

S.F. 10 First Special Session As introduced

Subject Omnibus State Government, Military Affairs, and Veterans Affairs Finance

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Date May 24, 2019

Overview

This bill is the draft special session omnibus state government, military affairs, and veterans affairs finance bill. It includes appropriations and related policy changes within the jurisdiction of the State Government Finance Division, as well as appropriations and related policy within the jurisdiction of the Veterans and Military Affairs Finance and Policy Division.

Article 1: State Government Appropriations

This article provides various appropriations to the departments, boards, agencies, and commissions within the jurisdiction of the State Government Finance Committee.

Section Description – Article 1: State Government Appropriations

1 - 38 Appropriations.

Appropriations and riders for various agencies within the accounts managed by the State Government Finance and Veterans and Military Affairs divisions are described in the fiscal spreadsheet.

39 Appropriation; secretary of state; court ordered attorney fees.

Provides an appropriation of \$1.29 million to the secretary of state for the purpose of paying attorney's fees awarded against the state in the case *Minnesota Voters Alliance v. Mansky*. This is the case challenging the state law regulating campaign apparel in polling places; the law was declared unconstitutional by the U.S. Supreme Court in 2018.

40 Help America Vote Act transfers and appropriations.

Appropriates federal election security funds to the secretary of state, and retroactively credits \$167,000 in state election security expenditures from fiscal years 2018 and 2019 toward the required state match to receive the federal funds. The secretary of state is authorized to spend the federal funds for a list of eligible activities outlined in the bill. The funds are available until March 23, 2023.

41 Cancellations.

Paragraph (a) cancels \$220,000 from the MN.IT "Odyssey" Fund. This fund allows state agencies to save funds to be used for future large IT projects. The cancellation is from funds left over from previously completed projects.

Paragraph (b) cancels unspent funds, estimated at \$350,000, related to the Veterans Journey Home program.

Article 2: State Government Operations

This article includes a variety of policy changes related to the operation of state and local government.

Section Description – Article 2: State Government Operations

1 Information required.

Requires the commissioner of management and budget to submit certain information related to collective bargaining agreements to the Legislative Coordinating Commission. The LCC, though the Subcommittee on Employee Relations, has a role in reviewing and approving these agreements.

2 Legislative Commission on Housing Affordability.

Establishes the Legislative Commission on Housing Affordability. The commission consists of eight legislators: four from each body. Appointments are equally balanced between the majority and minority parties. The commission is responsible for a number of duties related to researching and analyzing housing affordability issues. The commission expires June 30, 2023.

3 Evaluation topics.

Requires the Legislative Audit Commission to consider programs and statutes that authorize grants, tax incentives, and other economic development tools among the other topics it considers when selecting specific issues for the legislative auditor to evaluate each year. Under current law, these topics are required to be considered and chosen separately from other evaluation topics selected by the Audit Commission. That law is repealed later in this bill.

This section also eliminates language that suggests a method of evaluating the scope of proposed reviews and the length of time needed to complete them, including a timeline for making a decision about whether to proceed with a suggested evaluation.

4 **Obligation to notify the legislative auditor.**

Modifies an existing law requiring certain officers to notify the legislative auditor to when it appears government data has been misused. Instead of requiring a report only when it appears the data was used unlawfully, a report is required any time the data may have been accessed by or provided to a person without authorization.

5 **Executive order list serve.**

Requires the secretary of state to maintain a list serve to provide notice of executive orders issued by the governor.

6 Hmong Special Guerrilla Units Remembrance Day.

Establishes May 14 as Hmong Special Guerrilla Units Remembrance Day, in recognition of the service and sacrifice of Southeast Asians, Americans, and their allies during the Secret War in Laos.

7 State Arts Board.

Provides that responses submitted by a grantee to the State Arts Board or to a regional arts council become public at the meeting at which the responses are considered, unless the data are protected by a trade secret classification.

8 Administrative law judge; salaries.

Aligns the salaries of the assistant chief administrative law judge and the administrative law judge supervisors in the Office of Administrative Hearings to the salary of a district court judge.

9 Restriction (state-owned optical fiber barter arrangements).

In general, state contracting law prohibits agencies from entering contracts that are supported by a barter arrangement, with a few exceptions. This section adds contracts for optical fiber owned by the state as of July 1, 2019, to the list of exceptions.

In a barter arrangement, goods, services, or other nonmonetary consideration is directly exchanged between the contracting parties; there is no monetary exchange.

10 Managerial positions.

Codifies standards for hiring classified management positions, including that the job be posted for at least 21 days before the position is filled, and that the process be conducted in a fair and open manner to ensure that all candidates who meet the minimum qualifications for the position are considered. An allowance for the commissioner of management and budget to waive the 21-day posting requirement, and certain other exceptions, are provided.

11 On-the-job demonstration process and appointment.

Modifies a program in state agency employment that allows people with certain disabilities to demonstrate job qualifications through paid on-the-job experience.

12 Agency affirmative action plans.

Adds information to be included in an agency's affirmative action plan for making reasonable accommodations, and expands a list of entities that must be consulted to review and make recommendations on recruitment and retention of people with disabilities.

13 Audits; sanctions and incentives.

Eliminates a cap on the percentage of appointments for state employment in which an agency fails to justify a nonaffirmative action hire. Instead, criteria established by Minnesota Management and Budget (MMB) for an agency must be used to justify nonaffirmative action hires. MMB is required to publish summary data related to executive branch hiring in each federal Equal Employment Opportunity (EEO) occupational category applicable to state employment.

14 Schedule.

Repeals a \$20 per year registration fee for the practice of hair braiding. The registration requirement is fully repealed later in the bill.

15 Hair braiders exempt.

Provides that the practice of hair braiding is not subject to regulation or oversight by the Board of Cosmetologist Examiners.

16 Plan development; criteria.

Increases the maximum grant that may be provided under the Mighty Ducks grant program for projects that eliminate the use of R-22 refrigerant in state public ice facilities.

The Mighty Ducks program provides grants to support improvements to public ice arenas, and to support increased access to ice arenas for women and girls. The law requires prioritization of rehabilitation and renovation projects that improve indoor air quality and eliminate the use of R-22 refrigerant.

17 Board to fill vacancies in county offices.

Provides conforming changes related to the amendment to the law authorizing certain county officers to be appointed, rather than elected. The substantive change to the law is contained later in the bill.

18 Auditor-treasurer.

Provides conforming changes related to the amendment to the law authorizing certain county officers to be appointed, rather than elected. The substantive change to the law is contained later in the bill.

19 Form of government options.

Provides conforming changes related to the amendment to the law authorizing certain county officers to be appointed, rather than elected. The substantive change to the law is contained later in the bill.

20 Appointing county officers.

Subd. 1. Authority to appoint certain officers. Allows the county board to make an elected office an appointed position under this section if there is a vacancy in the office, the elected official agrees to appointment, or the elected office holder confirms that he or she will not run for election again.

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

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

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

Subd. 5. Incumbents to complete term. Requires that the person elected to the office complete his or her term.

Subd. 6. Publishing resolution; petition; referendum. Requires the county board to publish notice of the proposal to make the office appointed, and to allow for public comment on the proposal at a regular meeting of the board before the resolution is adopted. The resolution must be approved by at least 80 percent of the members of the board and take effect after 30 days, unless a later date is

provided in the resolution. If a sufficient petition requesting a referendum signed by at least ten percent of the registered voters in the county is filed within 30 days after the adoption of the resolution, the resolution is rescinded. A petition may not be accepted if the county officer to be appointed is the incumbent and has signed a contract for the appointment.

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

21 Officers elected; terms.

Provides conforming changes related to the amendment to the law authorizing certain county officers to be appointed, rather than elected. The substantive change to the law is contained earlier in the bill.

22 Vacancies; how filled.

Provides conforming changes related to the amendment to the law authorizing certain county officers to be appointed, rather than elected. The substantive change to the law is contained later in the bill.

23 Initial appointments.

Establishes a schedule of initial appointments and the first meeting of the Legislative Commission on Housing Affordability.

24 Advisory Task Force on State Employment and Retention of Employees with Disabilities.

Establishes an advisory task force to prepare and submit a report to the legislature on strategies for attracting and retaining state employees with disabilities. The task force is administered by the commissioner of management and budget.

25 Minnesota Census 2020 mobilization.

Requires the commissioner of administration to implement a Census 2020 Mobilization program. A component of the program is awarding grants to local governments and nonpartisan, nonprofit organizations engaged in census mobilization activities. A list of priority outreach and mobilization activities is included.

26 Labor agreement and compensation plans.

Ratifies the state's labor contract with the Minnesota Law Enforcement Association for the contract period ending June 30, 2019, and the salary administration plan for the State Board of Investment.

27 Repealer.

Repeals a law related to the process of evaluating economic development incentive programs by the legislative auditor, and laws governing the regulation and oversight of the practice of hair braiding by the Board of Cosmetologist Examiners.

Article 3: State Payments Terminology

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

Section Description – Article 3: State Payments Terminology

1 - 40 State payments terminology.

Provides a number of miscellaneous and technical changes to terminology related to the process for making payments to individuals, local governments, creditors, and other entities owed money from state accounts.

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

Article 4: Presidential Nomination Primary

This article modifies certain privacy protections and includes other technical and conforming changes to the presidential nomination primary process.

Section Description – Article 4: Presidential Nomination Primary

1 Public information lists.

Prohibits the publicly available information on voter registration to include the party choice of a voter who voted in a presidential nomination primary.

Section Description – Article 4: Presidential Nomination Primary

2 Presidential primary political party list.

Requires the secretary of state to maintain a list of voters who voted in the presidential nomination primary for each major political party. The list is classified as private data, but the list of voters corresponding to each party must be provided to the chair of each major political party.

3 **Opening of envelopes.**

Requires the return of absentee ballot materials to a voter if more than one "voted" ballot is included in a ballot envelope. This change relates to the presidential nomination primary, in which absentee voters will be provided a separate ballot for each party participating in the primary, but are only permitted to vote one of the ballots.

4 Polling place roster; voter signature certificate; voter receipt.

Requires updates to the certification signed by voters in a polling place attesting to their eligibility to vote, to reflect the change in the privacy standards related to a voter's party choice in a presidential nomination primary.

5 **Presidential nomination primary established.**

Provides that a major political party is only eligible to participate in the presidential nomination primary if the party selects delegates to attend a national convention.

6 **Conducting presidential nomination primary.**

Classifies data on a voter's political party choice at a presidential nomination primary as private data. Under current law, this data is public.

7 Example ballots.

Provides a technical correction to the law governing ballots created for illustration purposes prior to a presidential nomination primary. These are "example" ballots, rather than "sample" ballots.

8 Reimbursable local expenses.

Authorizes the secretary of state to approve other local expenses for reimbursement following a presidential nomination primary.

Article 5: Information Technology

This article requires the legislature to comply with certain accessibility standards related to information technology, and requires the Office of MN.IT Services to consider cloud computing options when evaluating proposed IT projects.

Section Description – Article 5: Information Technology

1 Accessibility in the legislature's information technology.

Requires the senate, house, and the joint offices and commissions of the legislature to comply with the information technology accessibility standards adopted by the state's chief information officer, unless the responsible authority for the legislative body or office has approved an exception. A list of responsible authorities authorized to approve an exception is provided. These requirements are effective October 1, 2024.

State agencies are currently required to comply with the standards that would be extended to the legislature by this bill.

This section does not authorize the Office of MN.IT Services to manage or direct the legislature's compliance with these standards.

2 Definitions (cloud computing).

Defines the term "cloud computing" for purposes of the law governing the state's information technology systems and services. A substantive section related to cloud computing follows.

3 **Cloud computing services.**

Requires MN.IT to review cloud computing service options when evaluating information technology projects proposed by state agencies.

4 Technical support to the legislature.

Requires the state's chief information officer to provide technical support to the legislature to assist it in complying with the required accessibility standards. Specific types of assistance that must be provided are identified in the bill. The legislature may not be assessed a cost for these services.

5 Legislative employee working group on the legislature's accessibility measures.

Establishes a working group of 12 legislative employees to research and submit a report to the legislature regarding its accessibility needs. A structure for appointing employees to the working group and a list of specific items for consideration is provided. The working group must convene its first meeting in July 2021, and submit its report by January 15, 2023 (the accessibility standards effective date is in October, 2024).

Article 6: Veterans and Military Affairs Policy

This article contains changes to statutes that relate to military and veterans affairs.

Section Description – Article 6: Policy (Military and Veterans Affairs)

1 POW and MIA Recognition Day.

Establishes the third Friday in September each year as Prisoners of War and Missing in Action Recognition Day.

2 Veterans Suicide Awareness Day.

Establishes the first Saturday of every October as Veterans Suicide Awareness Day. Directs the governor to issue a proclamation honoring this observance each year. **[H.F. 586]**

3 American Allies Day.

Establishes June 30 of each year as American Allies Day.

4 General duties.

Clarifies that the commissioner of veterans affairs has the authority to exercise the powers necessary to implement chapters 196 (Department of Veterans Affairs), 197 (service member benefits), and 198 (veterans homes). **[H.F. 1959]**

5 **Records; data privacy.**

This section (and section 6) authorizes a county veterans service officer and county assessor to exchange information regarding the eligibility of a veteran currently receiving a property tax benefit under the disabled veterans homestead exclusion. In 2017, the legislature eliminated the annual application requirement for the exclusion, and instead required the county veterans service officer to certify the disability status of current beneficiaries each year to the county assessor, to make the eligibility determination. However, without explicit authorization to allow the sharing of private data, the 2017 provision can only be administered if a veteran consents to the release of their private data. This section and section 6 would allow the information exchange required to administer the new provision without obtaining a release from the beneficiary of the exclusion.

This section allows the county veterans service officer to disclose private data to the county assessor, to determine eligibility for the disabled veterans homestead exclusion.

[H.F. 203]

6 Disclosure.

Allows the county assessor to disclose private data to the county veterans service officer, to determine eligibility for the disabled veterans homestead exclusion. **[H.F. 203]**

Section Description – Article 6: Policy (Military and Veterans Affairs)

7 Memorial commemorating recipients of the medal of honor. Modifies the 2016 session law that called for the construction of a Minnesota Medal of Honor Memorial by removing the restriction on the use of funds in the Medal of Honor Memorial account. **[H.F. 1773]**

8 USS Minneapolis-St. Paul Account.

Establishes a statutory appropriation to the commissioner of military affairs for the commissioning and preservation of the USS Minneapolis-St. Paul. Permits receipt of gifts, grants, and donations.

Article 7: Gambling Control Board

This article makes a number of clarifying and technical changes to the statutes under the jurisdiction of the Gambling Control Board.

Section Description – Article 7: Gambling Control Board

1 Active member.

Amends the definition of "active member" by placing the necessary qualifications in clauses and reducing the requirement that the person be a member of an organization for at least six months to the most recent 90 days.

2 Conduct of bingo.

States that bingo gift certificates must only be sold for face value.

3 Lessor's immediate family.

Adds electronic linked bingo games to the games that a lessor's immediate family may not participate in as a player.

4 **Required record of receipts.**

Restructures the subdivision to include paragraphs. Adds the requirement that organizations keep a bingo gift certificate log.

5 Accounts.

Amends the deadline to record electronic gambling receipts and deposit such receipts into the gambling bank account. Currently, such action must take place either when the total net receipts from all electronic games reach the sum of \$2,000 or on or before the first day of the month immediately following the month during which the receipts were generated, whichever occurs first. The bill would require recording and deposit of the

Section Description – Article 7: Gambling Control Board

receipts when they total \$2,000 <u>and</u> within four business days of the first day of the month following the month during which the receipts were generated.

Article 8: Racing Commission

This article amends various licensing and regulation provisions related to pari-mutuel horse racing.

Section Description – Article 8: Racing Commission

1 Racing or gaming-related vendor.

Defines "racing or gaming-related vendor" as a person or entity that manufactures, sells, provides, distributes, repairs, or maintains equipment used at a Class A facility or supplies or provides services to a Class A facility or Class B license holder that are directly related to the running of a horse race, simulcasting, pari-mutuel betting, or card playing.

2 Qualifications.

Eliminates the requirement that members of the Racing Commission file a bond in the sum of \$100,000 before taking a place on the commission.

3 Biennial report.

Amends the commission's reporting requirement from an annual report to a biennial report due on February 15 of each odd-numbered year.

4 **Revocation and suspension.**

Requires notice before revocation or suspension of a class C license. Expands the time in which a license can be suspended for a violation of the law from one year to five years. Provides that, if the license expires during the term of suspension, the licensee must wait out the suspension period before applying for a new license. Requires appeals for suspensions lasting one year or less to be made to the commissioner. Provides that suspensions lasting more than one year and all revocations may be appealed by requesting a contested case hearing under chapter 14 and establishes notice requirements. Permits the commission to summarily suspend a license for up to 90 days where necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. Provides for an appeal of a summary suspension.

5 License fees.

Permits the commission to establish an annual license fee, not to exceed \$2,500, for each type of racing or gaming-related vendor.

Section Description – Article 8: Racing Commission

6 License agreements.

Permits the commission to enter into compacts, in addition to agreements, with comparable bodies in other racing jurisdictions.

7 Purses.

Includes breakage in the amounts deducted from all pari-mutuel pools by a licensee. Provides that contracts and agreements related to purses under this section be reviewed by the commission. Permits the licensee to pay the horseperson's organization representing the majority of the horsepersons racing the breed involved from breakage retained by the licensee from live or simulcast wagering as agreed between the licensee and organization.

8 Payments to state.

Extends the deadline by which an authorized advance deposit wagering provider must pay the required regulatory fee from seven days to 15 days after the end of the month in which the wager was made.

9 Card club revenue.

Requires agreements between the licensee and the relevant horseperson's organization regarding amounts set aside for purse payments to be reviewed by the commission.

10 **Disposition of proceeds; account.**

Appropriates money contained in the racing and card playing regulation account to the Minnesota Racing Commission for its ongoing operations, if a biennial budget is not otherwise enacted for the commission before a new fiscal biennium begins. This appropriation is capped at the amount the commission received in the second year of the prior biennium.

This section also adds a technical reference to "regulatory fees" in directing how money received by the Racing Commission is distributed. This new reference reflects enactment of a regulatory fee related to advance deposit wagering that was enacted in 2016.

11 Reimbursement account credit.

Provides technical and other modifications related to the racing reimbursement account in the special revenue fund. Among the changes is an allowance for funds in this account to be used by the Racing Commission to fulfill its regulatory oversight duties.

This section also requires the commission to continue its operations even if a state budget has not been fully enacted prior to the start of a fiscal biennium.

Section Description – Article 8: Racing Commission

12 Appropriation for functions supporting ongoing operation of the Racing Commission.

Provides a statutory appropriation to fund the central administrative functions of the Racing Commission in the event a budget appropriating money for these functions is not enacted prior to the start of the fiscal biennium. The section includes technical language related to distribution of these funds.

Subsequent appropriations enacted by law would replace funding provided to the commission under this section.

13 **Powers and duties.**

Permits the commission to delegate the power to impose fines of up to \$10,000, suspensions of up to one year, and other sanctions permitted by rule to a board of stewards.

14 Appeals; hearings.

Makes a conforming change with section 4 of the bill. Permits the commission to review any ruling by the board of stewards on its own initiative.

15 Thoroughbred and quarterhorse categories.

Replaces a specific reference to the University of Minnesota School of Veterinary Medicine with a reference to public institutions of postsecondary learning in the state. Removes the requirement that an annual report from a grant recipient be sent to committees in the legislature. Makes a conforming change regarding the commission's report. Permits money apportioned in the relevant category to be expended to pay breeders' or owners' awards at pari-mutuel racetracks licensed by any state or province.

16 Standardbred category.

Eliminates the requirement that one-fourth of the money appropriated in the standardbred category be expended for the development of non-pari-mutuel standardbred tracks in the state.

17 Fines.

Establishes that civil fines must be limited to \$50,000 for a class C licensee and \$200,000 for a class A, B, or D licensee. Provides that fines under \$10,000 can be appealed to the commissioner and fines over that amount can be appealed in a contested case hearing. Clarifies that fines may be used to support racehorse adoption, retirement, and repurposing through grants, contracts, or expenditures.

18 Exclusion of certain persons.

Strikes the existing provisions related to ejecting individuals from racetracks and provides that a licensed racetrack may eject a person for any lawful reason. If the exclusion is for a

Section Description – Article 8: Racing Commission

suspected or potential violation of rule or law, or if the exclusion is for more than five days, the racetrack must provide information to the commissioner within 72 hours.

Article 9: State Board of Accountancy

This article amends various licensing and regulation provisions related to the practice of certified public accounting.

Section	Description – Article 9: State Board of Accountancy
1	Attest.
	Modifies the definition of "attest" to include an audit performed in accordance with the Generally Accepted Government Auditing Standards.
2	Program of learning.
	Makes technical and conforming changes related to the practice of public accounting.
3	Fee.
	Makes technical and conforming changes related to the practice of public accounting.
4	[326A.045] Retired status.
	Subd. 1. Retired status requirements. Requires the board to grant retired status to a person who meets certain qualifications.
	Subd. 2. Retired status effect. Clarifies that retired status is honorific and does not allow the person to provide public accounting services.
	Subd. 3. Documentation of status. Requires the board to provide a document for those with retired status.
	Subd. 4. Representation to the public. Allows a person with retired status to represent themselves to the public in certain ways.
	Subd. 5. Continuing education not required. Clarifies that a person with retired status does not need to complete continuing education.
	Subd. 6. Renewal not required. Clarifies that a person with retired status does not need to renew their registration.

Section Description – Article 9: State Board of Accountancy

Subd. 7. Change to active or inactive status. Requires the board to change a license status from retired to active or inactive if a person with retired status requests the change and meets the reactivation requirements.

5 Cease and desist orders.

Allows service to be completed through a variety of United States mail services. Clarifies that service is complete upon placing the order in the mail or delivery, depending on the type of service.

6 Actions against persons or firms.

Allows service to be completed through a variety of United States mail services. Clarifies that service is complete upon placing the order in the mail or delivery, depending on the type of service.

7 Actions against lapsed license, certificate, or permit.

Allows the board to institute an enforcement action against a person or firm whose permit, registration, license, etc. is invalid. The enforcement proceeding must occur within two years of when the permit, registration, license, etc. was effective. The revocation or suspension order will be effective as of the last day the permit, registration, license, etc. was in effect. A civil penalty may be imposed pursuant to section 326A.08, subdivision 7.

8 Unlawful acts.

Corrects a cross-reference and makes technical changes related to the practice of public accounting.



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