (2) a policy shall not establish any new requirement;

73.2 (3) a policy shall be established only by the commissioner of the agency; and

73.3 (4) the following statement must be printed on the first page of each policy in uppercase
73.4 letters: "Every five years the agency shall review and update each policy that is established
73.5 before the effective date of this section or that it establishes after the effective date of this
73.6 section and shall prepare written documentation certifying that the policy has been reviewed
73.7 and updated. A policy that has not been reviewed and updated pursuant to this paragraph
73.8 is void."

73.9 Subd. 2. **Notice to legislature.** By January 15 each year, each agency must submit each
73.10 policy the agency has or intends to publish under subdivision 3 in the upcoming calendar
73.11 year to the policy and funding committees and divisions with jurisdiction over the agency.
73.12 Each agency must post a link to its policies on the agency's Web site.

73.13 Subd. 3. **Public notice.** Before a policy is in effect, the agency must publish public notice
73.14 of the proposed policy and solicit public comment. The agency shall use the procedure set
73.15 forth under section 14.22 to provide public notice and meeting. The agency shall publish
73.16 the public notice on the agency's Web site. The agency must send a copy of the same notice
73.17 to the chairs and ranking minority members of the legislative policy and budget committees
73.18 with jurisdiction over the subject matter of the proposed policy. The public comment period
73.19 shall be 30 days after the date of a public meeting on the policy.

73.20 Subd. 4. **Final publication.** The agency must make all policies that conform to this
73.21 section available electronically on the agency's Web site within 60 days of the completion
73.22 of requirements in this section.

73.23 Subd. 5. **Committee action; delay action.** The agency shall not use a policy until the
73.24 legislature adjourns the annual legislative session that began the year the legislature received
73.25 notice of the policy under subdivision 2. The speaker of the house and the president of the
73.26 senate shall determine if a committee has jurisdiction over the agency before a committee
73.27 may act under this section.

73.28 Subd. 6. **Policy docket.** (a) Each agency shall maintain a policy docket with the agency's
73.29 current public rulemaking docket under section 14.366.

73.30 (b) The policy docket must contain:

73.31 (1) a listing of the precise subject matter;

73.32 (2) the name and address of agency personnel with whom persons may communicate
73.33 with respect to the matter and an indication of its present status within the agency;

74.1 (3) any known timetable for agency decisions or other action in the proceeding;

74.2 (4) the date of the public hearing on the policy;

74.3 (5) the schedule for public comments on the policy; and

74.4 (6) the date the policy became or becomes effective.

74.5 Sec. 3. Minnesota Statutes 2016, section 14.127, subdivision 4, is amended to read:

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

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

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

74.15 (d) This section does not apply to a rule adopted by the Public Utilities Commission.

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

74.22 Sec. 4. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**
74.23 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

74.24 Subdivision 1. **Definition.** As used in this section, "residential construction" means the
74.25 new construction or remodeling of any building subject to the Minnesota Residential Code.

74.26 Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if
74.27 implementation of a proposed rule, or any portion of a proposed rule, will, on average,
74.28 increase the cost of residential construction or remodeling by \$1,000 or more per unit, and
74.29 whether the proposed rule meets the state regulatory policy objectives described in section
74.30 14.002. In calculating the cost of implementing a proposed rule, the agency may consider
74.31 the impact of other related proposed rules on the overall cost of residential construction. If

75.1 applicable, the agency may include offsetting savings that may be achieved through
75.2 implementation of related proposed rules in its calculation under this subdivision.

75.3 (b) The agency must make the determination required by paragraph (a) before the close
75.4 of the hearing record, or before the agency submits the record to the administrative law
75.5 judge if there is no hearing. Upon request of a party affected by the proposed rule, the
75.6 administrative law judge must review and approve or disapprove an agency's determination
75.7 under this subdivision.

75.8 Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the
75.9 impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or
75.10 if the administrative law judge separately confirms the cost of any portion of a rule exceeds
75.11 the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair
75.12 and ranking minority members of the policy committees of the house of representatives and
75.13 the senate with jurisdiction over the subject matter of the proposed rule within ten days of
75.14 the determination. The agency shall not adopt the proposed rule until after the adjournment
75.15 of the next annual session of the legislature convened on or after the date that notice required
75.16 in this subdivision is given to the chairs and ranking minority members.

75.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to
75.18 administrative rules proposed on or after that date.

75.19 Sec. 5. Minnesota Statutes 2016, section 14.381, is amended by adding a subdivision to
75.20 read:

75.21 Subd. 4. **Fees and expenses.** (a) The administrative law judge shall award fees and other
75.22 expenses to the prevailing party under subdivision 1, unless special circumstances make an
75.23 award unjust.

75.24 (b) A party seeking an award of fees and other expenses shall, within 30 days of
75.25 administrative law judge's report issued in the action, submit to the administrative law judge
75.26 an application of fees and other expenses that shows that the party is a prevailing party and
75.27 is eligible to receive an award, and the amount sought, including an itemized statement from
75.28 any attorney or expert witness representing or appearing on behalf of the party stating the
75.29 actual time expended and the rate at which fees and other expenses were computed.

75.30 (c) The administrative law judge may reduce the amount to be awarded under this section,
75.31 or deny an award, to the extent that during the proceedings the prevailing party engaged in
75.32 conduct that unduly and unreasonably protracted the final resolution of the matter in
75.33 controversy. The decision of an administrative law judge under this section must be made

76.1 a part of the record containing the final decision of the agency and must include written
76.2 findings and conclusions.

76.3 (d) This section does not preclude a party from recovering costs, disbursements, fees,
76.4 and expenses under other applicable law.

76.5 Sec. 6. **REPEALER.**

76.6 Minnesota Statutes 2016, section 14.381, subdivision 3, is repealed.

76.7 Sec. 7. **EFFECTIVE DATE; APPLICATION.**

76.8 (a) This article is effective August 1, 2018, and applies to rules for which a notice of
76.9 hearing under Minnesota Statutes, section 14.14; a notice of intent to adopt under Minnesota
76.10 Statutes, section 14.22; or a dual notice under Minnesota Statutes, section 14.225, is published
76.11 in the State Register on or after that date.

76.12 (b) This article also applies to policies established on or after January 1, 2019. All policies
76.13 existing on or before the date of enactment shall be posted on the agency's public docket
76.14 on or before January 1, 2019.

76.15 **ARTICLE 4**

76.16 **CAMPAIGN FINANCE**

76.17 Section 1. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

76.18 Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry
76.19 out the purposes of this chapter if, before June 1, 2018, the board has published a notice of
76.20 intent to adopt a rule without public hearing under section 14.22, subdivision 1, 14.389,
76.21 subdivision 2, or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2;
76.22 or a notice of hearing on a proposed rule under section 14.14.

76.23 (b) After May 31, 2018, the board may only adopt rules that:

76.24 (1) incorporate specific changes set forth in applicable statutes when no interpretation
76.25 of law is required; or

76.26 (2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

76.27 (c) In addition to the notice required under chapter 14, the board shall notify the chairs
76.28 and ranking minority members of the committees or subcommittees in the senate and house
76.29 of representatives with primary jurisdiction over elections within seven calendar days of
76.30 taking the following actions:

- 77.1 (1) publication of a notice of intent to adopt rules or a notice of hearing;
- 77.2 (2) publication of proposed rules in the State Register;
- 77.3 (3) issuance of a statement of need and reasonableness; or
- 77.4 (4) adoption of final rules.

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

77.6 rules for which a notice of intent to adopt a rule without public hearing under Minnesota

77.7 Statutes, section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a

77.8 dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a notice of hearing

77.9 on a proposed rule under Minnesota Statutes, section 14.14, was published before June 1,

77.10 2018.

77.11 Sec. 2. Minnesota Statutes 2016, section 10A.31, subdivision 1, is amended to read:

77.12 Subdivision 1. **Designation.** An individual resident of this state who files an income tax

77.13 return or a renter and homeowner property tax refund return with the commissioner of

77.14 revenue may designate on their original return that \$5 be paid from the general fund of the

77.15 state into the state elections campaign account. If a husband and wife file a joint return,

77.16 each spouse may designate that \$5 be paid. No individual is allowed to designate \$5 more

77.17 than once in any year. ~~The taxpayer may designate that the amount be paid into the account~~

77.18 ~~of a political party or into the general account.~~

77.19 Sec. 3. Minnesota Statutes 2016, section 10A.31, subdivision 3, is amended to read:

77.20 Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the

77.21 income tax form and the renter and homeowner property tax refund return a space for the

77.22 individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of

77.23 the state to finance election campaigns. ~~The form must also contain language prepared by~~

77.24 ~~the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing~~

77.25 ~~a joint return) to: (1) one of the major political parties; (2) any minor political party that~~

77.26 ~~qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision~~

77.27 ~~7.~~ The renter and homeowner property tax refund return must include instructions that the

77.28 individual filing the return may designate \$5 on the return only if the individual has not

77.29 designated \$5 on the income tax return.

78.1 Sec. 4. Minnesota Statutes 2016, section 10A.31, subdivision 4, is amended to read:

78.2 Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections
78.3 campaign account, less three percent, ~~are appropriated from the general fund,~~ must be
78.4 transferred and credited to the ~~appropriate account in the~~ state elections campaign account,
78.5 and are annually appropriated for distribution as set forth in ~~subdivisions 5, 5a, 6, and 7~~ this
78.6 section. The remaining three percent must be kept in the general fund for administrative
78.7 costs.

78.8 (b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election is
78.9 appropriated from the general fund for transfer to the general account of the state elections
78.10 campaign account.

78.11 Sec. 5. Minnesota Statutes 2016, section 10A.31, subdivision 5, is amended to read:

78.12 Subd. 5. **Allocation.** ~~(a) General account.~~ In each calendar year the money in the general
78.13 account must be allocated to candidates as follows:

78.14 (1) 21 percent for the offices of governor and lieutenant governor together;

78.15 (2) 4.2 percent for the office of attorney general;

78.16 (3) 2.4 percent each for the offices of secretary of state and state auditor;

78.17 (4) in each calendar year during the period in which state senators serve a four-year
78.18 term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state
78.19 representative; and

78.20 (5) in each calendar year during the period in which state senators serve a two-year term,
78.21 35 percent each for the offices of state senator and state representative.

78.22 ~~(b) Party account. In each calendar year the money in each party account must be~~
78.23 ~~allocated as follows:~~

78.24 ~~(1) 14 percent for the offices of governor and lieutenant governor together;~~

78.25 ~~(2) 2.8 percent for the office of attorney general;~~

78.26 ~~(3) 1.6 percent each for the offices of secretary of state and state auditor;~~

78.27 ~~(4) in each calendar year during the period in which state senators serve a four-year~~
78.28 ~~term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state~~
78.29 ~~representative;~~

78.30 ~~(5) in each calendar year during the period in which state senators serve a two-year term,~~
78.31 ~~35 percent each for the offices of state senator and state representative; and~~

79.1 ~~(6) ten percent or \$50,000, whichever is less, for the state committee of a political party;~~
79.2 ~~one-third of any amount in excess of that allocated to the state committee of a political party~~
79.3 ~~under this clause must be allocated to the office of state senator and two-thirds must be~~
79.4 ~~allocated to the office of state representative under clause (4).~~

79.5 Money allocated to each state committee under clause (6) must be deposited in a separate
79.6 account and must be spent for only those items enumerated in section 10A.275. Money
79.7 allocated to a state committee under clause (6) must be paid to the committee by the board
79.8 as it is received in the account on a monthly basis, with payment on the 15th day of the
79.9 calendar month following the month in which the returns were processed by the Department
79.10 of Revenue, provided that these distributions would be equal to 90 percent of the amount
79.11 of money indicated in the Department of Revenue's weekly unedited reports of income tax
79.12 returns and property tax refund returns processed in the month, as notified by the Department
79.13 of Revenue to the board. The amounts paid to each state committee are subject to biennial
79.14 adjustment and settlement at the time of each certification required of the commissioner of
79.15 revenue under subdivisions 7 and 10. If the total amount of payments received by a state
79.16 committee for the period reflected on a certification by the Department of Revenue is
79.17 different from the amount that should have been received during the period according to
79.18 the certification, each subsequent monthly payment must be increased or decreased to the
79.19 fullest extent possible until the amount of the overpayment is recovered or the underpayment
79.20 is distributed.

79.21 Sec. 6. Minnesota Statutes 2016, section 10A.31, subdivision 7, is amended to read:

79.22 Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the
79.23 results of the primary election from the secretary of state, but no later than one week after
79.24 certification of the primary results by the State Canvassing Board, the board must distribute
79.25 the available money in the general state elections campaign account, as certified by the
79.26 commissioner of revenue one week before the state primary and according to allocations
79.27 set forth in subdivision 5, in equal amounts to all candidates of a major political party whose
79.28 names are to appear on the ballot in the general election and who:

79.29 (1) have signed a spending limit agreement under section 10A.322;

79.30 (2) have filed the affidavit of contributions required by section 10A.323; and

79.31 (3) were opposed in either the primary election or the general election.

79.32 (b) The public subsidy paid under this subdivision may not be paid in an amount that
79.33 would cause the sum of the public subsidy paid from the party account plus the public

80.1 ~~subsidy paid from the general account~~ to exceed 50 percent of the expenditure limit for the
 80.2 candidate or 50 percent of the expenditure limit that would have applied to the candidate if
 80.3 the candidate had not been freed from expenditure limits under section 10A.25, subdivision
 80.4 10. Money from the ~~general~~ account not paid to a candidate because of the 50 percent limit
 80.5 must be distributed equally among all other qualifying candidates for the same office until
 80.6 all have reached the 50 percent limit or the balance in the ~~general~~ account is exhausted.

80.7 Sec. 7. Minnesota Statutes 2016, section 10A.31, subdivision 10, is amended to read:

80.8 Subd. 10. **December distribution.** In the event that on the date of either certification
 80.9 by the commissioner of revenue as provided in subdivision ~~6 or~~ 7, less than 98 percent of
 80.10 the tax returns have been processed, the commissioner of revenue must certify to the board
 80.11 by December 1 the amount accumulated in ~~each~~ the account since the previous certification.
 80.12 By December 15, the board must distribute to each candidate according to the ~~allocations~~
 80.13 ~~in subdivisions 5 and 5a~~ allocation in subdivision 5 the amounts to which the candidates
 80.14 are entitled.

80.15 Sec. 8. Minnesota Statutes 2016, section 10A.31, subdivision 10b, is amended to read:

80.16 Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept
 80.17 in the ~~respective accounts~~ state elections campaign account for distribution in the next
 80.18 general election year.

80.19 Sec. 9. Minnesota Statutes 2016, section 10A.315, is amended to read:

80.20 **10A.315 SPECIAL ELECTION SUBSIDY.**

80.21 (a) Each eligible candidate for a legislative office in a special election must be paid a
 80.22 public subsidy equal to the ~~sum of:~~

80.23 ~~(1) the party account money at the last general election for the candidate's party for the~~
 80.24 ~~office the candidate is seeking; and~~

80.25 ~~(2) the general account~~ amount of state elections campaign money paid to a candidate
 80.26 for the same office at the last general election.

80.27 (b) A candidate who wishes to receive this public subsidy must submit a signed agreement
 80.28 under section 10A.322 to the board and must meet the contribution requirements of section
 80.29 10A.323. The special election subsidy must be distributed in the same manner as money in
 80.30 the ~~party and general accounts~~ state elections campaign account is distributed to legislative
 80.31 candidates in a general election.

81.1 (c) The amount necessary to make the payments required by this section is appropriated
81.2 from the general fund for transfer to the state special elections campaign account for
81.3 distribution by the board as set forth in this section.

81.4 Sec. 10. Minnesota Statutes 2016, section 10A.321, subdivision 1, is amended to read:

81.5 Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue
81.6 must calculate and certify to the board one week before the first day for filing for office in
81.7 each election year an estimate of the total amount in the ~~state general account of the state~~
81.8 elections campaign account and the amount of money each candidate who qualifies, as
81.9 provided in section 10A.31, ~~subdivisions 6 and~~ subdivision 7, may receive from the
81.10 ~~candidate's party account in the state elections campaign~~ account. This estimate must be
81.11 based upon the allocations ~~and formulas~~ in section 10A.31, ~~subdivisions 5 and 5a, any~~
81.12 ~~necessary vote totals provided by the secretary of state to apply the formulas in section~~
81.13 ~~10A.31, subdivisions 5 and 5a, subdivision 5,~~ subdivision 5, and the amount of money expected to be
81.14 available after 100 percent of the tax returns have been processed.

81.15 Sec. 11. Minnesota Statutes 2016, section 290.06, subdivision 23, is amended to read:

81.16 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer
81.17 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar
81.18 year to candidates and to a political party. The maximum refund for an individual must not
81.19 exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a
81.20 contribution is allowed only if the taxpayer files a form required by the commissioner and
81.21 attaches to the form a copy of an official refund receipt form issued by the candidate or
81.22 party and signed by the candidate, the treasurer of the candidate's principal campaign
81.23 committee, or the chair or treasurer of the party unit, after the contribution was received.
81.24 The receipt forms must be numbered, and the data on the receipt that are not public must
81.25 be made available to the campaign finance and public disclosure board upon its request. A
81.26 claim must be filed with the commissioner no sooner than January 1 of the calendar year
81.27 in which the contribution was made and no later than April 15 of the calendar year following
81.28 the calendar year in which the contribution was made. A taxpayer may file only one claim
81.29 per calendar year. Amounts paid by the commissioner after June 15 of the calendar year
81.30 following the calendar year in which the contribution was made must include interest at the
81.31 rate specified in section 270C.405.

81.32 (b) No refund is allowed under this subdivision for a contribution to a candidate unless
81.33 the candidate:

82.1 (1) has signed an agreement to limit campaign expenditures as provided in section
82.2 10A.322;

82.3 (2) is seeking an office for which voluntary spending limits are specified in section
82.4 10A.25; and

82.5 (3) has designated a principal campaign committee.

82.6 This subdivision does not limit the campaign expenditures of a candidate who does not
82.7 sign an agreement but accepts a contribution for which the contributor improperly claims
82.8 a refund.

82.9 (c) For purposes of this subdivision, "political party" means a major political party as
82.10 defined in section 200.02, subdivision 7, or a minor political party ~~qualifying for inclusion~~
82.11 ~~on the income tax or property tax refund form under section 10A.31, subdivision 3a as~~
82.12 defined in section 200.02, subdivision 23.

82.13 A "major party" or "minor party" includes the aggregate of that party's organization
82.14 within each house of the legislature, the state party organization, and the party organization
82.15 within congressional districts, counties, legislative districts, municipalities, and precincts.

82.16 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a
82.17 candidate for judicial office.

82.18 "Contribution" means a gift of money.

82.19 (d) The commissioner shall make copies of the form available to the public and candidates
82.20 upon request.

82.21 (e) The following data collected or maintained by the commissioner under this subdivision
82.22 are private: the identities of individuals claiming a refund, the identities of candidates to
82.23 whom those individuals have made contributions, and the amount of each contribution.

82.24 (f) The commissioner shall report to the campaign finance and public disclosure board
82.25 by each August 1 a summary showing the total number and aggregate amount of political
82.26 contribution refunds made on behalf of each candidate and each political party. These data
82.27 are public.

82.28 (g) The amount necessary to pay claims for the refund provided in this section is
82.29 appropriated from the general fund to the commissioner of revenue.

82.30 (h) For a taxpayer who files a claim for refund via the Internet or other electronic means,
82.31 the commissioner may accept the number on the official receipt as documentation that a
82.32 contribution was made rather than the actual receipt as required by paragraph (a).

83.1 Sec. 12. **REPEALER.**

83.2 Minnesota Statutes 2016, sections 10A.30, subdivision 2; and 10A.31, subdivisions 3a,
 83.3 5a, 6, and 6a, are repealed.

83.4 Sec. 13. **EFFECTIVE DATE; APPLICABILITY.**

83.5 This article is effective the day following final enactment, and provisions impacting the
 83.6 public subsidy for candidates apply to elections held on or after that date. No later than July
 83.7 1, 2018, the Campaign Finance and Public Disclosure Board must notify, in writing, all
 83.8 candidates who have signed an agreement applicable for the 2018 general election of the
 83.9 changes enacted by this article, and provide each candidate an opportunity, at the candidate's
 83.10 discretion, to sign a new agreement that reflects these changes. Agreements applicable for
 83.11 the 2018 general election that were signed prior to the effective date of this section remain
 83.12 valid for the sole purpose of establishing the candidate's eligibility to participate in the
 83.13 political contribution refund program authorized by Minnesota Statutes, section 290.06,
 83.14 subdivision 23, but are otherwise unenforceable and invalid for any other purpose.

83.15 **ARTICLE 5**83.16 **MINNESOTA SPORTS FACILITIES AUTHORITY**

83.17 Section 1. Minnesota Statutes 2016, section 13.55, subdivision 1, is amended to read:

83.18 Subdivision 1. **Not public classification.** The following data received, created, or
 83.19 maintained by or for publicly owned and operated convention facilities, civic center
 83.20 authorities, or the ~~Metropolitan~~ Minnesota Sports Facilities Commission Authority are
 83.21 classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on
 83.22 individuals pursuant to section 13.02, subdivision 12:

83.23 (a) a letter or other documentation from any person who makes inquiry to or who is
 83.24 contacted by the facility regarding the availability of the facility for staging events;

83.25 (b) identity of firms and corporations which contact the facility;

83.26 (c) type of event which they wish to stage in the facility;

83.27 (d) suggested terms of rentals; and

83.28 (e) responses of authority staff to these inquiries.

84.1 Sec. 2. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

84.2 Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1
84.3 shall become public upon the occurrence of any of the following:

84.4 ~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into
84.5 between the facility and the inquiring party or parties or the event which was the subject of
84.6 inquiry occurs at the facility, whichever occurs earlier;

84.7 ~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

84.8 ~~(c)~~ (3) the event which was the subject of inquiry occurs elsewhere.

84.9 (b) Data regarding persons receiving free or discounted admission, tickets, or other gifts
84.10 from publicly owned and operated convention facilities, civic center authorities, or the
84.11 Minnesota Sports Facilities Authority are public data unless the data are subject to the
84.12 provisions of subdivision 1 or 4, paragraph (b).

84.13 Sec. 3. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to
84.14 read:

84.15 Subd. 11. **Prepayment of bonds.** By June 30, 2024, and every fourth fiscal year
84.16 thereafter, the commissioner shall set aside, in a separate account in the general fund, an
84.17 amount equal to the cumulative reduction in the payment for stadium operating expenses
84.18 under section 473J.13, subdivision 2, paragraph (b), over the previous four fiscal years.
84.19 When a sufficient amount has accumulated in that account to make it practicable, the
84.20 commissioner must use amounts in the account to prepay or defease bonds in a manner that
84.21 preserves the tax exempt status of the bonds.

84.22 **EFFECTIVE DATE.** This section is effective July 1, 2020, and applies to reductions
84.23 to stadium operating expenses payments made in that fiscal year and thereafter.

84.24 Sec. 4. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

84.25 Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the
84.26 general fund the following amounts, as required by subdivision 3, clause (3):

84.27 (1) for state bond debt service support beginning in calendar year 2021, and for each
84.28 calendar year thereafter through calendar year 2046, periodic amounts so that not later than
84.29 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been
84.30 deposited in the general fund. To determine aggregate present value, the commissioner must
84.31 consult with the commissioner of management and budget regarding the present value dates,

85.1 discount rate or rates, and schedules of annual amounts. The present value date or dates
85.2 must be based on the date or dates bonds are sold under section 16A.965, or the date or
85.3 dates other state funds, if any, are deposited into the construction fund. The discount rate
85.4 or rates must be based on the true interest cost of the bonds issued under section 16A.965,
85.5 or an equivalent 30-year bond index, as determined by the commissioner of management
85.6 and budget. The schedule of annual amounts must be certified to the commissioner by the
85.7 commissioner of management and budget and the finance officer of the city;

85.8 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities
85.9 Authority beginning in calendar year 2021, and for each calendar year thereafter through
85.10 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for
85.11 this purpose in that calendar year under section 473J.13, subdivision 4;

85.12 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority
85.13 beginning in calendar year 2021, and for each calendar year thereafter through calendar
85.14 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose
85.15 in that calendar year under section 473J.13, subdivision 2, determined without regard to
85.16 any reduction under section 473J.13, subdivision 2, paragraph (b);

85.17 (4) for recapture of state advances for capital improvements and operating expenses for
85.18 calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar
85.19 year thereafter until all amounts under this clause have been paid, proportionate amounts
85.20 periodically until an aggregate amount equal to the present value of all amounts paid by the
85.21 state have been deposited in the general fund. To determine the present value of the amounts
85.22 paid by the state to the authority and the present value of amounts deposited to the general
85.23 fund under this clause, the commissioner shall consult with the commissioner of management
85.24 and budget regarding the present value dates, discount rate or rates, and schedule of annual
85.25 amounts. The present value dates must be based on the dates state funds are paid to the
85.26 authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause
85.27 to the general fund. The discount rates must be based on the reasonably equivalent cost of
85.28 state funds as determined by the commissioner of management and budget. The schedule
85.29 of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision
85.30 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and
85.31 taxes deposited to the general fund from time to time under this clause, and the schedule
85.32 and revised schedules must be certified to the commissioner by the commissioner of
85.33 management and budget and the finance officer of the city, and are transferred as accrued
85.34 from the general fund for repayment of advances made by the state to the authority.
85.35 Determination of the present value amounts must be made without regard to any reduction

86.1 in the state advances resulting from a reduction in the payments under section 473J.13,
86.2 subdivision 2, paragraph (b); and

86.3 (5) to capture increases in taxes imposed under the special law, for the benefit of the
86.4 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar
86.5 year thereafter through 2046, there shall be deposited to the general fund in proportionate
86.6 periodic payments in the following year, an amount equal to the following:

86.7 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for
86.8 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus
86.9 \$1,000,000, inflated at two percent per year since 2011, minus

86.10 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for
86.11 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus
86.12 \$3,000,000, inflated at two percent per year since 2011.

86.13 **EFFECTIVE DATE.** This section is effective upon compliance by the governing body
86.14 of the city of Minneapolis with Minnesota Statutes, section 645.021.

86.15 Sec. 5. Minnesota Statutes 2016, section 297E.021, subdivision 3, is amended to read:

86.16 Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals
86.17 the amount determined under subdivision 2, ~~plus up to \$20,000,000 each fiscal year from~~
86.18 ~~the taxes imposed under section 290.06, subdivision 1:~~

86.19 (1) reduced by the following amounts paid for the fiscal year under:

86.20 (i) the appropriation to principal and interest on appropriation bonds under section
86.21 16A.965, subdivision 8;

86.22 (ii) the appropriation from the general fund to make operating expense payments under
86.23 section 473J.13, subdivision 2, paragraph (b);

86.24 (iii) the appropriation for contributions to the capital reserve fund under section 473J.13,
86.25 subdivision 4, paragraph (c);

86.26 (iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and
86.27 any successor appropriation;

86.28 (v) the reduction in revenues resulting from the sales tax exemptions under section
86.29 297A.71, subdivision 43;

86.30 (vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

87.1 (vii) the compulsive gambling appropriations under section 297E.02, subdivision 3,
87.2 paragraph (c), and any successor appropriation; and

87.3 (viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

87.4 (2) increased by the revenue deposited in the general fund under section 297A.994,
87.5 subdivision 4, clauses (1) to (3), for the fiscal year.

87.6 **EFFECTIVE DATE.** This section is effective for fiscal years beginning after June 30,
87.7 2019.

87.8 Sec. 6. Minnesota Statutes 2016, section 297E.021, subdivision 4, is amended to read:

87.9 Subd. 4. **Appropriation; general reserve account.** (a) To the extent the commissioner
87.10 determines that revenues are available under subdivision 3 for the fiscal year, those amounts
87.11 are appropriated from the general fund for deposit in a general reserve account established
87.12 by order of the commissioner of management and budget. Amounts in this reserve are
87.13 appropriated as necessary for application against any shortfall in the amounts deposited to
87.14 the general fund under section 297A.994 or, after consultation with the Legislative
87.15 Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the
87.16 commissioner of management and budget for other uses related to the stadium authorized
87.17 under section 473J.03, subdivision 8, that the commissioner deems financially prudent
87.18 including but not limited to reimbursements for capital and operating costs relating to the
87.19 stadium, refundings, and prepayment of debt. In no event, shall available revenues be
87.20 pledged, nor shall the appropriations of available revenues made by this section constitute
87.21 a pledge of available revenues as security for the prepayment of principal and interest on
87.22 the appropriation bonds under section 16A.965.

87.23 (b) Paragraph (a) does not apply to any fiscal year in which the commissioner of
87.24 management and budget determines that the balance in the general reserve account equals
87.25 or exceeds 1.25 multiplied by the amount due to be paid in principal and interest on the
87.26 appropriation bonds under section 16A.965, subdivision 8, during the next fiscal year after
87.27 deducting the amount forecast to be retained by the general fund under section 297A.944,
87.28 subdivision 4, clause (1), for that fiscal year.

87.29 **EFFECTIVE DATE.** This section is effective July 1, 2018.

87.30 Sec. 7. Minnesota Statutes 2016, section 340A.404, subdivision 1, is amended to read:

87.31 Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the
87.32 following establishments located within its jurisdiction:

- 88.1 (1) hotels;
- 88.2 (2) restaurants;
- 88.3 (3) bowling centers;
- 88.4 (4) clubs or congressionally chartered veterans organizations with the approval of the
88.5 commissioner, provided that the organization has been in existence for at least three years
88.6 and liquor sales will only be to members and bona fide guests, except that a club may permit
88.7 the general public to participate in a wine tasting conducted at the club under section
88.8 340A.419;
- 88.9 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the
88.10 Minnesota Sports Facilities Authority; and
- 88.11 ~~(6) sports facilities located on land owned by the Metropolitan Sports Commission; and~~
- 88.12 ~~(7)~~ (6) exclusive liquor stores.
- 88.13 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
88.14 an on-sale malt liquor license to a theater within the city, notwithstanding any law, local
88.15 ordinance, or charter provision. A license issued under this paragraph authorizes sales on
88.16 all days of the week to persons attending events at the theater.
- 88.17 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
88.18 an on-sale malt liquor license to a convention center within the city, notwithstanding any
88.19 law, local ordinance, or charter provision. A license issued under this paragraph authorizes
88.20 sales on all days of the week to persons attending events at the convention center. This
88.21 paragraph does not apply to convention centers located in the seven-county metropolitan
88.22 area.
- 88.23 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to a
88.24 person who is the owner of a summer collegiate league baseball team, or to a person holding
88.25 a concessions or management contract with the owner, for beverage sales at a ballpark or
88.26 stadium located within the city for the purposes of summer collegiate league baseball games
88.27 at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision.
88.28 A license issued under this paragraph authorizes sales on all days of the week to persons
88.29 attending baseball games at the ballpark or stadium.

88.30 Sec. 8. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:

88.31 Subd. 2a. **Included employees.** (a) "State employee" includes:

88.32 (1) employees of the Minnesota Historical Society;

- 89.1 (2) employees of the State Horticultural Society;
- 89.2 (3) employees of the Minnesota Crop Improvement Association;
- 89.3 (4) employees of the adjutant general whose salaries are paid from federal funds and
89.4 who are not covered by any federal civilian employees retirement system;
- 89.5 (5) employees of the Minnesota State Colleges and Universities who are employed under
89.6 the university or college activities program;
- 89.7 (6) currently contributing employees covered by the system who are temporarily
89.8 employed by the legislature during a legislative session or any currently contributing
89.9 employee employed for any special service as defined in subdivision 2b, clause (6);
- 89.10 (7) employees of the legislature who are appointed without a limit on the duration of
89.11 their employment;
- 89.12 (8) trainees who are employed on a full-time established training program performing
89.13 the duties of the classified position for which they will be eligible to receive immediate
89.14 appointment at the completion of the training period;
- 89.15 (9) employees of the Minnesota Safety Council;
- 89.16 (10) any employees who are on authorized leave of absence from the Transit Operating
89.17 Division of the former Metropolitan Transit Commission and who are employed by the
89.18 labor organization which is the exclusive bargaining agent representing employees of the
89.19 Transit Operating Division;
- 89.20 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space
89.21 Commission, ~~Metropolitan Sports Facilities Commission~~, or Metropolitan Mosquito Control
89.22 Commission unless excluded under subdivision 2b or are covered by another public pension
89.23 fund or plan under section 473.415, subdivision 3;
- 89.24 (12) judges of the Tax Court;
- 89.25 (13) personnel who were employed on June 30, 1992, by the University of Minnesota
89.26 in the management, operation, or maintenance of its heating plant facilities, whose
89.27 employment transfers to an employer assuming operation of the heating plant facilities, so
89.28 long as the person is employed at the University of Minnesota heating plant by that employer
89.29 or by its successor organization;
- 89.30 (14) personnel who are employed as seasonal employees in the classified or unclassified
89.31 service;

90.1 (15) persons who are employed by the Department of Commerce as a peace officer in
 90.2 the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory
 90.3 retirement age specified in section 43A.34, subdivision 4;

90.4 (16) employees of the University of Minnesota unless excluded under subdivision 2b,
 90.5 clause (3);

90.6 (17) employees of the Middle Management Association whose employment began after
 90.7 July 1, 2007, and to whom section 352.029 does not apply;

90.8 (18) employees of the Minnesota Government Engineers Council to whom section
 90.9 352.029 does not apply;

90.10 (19) employees of the Minnesota Sports Facilities Authority;

90.11 (20) employees of the Minnesota Association of Professional Employees;

90.12 (21) employees of the Minnesota State Retirement System;

90.13 (22) employees of the State Agricultural Society;

90.14 (23) employees of the Gillette Children's Hospital Board who were employed in the
 90.15 state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

90.16 (24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota,
 90.17 employees of Conservation Corps Minnesota so employed on June 30, 2003.

90.18 (b) Employees specified in paragraph (a), clause (13), are included employees under
 90.19 paragraph (a) if employer and employee contributions are made in a timely manner in the
 90.20 amounts required by section 352.04. Employee contributions must be deducted from salary.
 90.21 Employer contributions are the sole obligation of the employer assuming operation of the
 90.22 University of Minnesota heating plant facilities or any successor organizations to that
 90.23 employer.

90.24 Sec. 9. Minnesota Statutes 2016, section 473.121, subdivision 5a, is amended to read:

90.25 Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks
 90.26 and Open Space Commission; and the Metropolitan Airports Commission; ~~and Metropolitan~~
 90.27 ~~Sports Facilities Commission.~~

90.28 Sec. 10. Minnesota Statutes 2016, section 473.164, is amended to read:

90.29 **473.164 SPORTS, AIRPORT COMMISSIONS COMMISSION TO PAY COUNCIL**
 90.30 **COSTS.**

91.1 Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities Commission~~
91.2 ~~and the Metropolitan Airports Commission~~ shall annually reimburse the council for costs
91.3 incurred by the council in the discharge of its responsibilities relating to the commission.
91.4 The costs may be charged against any revenue sources of the commission as determined
91.5 by the commission.

91.6 Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council
91.7 shall transmit to ~~each~~ the commission an estimate of the costs which the council will incur
91.8 in the discharge of its responsibilities related to the commission in the next budget year
91.9 including, without limitation, costs in connection with the preparation, review,
91.10 implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The
91.11 commission shall include the estimates in its budget for the next budget year and may
91.12 transmit its comments concerning the estimated amount to the council during the budget
91.13 review process. Prior to December 15 of each year, the amount budgeted by ~~each~~ the
91.14 commission for the next budget year may be changed following approval by the council.
91.15 During each budget year, the commission shall transfer budgeted funds to the council in
91.16 advance when requested by the council.

91.17 Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in
91.18 cooperation with ~~each~~ the commission, shall adopt a final statement of costs incurred by
91.19 the council for ~~each~~ the commission. Where costs incurred in the budget year have exceeded
91.20 the amount budgeted, ~~each~~ the commission shall transfer to the council the additional moneys
91.21 needed to pay the amount of the costs in excess of the amount budgeted, and shall include
91.22 a sum in its next budget. Any excess of budgeted costs over actual costs may be retained
91.23 by the council and applied to the payment of budgeted costs in the next year.

91.24 Sec. 11. Minnesota Statutes 2016, section 473.565, subdivision 1, is amended to read:

91.25 Subdivision 1. **In MSRS; exceptions.** All employees of the former commission shall
91.26 be members of the Minnesota State Retirement System with respect to service rendered on
91.27 or after May 17, 1977, except as provided in this section.

91.28 Sec. 12. Minnesota Statutes 2016, section 473.755, subdivision 4, is amended to read:

91.29 Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the
91.30 powers and duties of its officers, and other matters relating to the governance of the authority
91.31 and the exercise of its powers. Except as provided in this section, the bylaws adopted under
91.32 this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan
91.33 Sports Facilities Commission pursuant to Minnesota Statutes 2012, section 473.553.

92.1 Sec. 13. Minnesota Statutes 2016, section 473.763, subdivision 2, is amended to read:

92.2 Subd. 2. **Acquisition.** Subject to the rules of Major League Baseball, the governor ~~and~~
92.3 ~~the Metropolitan Sports Facilities Commission~~ must attempt to facilitate the formation of
92.4 a corporation to acquire the baseball franchise and to identify an individual private managing
92.5 owner of the corporation. The corporation formed to acquire the franchise shall have a
92.6 capital structure in compliance with all of the following provisions:

92.7 (1) there may be two classes of capital stock: common stock and preferred stock. Both
92.8 classes of stock must give holders voting rights with respect to any relocation or voluntary
92.9 contraction of the franchise;

92.10 (2) the private managing owner must own no less than 25 percent and no more than 35
92.11 percent of the common stock. For purposes of this restriction, shares of common stock
92.12 owned by the private managing owner include shares of common stock owned by any related
92.13 taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended.
92.14 Other than the rights of all other holders of common stock and preferred stock with respect
92.15 to relocation or voluntary contraction of the franchise, the private managing owner must
92.16 control all aspects of the operation of the corporation;

92.17 (3) other than the private managing owner, no individual or entity may own more than
92.18 five percent of the common stock of the corporation;

92.19 (4) at least 50 percent of the ownership of the common stock must be sold to members
92.20 of the general public in a general solicitation and a person or entity must not own more than
92.21 one percent of common stock of the corporation; and

92.22 (5) the articles of incorporation, bylaws, and other governing documents must provide
92.23 that the franchise may not move outside of the state or agree to voluntary contraction without
92.24 approval of at least 75 percent of the shares of common stock and at least 75 percent of the
92.25 shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval
92.26 requirements shall not be amended by the shareholders or by any other means.

92.27 Except as specifically provided by Laws 2006, chapter 257, no state agency may spend
92.28 money from any state fund for the purpose of generating revenue under this subdivision or
92.29 for the purpose of providing operating support or defraying operating losses of a professional
92.30 baseball franchise.

93.1 Sec. 14. Minnesota Statutes 2016, section 473J.03, is amended by adding a subdivision
93.2 to read:

93.3 Subd. 13. **Stadium space.** "Stadium space" means a seat, personal seat license, suite,
93.4 club room, parking, or any other part of the stadium or license to access any part of the
93.5 stadium that a member of the general public would have to pay to use or access.

93.6 Sec. 15. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

93.7 Subd. 2. **Membership.** (a) The authority shall consist of five members.

93.8 (b) ~~The chair and two~~ Three members shall be appointed by the governor and confirmed
93.9 by the house of representatives and the senate. One member appointed by the governor shall
93.10 serve until December 31 of the third year following appointment and one member shall
93.11 serve until December 31 of the fourth year following appointment. Thereafter, members
93.12 appointed by the governor shall serve four-year terms, beginning January 1. Each member
93.13 serves until a successor is appointed and takes office unless removed by the appointing
93.14 authority for cause. Cause for removal includes violation of the employee code of ethics in
93.15 section 43A.38. ~~The chair serves at the pleasure of the governor.~~

93.16 (c) The mayor of the city shall appoint and the house of representatives and the senate
93.17 shall confirm two members to the authority. One member appointed by the mayor of the
93.18 city shall serve until December 31 of the third year following appointment and one member
93.19 shall serve until December 31 of the fourth year following appointment. Thereafter, members
93.20 appointed under this paragraph shall serve four-year terms beginning January 1. Each
93.21 member serves until a successor is appointed and takes office unless removed by the
93.22 appointing authority for cause. Cause for removal includes violation of the employee code
93.23 of ethics in section 43A.38. Members appointed under this paragraph may reside within the
93.24 city and may be appointed officials of a political subdivision.

93.25 (d) ~~The initial members of the authority must be appointed not later than June 13, 2012.~~

93.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and
93.27 applies to members appointed on or after the day following final enactment.

93.28 Sec. 16. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

93.29 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~
93.30 ~~chair,~~ as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by~~
93.31 ~~other law,~~ a salary in an amount fixed by the authority, no more than half of the salary of

94.1 the executive director of the authority in fiscal year 2019 and shall be reimbursed for
94.2 reasonable expenses to the same extent as a member.

94.3 Sec. 17. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

94.4 Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and
94.5 performs all other assigned duties and functions. The members of the authority shall
94.6 biennially elect a chair from among its members. The authority may appoint from among
94.7 its members a vice-chair to act for the chair during the temporary absence or disability of
94.8 the chair, and any other officers the authority determines are necessary or convenient.

94.9 Sec. 18. Minnesota Statutes 2016, section 473J.07, subdivision 7, is amended to read:

94.10 Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority
94.11 once each year or as often as the legislative auditor's funds and personnel permit. The
94.12 authority shall pay the total cost of the audit pursuant to section 3.9741. The legislative
94.13 auditor may conduct examinations of the authority's finances, budgets, expenditures,
94.14 revenues, and its operation. The legislative auditor may periodically examine the authority's
94.15 use of stadium space by the authority's members, staff, family, friends, charitable
94.16 organizations, and vendors.

94.17 Sec. 19. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

94.18 Subd. 8. **Executive director; employees.** The authority may appoint an executive director
94.19 to serve as the chief executive officer of the authority. The executive director serves at the
94.20 pleasure of the authority and receives compensation as determined by the authority not to
94.21 exceed \$135,000. The executive director may be responsible for the operation, management,
94.22 and promotion of activities of the authority, as prescribed by the authority. The executive
94.23 director has the powers necessarily incident to the performance of duties required and powers
94.24 granted by the authority, but does not have authority to incur liability or make expenditures
94.25 on behalf of the authority without general or specific directions by the authority, as shown
94.26 by the bylaws or minutes of a meeting of the authority. The executive director is responsible
94.27 for hiring, supervision, and dismissal of all other employees of the authority. The authority
94.28 must conduct an annual employee evaluation of the executive director, which must be
94.29 reviewed and approved by the entire board.

95.1 Sec. 20. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision
95.2 to read:

95.3 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget
95.4 to the commissioner of management and budget and to the chairs and ranking minority
95.5 members of the senate finance and house of representatives ways and means committees.

95.6 Sec. 21. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision
95.7 to read:

95.8 Subd. 8b. **Contracts.** The authority may not enter a contract with a value of more than
95.9 \$5,000 unless the terms of the contract have been approved by the authority by public vote
95.10 at a regular or special meeting. The authority may not delegate or authorize the executive
95.11 director to execute contracts on behalf of the authority in a manner that conflicts with this
95.12 subdivision.

95.13 Sec. 22. Minnesota Statutes 2016, section 473J.07, subdivision 9, is amended to read:

95.14 Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing
95.15 information to the public concerning all actions taken by the authority. At a minimum, the
95.16 Web site must contain a current version of the authority's bylaws, notices of upcoming
95.17 meetings, minutes of the authority's meetings, each annual budget, each use agreement,
95.18 each management agreement, each sponsorship agreement, meeting minutes for all meetings,
95.19 policies, and procedures, and contact telephone, electronic mail, and facsimile numbers for
95.20 public comments. This subdivision does not apply to information that is classified as not
95.21 public data, as defined in section 13.02, subdivision 8a, under other law.

95.22 Sec. 23. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
95.23 to read:

95.24 Subd. 7a. **Code of conduct and political activities.** (a) The authority shall adopt and
95.25 comply with the latest version of the state code of conduct promulgated by Minnesota
95.26 Management and Budget, and sections 43A.32 and 43A.38 apply to the authority members
95.27 and the authority's employees.

95.28 (b) For purposes of section 43A.38, subdivision 4, use of or preferential access to stadium
95.29 space by an authority member or employee constitutes an impermissible use of state property
95.30 for the employee's private interest, unless the use or terms of access are expressly permitted
95.31 by this section.

96.1 Sec. 24. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

96.2 Subd. 13. **Legislative report.** (a) The authority must report in writing to the chairs and
96.3 ranking minority members of the legislative committees with jurisdiction over state
96.4 government finance and to the senate Finance Committee and the house of representatives
96.5 Ways and Means Committee by January 15 of each year ~~on the following~~, and in person to
96.6 the Legislative Commission on Minnesota Sports Facilities at least quarterly. The reports
96.7 must describe:

96.8 (1) any recommended increases in the rate or dollar amount of tax;

96.9 (2) any recommended increases in the debt of the authority;

96.10 (3) the overall work and role of the authority;

96.11 (4) the authority's proposed operating and capital budgets; ~~and~~

96.12 (5) the authority's implementation of the operating and capital budgets, including
96.13 information on actual revenues and expenditures, events conducted, and all expected or
96.14 unexpected maintenance and capital repair needs arising since the time of the last report;

96.15 (6) a listing of all stadium amenities under the control of the authority since the time of
96.16 the last report, and how the amenities were used; and

96.17 (7) at least once each year, a detailed accounting of amounts expended for operating
96.18 expenses of the stadium for the most recently available year by functional category or object
96.19 or both, estimates of those expenses for the current and coming year, and description of any
96.20 plans for managing and improving efficiencies in the operation of the stadium.

96.21 (b) Copies of each report containing the information required by paragraph (a), clause
96.22 (5), must also be provided to the commissioner of management and budget. The authority
96.23 must also provide, at the request of the commissioner, any additional information on its
96.24 expenditures on and plans for managing and budgeting for the costs of operating the stadium,
96.25 including the reserve for capital expenditures. The commissioner must, at least once each
96.26 biennium, review the amounts expended for stadium operations and make recommendations
96.27 to the governor on the amount needed for state payment of those costs. The governor's
96.28 budget must include recommendations for the payments under section 473J.13, subdivision
96.29 2, paragraph (b), and subdivision 4, paragraph (c), and whether modification of the statutorily
96.30 appropriated amounts is recommended or required.

97.1 Sec. 25. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
97.2 to read:

97.3 Subd. 16. **Consignment agreement; authority's suites.** (a) The authority must negotiate
97.4 an agreement providing for consignment of the authority's suites to the primary tenant
97.5 consistent with the use agreement and subject to this subdivision. The final terms of the
97.6 consignment must be approved by the chairs of the committees of the house of representatives
97.7 and the senate with jurisdiction over state government finance and must include the following:

97.8 (1) the primary tenant is the consignee and must make all commercially reasonable
97.9 efforts to sell access to the suites to third parties;

97.10 (2) the authority must receive a percentage of the revenues from consignment of the
97.11 suites each year equal to at least 90 percent of the first \$400,000 of revenue and 65 percent
97.12 of any amount in excess of that and the amount of revenue retained by the primary tenant
97.13 must not exceed its actual transaction, marketing, and administrative costs that it would not
97.14 have incurred but for the consignment; and

97.15 (3) the terms of the consignment agreement are effective for a period of five years
97.16 beginning no later than August 1, 2018, and must be renegotiated no later than August 1,
97.17 2023, and every five years thereafter.

97.18 (b) Data collected, created, or maintained by the authority related to negotiation of the
97.19 consignment required by this paragraph are nonpublic data, as defined in section 13.02,
97.20 subdivision 9. Data provided to the legislative chairs under the approval requirement in
97.21 paragraph (a) may not be disclosed without the consent of the primary tenant.

97.22 (c) The authority must use revenues from the consignment agreement to pay the operating
97.23 expenses of the stadium.

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

97.25 Sec. 26. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
97.26 to read:

97.27 Subd. 17. **Report on stadium space use by authority members, staff, and vendors.**
97.28 The authority shall report the following information annually to the governor, the mayor of
97.29 the city of Minneapolis, the chair of the Legislative Commission on Minnesota Sports
97.30 Facilities, and the chairs and ranking minority members of the senate Finance Committee
97.31 and the house of representatives Ways and Means Committee regarding use of stadium
97.32 space by authority members, staff, family, friends, charitable organizations, and vendors or
97.33 their guests:

- 98.1 (1) the costs of use;
- 98.2 (2) the identity of each adult attendee and their legitimate business purpose for attendance;
- 98.3 (3) the date, time, and a general description of the stadium event at which the suite was
- 98.4 used; and
- 98.5 (4) the value and description of any food, parking, or other benefits provided to attendees.

98.6 **Sec. 27. [473J.095] AUTHORITY'S USE OF STADIUM SPACE.**

98.7 Subdivision 1. **Application.** The restrictions in this section apply to the use of stadium

98.8 space provided to the authority under the terms of the lease or use agreement required under

98.9 section 473J.15, subdivision 3.

98.10 Subd. 2. **Use of stadium space by authority members and staff.** (a) Authority members

98.11 and authority staff, including the executive director of the authority, may not use stadium

98.12 space unless the use is for a legitimate business purpose. For purposes of this subdivision,

98.13 "legitimate business purpose" means:

98.14 (1) in the case of a suite, the executive director's use of the suite to conduct oversight of

98.15 stadium operations; or

98.16 (2) in the case of stadium space other than a suite:

98.17 (i) participating in a marketing effort arranged by the authority's management vendor;

98.18 (ii) conducting oversight of stadium operations; or

98.19 (ii) making stadium space available to nonprofit charitable organizations to provide

98.20 access to events at the stadium for people served by the charitable organization.

98.21 The executive director of the authority must ensure that use of stadium space does not

98.22 violate open meeting laws.

98.23 (b) Use of stadium space by authority staff must be based on an express written

98.24 assignment of duties by the executive director or, in the case of use by the executive director,

98.25 an express written assignment of duties by the authority chair. In all cases, use of stadium

98.26 space by authority staff must be approved by a vote of the authority at a public meeting,

98.27 and the legitimate business purpose for use must be made a part of the public record.

98.28 Authority staff may not be provided free food, beverages, or stadium parking unless necessary

98.29 to complete the assigned duties.

98.30 Subd. 4. **Use of stadium space by family, friends, and other guests.** The authority or

98.31 its members may not grant access to stadium space to family members, friends, or other

99.1 guests of the authority's members or staff unless the use is for a legitimate business purpose.
99.2 The use must be approved by a vote of the authority at a public meeting, and the legitimate
99.3 business purpose must be made a part of the public record. For purposes of this subdivision,
99.4 "legitimate business purpose" means being a prospective user of the stadium.

99.5 Subd. 5. **Open market purchase.** This section does not prohibit an authority member,
99.6 authority staff, or family, friends, or other guests of authority members or staff from attending
99.7 events or renting stadium space, if a ticket or a right of access to the space was purchased
99.8 on the open market through the same channels, and for the same price, as those available
99.9 to the general public.

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

99.11 Sec. 28. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

99.12 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating
99.13 expenses of the stadium. The authority must require in the lease or use agreement with the
99.14 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as
99.15 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000
99.16 each year, increased by a three percent annual inflation rate.

99.17 (b)(1) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,
99.18 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000
99.19 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year
99.20 beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds
99.21 as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall
99.22 assume this payment, using funds generated in accordance with the city of Minneapolis as
99.23 specified under section 297A.994, subdivision 4, clause (3); and

99.24 (2) beginning for fiscal year 2020, the payment under this section must be reduced by
99.25 the additional revenue received by the authority under the consignment under section 473J.09,
99.26 subdivision 16, in the prior fiscal year.

99.27 (c) The authority may establish an operating reserve to cover operating expense shortfalls
99.28 and may accept funds from any source for deposit in the operating reserve. The establishment
99.29 or funding of an authority operating reserve must not decrease the amounts required to be
99.30 paid to the authority toward operating costs under this subdivision unless agreed to by the
99.31 authority.

99.32 (d) The authority will be responsible for operating cost overruns.

100.1 (e) After the joint selection of the third-party manager or program manager, the authority
100.2 may agree with a program manager or other third-party manager of the stadium on a fixed
100.3 cost operating, management, or employment agreement with operating cost protections
100.4 under which the program manager or third-party manager assumes responsibility for stadium
100.5 operating costs and shortfalls. The agreement with the manager must require the manager
100.6 to prepare an initial and ongoing operating plan and operating budgets for approval by the
100.7 authority in consultation with the NFL team. The manager must agree to operate the stadium
100.8 in accordance with the approved operating plan and operating budget.

100.9 **EFFECTIVE DATE.** This section is effective July 1, 2018.

100.10 Sec. 29. Minnesota Statutes 2016, section 473J.13, subdivision 3, is amended to read:

100.11 Subd. 3. **Public access.** The authority will work to maximize access for public and
100.12 amateur sports, community, and civic events, and other public events in type and on terms
100.13 consistent with those ~~currently~~ held at the ~~existing~~ football stadium, as defined in Minnesota
100.14 Statutes 2012, section 473.551, subdivision 9. The authority may provide that these events
100.15 have exclusive use of the premises at agreed-upon times subject to the scheduling rights of
100.16 the NFL team under the lease or use agreement.

100.17 Sec. 30. Minnesota Statutes 2016, section 473J.25, subdivision 3, is amended to read:

100.18 Subd. 3. **Metropolitan Sports Facilities Commission abolished; interim powers**
100.19 **conferred on authority.** Upon transfer to the authority of all remaining assets, liabilities,
100.20 and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the
100.21 Metropolitan Sports Facilities Commission is abolished. When the remaining assets,
100.22 liabilities, and obligations of the Metropolitan Sports Facilities Commission have been
100.23 transferred to the authority and the commission has been abolished, the powers and duties
100.24 of the commission under Minnesota Statutes 2012, sections 473.551 to 473.599, and any
100.25 other law shall devolve upon the authority, in addition to the powers and duties of the
100.26 authority under chapter 473J, until the first NFL home game is played at the stadium.

100.27 Sec. 31. Minnesota Statutes 2016, section 473J.27, subdivision 2, is amended to read:

100.28 Subd. 2. **High school league.** The lessee of the stadium must make the facilities of the
100.29 stadium available for use by the Minnesota State High School League for at least seven
100.30 days each year for high school soccer and football tournaments. The lessee of the stadium
100.31 must provide, and may not directly, or through a management company, charge the league

101.1 a fee for, this use, including security, ticket takers, custodial or cleaning services, or other
101.2 similar services in connection with this use.

101.3 Sec. 32. **RECOVERY.**

101.4 The Minnesota Sports Facilities Authority must make every effort to recover the fair
101.5 market value of any food, parking, tickets, and access to stadium suites provided to a person
101.6 prior to January 1, 2017, if the provision of those benefits to the person was not in the public
101.7 interest. The authority shall report on recovery efforts to the commissioner of management
101.8 and budget and to the chairs and ranking minority members of the senate finance and house
101.9 of representatives ways and means committees by May 31, 2018. Money recovered under
101.10 this section is transferred by July 1, 2018, to the commissioner of management and budget
101.11 for deposit in the general reserve account established under Minnesota Statutes, section
101.12 297E.021, subdivision 4.

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

101.14 Sec. 33. **CHAIR SALARY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

101.15 By February 15, 2019, the committees in the house of representatives and the senate
101.16 with jurisdiction over state government finance shall recommend legislation limiting the
101.17 salary of the chair of the Minnesota Sports Facilities Authority that shall apply beginning
101.18 in fiscal year 2020.

101.19 Sec. 34. **REPEALER.**

101.20 (a) Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551; 473.552; 473.553,
101.21 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5,
101.22 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572;
101.23 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

101.24 (b) Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

101.25 Sec. 35. **EFFECTIVE DATE.**

101.26 This article is effective the day following final enactment. The terms of all current
101.27 members of the Minnesota Sports Facilities Authority terminate January 31, 2019. Appointing
101.28 authorities must appoint new members of the authority by January 15, 2019, to serve terms
101.29 beginning February 1, 2019. Appointments shall be effective and the appointees may exercise
101.30 the duties of the office upon receipt of the letter of appointment by the president of the
101.31 senate and the speaker of the house."

102.1 Amend the title accordingly