

STATE OF MINNESOTA

EIGHTY-SIXTH SESSION — 2009

 THIRTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 21, 2009

The House of Representatives convened at 4:00 p.m. and was called to order by Gene Pelowski, Jr., Speaker pro tempore.

Prayer was offered by the Reverend Dennis J. Johnson, House Chaplain.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

| | | | | | |
|--------------|------------|------------|------------|-------------|---------------|
| Abeler | Dittrich | Hilstrom | Lesch | Norton | Slawik |
| Anderson, P. | Doepke | Hilty | Liebling | Obermueller | Smith |
| Anderson, S. | Doty | Holberg | Lillie | Olin | Solberg |
| Anzelc | Downey | Hoppe | Loeffler | Otremba | Sterner |
| Beard | Drazkowski | Hornstein | Loon | Paymar | Swails |
| Benson | Eastlund | Hortman | Mack | Pelowski | Thao |
| Bigham | Eken | Hosch | Magnus | Peppin | Thissen |
| Bly | Emmer | Huntley | Mahoney | Persell | Tillberry |
| Brod | Falk | Jackson | Mariani | Peterson | Torkelson |
| Brown | Faust | Johnson | Marquart | Reinert | Urdahl |
| Brynaert | Fritz | Juhnke | Masin | Rosenthal | Wagenius |
| Buesgens | Gardner | Kahn | McFarlane | Rukavina | Ward |
| Bunn | Garofalo | Kalin | McNamara | Ruud | Welti |
| Carlson | Gottwalt | Kath | Morgan | Sailer | Westrom |
| Champion | Greiling | Kelly | Morrow | Sanders | Winkler |
| Clark | Gunther | Kiffmeyer | Mullery | Scalze | Zellers |
| Cornish | Hackbarth | Knuth | Murdock | Scott | Spk. Kelliher |
| Davids | Hamilton | Koenen | Murphy, E. | Seifert | |
| Davnie | Hansen | Kohls | Murphy, M. | Sertich | |
| Dean | Hausman | Laine | Nelson | Severson | |
| Dettmer | Haws | Lanning | Newton | Shimanski | |
| Dill | Hayden | Lenczewski | Nornes | Simon | |

A quorum was present.

Anderson, B.; Atkins; Demmer; Howes; Lieder; Poppe and Slocum were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Laine moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 615 and H. F. No. 665, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Swails moved that the rules be so far suspended that S. F. No. 615 be substituted for H. F. No. 665 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2, A bill for an act relating to education; providing for policy and funding for family, adult, and prekindergarten through grade 12 education including general education, education excellence, special programs, facilities and technology, libraries, nutrition, accounting, self-sufficiency and lifelong learning, state agencies, pupil transportation, school finance system changes, forecast adjustments, and technical corrections; providing for advisory groups; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 6.74; 16A.06, subdivision 11; 120A.40; 120B.02; 120B.021, subdivision 1; 120B.022, subdivision 1; 120B.023, subdivision 2; 120B.11, subdivision 5; 120B.13; 120B.132; 120B.30; 120B.31; 120B.35; 120B.36; 121A.15, subdivision 8; 121A.41, subdivisions 7, 10; 121A.43; 122A.07, subdivisions 2, 3; 122A.18, subdivision 4; 122A.31, subdivision 4; 122A.40, subdivisions 6, 8; 122A.41, subdivisions 3, 5; 122A.413, subdivision 2; 122A.414, subdivisions 2, 2b; 122A.60, subdivisions 1a, 2; 122A.61, subdivision 1; 123A.05; 123A.06; 123A.08; 123B.02, subdivision 21; 123B.03, subdivisions 1, 1a; 123B.10, subdivision 1; 123B.14, subdivision 7; 123B.143, subdivision 1; 123B.51, by adding a subdivision; 123B.53, subdivision 5; 123B.57, subdivision 1; 123B.59, subdivisions 2, 3, 3a; 123B.70, subdivision 1; 123B.71, subdivisions 8, 9, 12; 123B.75, subdivision 5; 123B.76, subdivision 3; 123B.77, subdivision 3; 123B.79, subdivision 7; 123B.81, subdivisions 3, 4, 5; 123B.83, subdivision 3; 123B.92, subdivisions 1, 5; 124D.095, subdivisions 2, 3, 4, 7, 10; 124D.10; 124D.11, subdivisions 4, 9; 124D.111, subdivision 3; 124D.128, subdivisions 2, 3; 124D.42, subdivision 6, by adding a subdivision; 124D.4531; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.68, subdivisions 2, 3, 4, 5; 124D.83, subdivision 4; 124D.86, subdivisions 1, 1a, 1b; 125A.02; 125A.07; 125A.08; 125A.091; 125A.11, subdivision 1; 125A.15; 125A.28; 125A.51; 125A.56; 125A.57, subdivision 2; 125A.62, subdivision 8; 125A.63, subdivisions 2, 4; 125A.76, subdivisions 1, 5; 125A.79, subdivision 7; 125B.26; 126C.01, by adding subdivisions; 126C.05, subdivisions 1, 2, 3, 5, 6, 8, 15, 16, 17, 20; 126C.10, subdivisions 1, 2, 2a, 3, 4, 6, 13, 14, 18, 24, 34, by adding subdivisions; 126C.13, subdivisions 4, 5; 126C.15, subdivisions 2, 4; 126C.17, subdivisions 1, 5, 6, 9; 126C.20; 126C.40, subdivisions 1, 6; 126C.41, subdivision 2; 126C.44; 127A.08, by adding a subdivision; 127A.441; 127A.45, subdivisions 2, 3, 13, by adding a subdivision; 127A.47, subdivisions 5, 7; 127A.51; 134.31, subdivision 4a, by adding a subdivision; 169.011, subdivision 71; 169.443, subdivision 9; 169.4501, subdivision 1; 169.4503, subdivision 20, by adding a subdivision; 169.454, subdivision 13; 169A.03, subdivision 23; 171.01, subdivision 22; 171.02, subdivisions 2, 2a, 2b; 171.05, subdivision 2; 171.17, subdivision 1; 171.22, subdivision 1; 171.321, subdivisions 1, 4, 5; 181A.05, subdivision 1; 275.065, subdivisions 3, 6; 299A.297; 471.975; 475.58, subdivision 1; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, as amended, 6, as amended, 8, as amended; article 2, section 46, subdivision 6, as amended; article 3, section 24, subdivision 4, as amended; article 4, section 16, subdivisions 2, as amended, 6, as amended; article 5, section 13, subdivisions 2, as amended, 3, as amended; article 9, section 17, subdivisions 2, as amended, 13, as amended; Laws 2008, chapter 363, article 2, section 46, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; 125A; 126C; 127A; repealing Minnesota Statutes 2008, sections 120B.362; 120B.39; 121A.27; 121A.66; 121A.67, subdivision 1; 122A.628; 122A.75; 123B.54; 123B.57, subdivisions 3, 4, 5; 123B.591; 124D.091; 125A.03; 125A.05; 125A.18; 125A.76, subdivision 4; 125A.79, subdivision 6; 126C.10,

subdivisions 2b, 13a, 13b, 24, 25, 26, 27, 28, 29, 30, 31, 31a, 31b, 32, 33, 34, 35, 36; 126C.12; 126C.126; 127A.50; 275.065, subdivisions 5a, 6b, 6c, 8, 9, 10; Minnesota Rules, parts 3525.0210, subparts 5, 6, 9, 13, 17, 29, 30, 34, 43, 46, 47; 3525.0400; 3525.1100, subpart 2, item F; 3525.2445; 3525.2900, subpart 5; 3525.4220.

Reported the same back with the following amendments:

Page 3, line 24, after the first comma, insert "boiler operator training."

Page 4, line 19, after "efforts" insert ", including boiler operator training"

Page 12, line 2, after "July 1," insert "1992, and to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable before July 1."

Page 52, line 10, strike everything after "(B)"

Page 52, line 11, delete the new language and strike the old language

Page 82, line 30, after "fiscal" insert ", operational."

Page 82, line 34, delete the new language and insert "up to \$50 per student up to a maximum of \$10,000 in fiscal year 2010, \$12,000 in fiscal year 2011, \$14,000 in fiscal year 2012, and \$15,000 in fiscal year 2013"

Page 82, line 35, delete everything after "(c)"

Page 82, line 36, delete "formula allowance for that year." and delete "2013" and insert "2014" and delete "four" and insert "three"

Page 83, line 1, delete "2013" and insert "2014"

Page 83, line 2, delete ".015" and insert ".010"

Page 83, delete lines 5 to 16

Page 83, line 17, delete "(e)" and insert "(d)"

Page 83, line 19, delete "(f)" and insert "(e)"

Page 193, line 33, before "fiscal" insert "current" and strike "in which the levy is certified"

Page 220, after line 18, insert:

"Section 1. Minnesota Statutes 2008, section 120A.22, subdivision 7, is amended to read:

Subd. 7. **Education records.** (a) A district, a charter school, or a nonpublic school that receives services or aid under sections 123B.40 to 123B.48 from which a student is transferring must transmit the student's educational records, within ten business days of a request, to the district, the charter school, or the nonpublic school in which the student is enrolling. Districts, charter schools, and nonpublic schools that receive services or aid under sections 123B.40 to 123B.48 must make reasonable efforts to determine the district, the charter school, or the nonpublic school in which a transferring student is next enrolling in order to comply with this subdivision.

(b) A closed charter school must transfer the student's educational records, within ten business days of the school's closure, to the student's school district of residence where the records must be retained unless the records are otherwise transferred under this subdivision.

(c) A school district, a charter school, or a nonpublic school that receives services or aid under sections 123B.40 to 123B.48 that transmits a student's educational records to another school district or other educational entity, charter school, or nonpublic school to which the student is transferring must include in the transmitted records information about any formal suspension, expulsion, and exclusion disciplinary action under sections 121A.40 to 121A.56. The district, the charter school, or the nonpublic school that receives services or aid under sections 123B.40 to 123B.48 must provide notice to a student and the student's parent or guardian that formal disciplinary records will be transferred as part of the student's educational record, in accordance with data practices under chapter 13 and the Family Educational Rights and Privacy Act of 1974, United States Code, title 20, section 1232(g).

(d) Notwithstanding section 138.17, a principal or chief administrative officer must remove from a student's educational record and destroy a probable cause notice received under section 260B.171, subdivision 5, or paragraph ~~(d)~~ (e), if one year has elapsed since the date of the notice and the principal or chief administrative officer has not received a disposition or court order related to the offense described in the notice. This paragraph does not apply if the student no longer attends the school when this one-year period expires.

(e) A principal or chief administrative officer who receives a probable cause notice under section 260B.171, subdivision 5, or a disposition or court order, must include a copy of that data in the student's educational records if they are transmitted to another school, unless the data are required to be destroyed under paragraph ~~(e)~~ (d) or section 121A.75."

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 877, A bill for an act relating to environment; establishing a grant program for idling reduction technology purchases; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 2, line 21, delete "State" and insert "National, Smartway, or Emerging Technologies"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 1122, A bill for an act relating to appropriations; appropriating money for agriculture, the Board of Animal Health, Rural Finance Authority, veterans, and the military; changing certain agricultural and animal health requirements and programs; establishing a program; eliminating a sunset; requiring certain studies and reports; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 13.643, by adding a subdivision; 17.03, subdivision 12; 17.115, subdivision 2; 18.75; 18.76; 18.77, subdivisions 1, 3, 5, by adding subdivisions; 18.78, subdivision 1, by adding a subdivision; 18.79; 18.80, subdivision 1; 18.81, subdivision 3, by adding subdivisions; 18.82, subdivisions 1, 3; 18.83; 18.84, subdivisions 1, 2, 3; 18.86; 18.87; 18.88; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivisions 1, 2, 2a, 3, 7, by adding subdivisions; 18B.26, subdivisions 1, 3; 18B.31, subdivisions 3, 4; 18B.37, subdivision 1; 18C.415, subdivision 3; 18C.421; 18C.425, subdivisions 4, 6; 18E.03, subdivisions 2, 4; 18E.06; 18H.02, subdivision 12a, by adding subdivisions; 18H.07, subdivisions 2, 3; 18H.09; 18H.10; 28A.085, subdivision 1; 28A.21, subdivision 5; 31.94; 32.394, subdivision 8; 41A.09, subdivisions 2a, 3a; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 43A.11, subdivision 7; 97A.045, subdivision 1; 171.06, subdivision 3; 171.07, by adding a subdivision; 171.12, by adding a subdivision; 197.455, subdivision 1; 197.46; 198.003, by adding subdivisions; 239.791, subdivisions 1, 1a; 336.9-601; 343.11; 550.365, subdivision 2; 559.209, subdivision 2; 582.039, subdivision 2; 583.215; 626.8517; Laws 2008, chapter 297, article 2, section 26, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 18; 18B; 31; 41A; 192; 198; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 18G.12, subdivision 5; 38.02, subdivisions 3, 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1, 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; Minnesota Rules, part 1505.0820.

Reported the same back with the following amendments:

Page 50, line 34, reinstate the stricken language

Page 51, lines 1 to 23, reinstate the stricken language

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1221, A bill for an act relating to transportation; bridges; establishing Stillwater lift bridge endowment account; proposing coding for new law in Minnesota Statutes, chapter 165.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[165.15] STILLWATER LIFT BRIDGE ENDOWMENT ACCOUNT.**

Subdivision 1. Account established. The Stillwater lift bridge endowment account is established in the state treasury. The account may consist of appropriations made by the state of Minnesota or Wisconsin and may include federal funds. The account may also receive private contributions, gifts, or grants under section 16A.013. Any interest or profit accruing from investment of these sums is credited to the account.

Subd. 2. **Use of funds.** (a) Income derived from the investment of principal in the account may be used by the commissioner of transportation for operations and routine maintenance of the Stillwater lift bridge. No money from this account may be used for any purposes except those described in this section, and no money from this account may be transferred to any other account in the state treasury without specific legislative authorization. Any money transferred from the trunk highway fund may only be used for trunk highway purposes. For the purposes of this section:

(1) "Income" is the amount of interest on debt securities and dividends on equity securities. Any gains or losses from the sale of securities must be added to the principal of the account.

(2) "Routine maintenance" means activities that are predictable and repetitive, but not activities that would constitute major repairs or rehabilitation.

(b) Investment management fees incurred by the State Board of Investment are eligible expenses for reimbursement from the account.

(c) The commissioner of transportation has authority to approve or deny expenditures of funds in the account.

Subd. 3. **Appropriation.** Income derived from the investment of principal in the account is appropriated annually to the commissioner of transportation for the purposes described in this section.

Subd. 4. **Financial compliance.** The commissioner of transportation shall ensure that the account complies with the regulations in OMB circulars A87, Cost Principles for State, Local and Indian Tribal Governments, and A122, Cost Principles for Non-Profit Organizations, of the United States Office of Management and Budget (OMB).

Subd. 5. **Investment.** The State Board of Investment, in consultation with the commissioner of transportation, shall invest money in the account under section 11A.24.

Subd. 6. **Demolition.** If the commissioner determines, in consultation with the State Historic Preservation Office, that it is necessary to demolish the Stillwater lift bridge, the principal in the account may be spent to pay for demolition of the bridge, and is appropriated to the commissioner of transportation only for that purpose, except that only funds originally contributed by the state or federal government can be used to pay for demolition. Any money remaining in the account after demolition must be used to pay for the preservation of other historic bridges in consultation with the State Historic Preservation Office.

Subd. 7. **Audits.** The account is subject to audit by the legislative auditor.

Subd. 8. **Reports required.** The commissioner of transportation shall report annually to the chair and ranking minority member of each legislative committee with jurisdiction over transportation on the endowment account. At a minimum, the report must include detailed revenue and expenditure information."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2038, A bill for an act relating to the budget reserve; modifying priorities for additional revenues in general fund forecasts; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 4A.01; 16A.103, subdivisions 1a, 1b, by adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.152, subdivision 2, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 16A.152, is amended by adding a subdivision to read:

Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of finance must periodically review the formula developed as part of the Budget Trends Study Commission authorized by Laws 2007, chapter 148, article 2, section 81, to estimate the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve.

(b) The commissioner must annually review the variables and coefficients in the formula used to model the base of the general fund taxes and the mix of taxes that provide revenues to the general fund. If the commissioner determines that the variables and coefficients have changed enough to result in a change in the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve, the commissioner must update the variables and coefficients in the formula to reflect the current base and mix of general fund taxes.

(c) Every ten years, the commissioner must review the methodology underlying the formula, taking into consideration relevant economic literature from the past ten years, and determine if the formula remains adequate as a tool for estimating the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. If the commissioner determines that the methodology underlying the formula is outdated, the commissioner must revise the formula.

(d) By January 15 of each year, the commissioner must report to the chairs of the house of representatives Committee on Ways and Means and the senate Committee on Finance, in compliance with sections 3.195 and 3.197, on the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. The report must specify:

(1) if the commissioner updated the variables and coefficients in the formula to reflect significant changes to either the base of one or more general fund taxes or to the mix of taxes that provide revenues to the general fund as provided in paragraph (b);

(2) if the commissioner revised the formula after determining the methodology was outdated as provided in paragraph (c); and

(3) if the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve has changed as a result of an update of or a revision to the formula.

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

Sec. 2. **[16B.90] MILESTONES REPORT REQUIRED.**

The Department of Administration must establish a statewide system of economic, social, and environmental performance measures. The milestones must provide the economic, social, and environmental information necessary for public and elected officials to understand and evaluate the sustainability of the state's long-term trends. The commissioner must report on the trends and their implications each year. The commissioner may contract for the development of information and measures.

Sec. 3. **CASH FLOW STUDY.**

By January 15, 2010, the commissioner of finance must submit to the chair of the Finance Committee in the senate and the chair of the Ways and Means Committee in the house of representatives, a report on the cash flow condition of the general fund for the fiscal year 2010-2011 biennium and the following biennium, including an assessment of the options for improving the long-term cash flow of the state through changes in the timing of general fund payment dates, revenue collections, or other changes. In addition, the report should identify all major provisions of law that result in state expenditures or revenues being recognized in budget documents in a fiscal year earlier or later than the fiscal year in which the obligation to pay state expenses was incurred or the liability to pay state taxes was incurred."

Delete the title and insert:

"A bill for an act relating to the budget reserve; requiring periodic review of the formula used for the budget reserve percentage; requiring reports; amending Minnesota Statutes 2008, section 16A.152, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2088, A bill for an act relating to early childhood education and child care; making changes to early childhood education; youth prevention; self-sufficiency and lifelong learning; child care assistance; appropriating money; amending Minnesota Statutes 2008, sections 119A.52; 119B.09, subdivision 7; 119B.13, subdivisions 1, 3a, 6; 119B.21, subdivisions 5, 10; 119B.231, subdivisions 2, 3, 4; 124D.13, subdivision 13; 124D.135, subdivision 3; 124D.15, subdivisions 1, 3; 124D.19, subdivisions 10, 14; 124D.522; proposing coding for new law in Minnesota Statutes, chapters 4; 124D.

Reported the same back with the following amendments:

Page 1, line 13, delete "OFFICE" and insert "DIRECTOR"

Page 1, line 14, delete "An Office of Early Learning" and insert "A director of early learning"

Page 1, line 20, delete "of the Office of Early Learning" and insert "of early learning" and after the third "the" insert "governor and the"

Page 1, line 23, delete everything after "(1)"

Page 1, line 24, delete "and child care and"

Page 2, line 27, delete "of the Office of Early Learning"

Page 2, line 29, delete "of the Office of Early Learning"

Page 7, delete section 9

Page 8, line 21, delete the colon

Page 8, line 22, delete "(1)"

Page 8, line 28, delete "; and" and insert a period

Page 8, delete lines 29 to 32

Page 9, delete lines 1 and 2

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2251, A bill for an act relating to state government finance; providing federal stimulus oversight funding for certain state agencies; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **SUMMARY OF APPROPRIATIONS.**

The amount shown in this section summarizes direct appropriations, by fund, made in this act.

2009

General

\$1,084,000

Sec. 2. **APPROPRIATIONS.**

The sums shown in the column marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund. The figure "2009" used in this act means that the appropriations listed under it are available for the fiscal year ending June 30, 2009.

APPROPRIATIONS
Available for the Year
Ending June 30

2009

Sec. 3. **FINANCE**

\$700,000

Federal Stimulus Money Reporting and Oversight

This appropriation is to provide for staff, computers, professional and technical services, and other operating expenses necessary to comply with the reporting, monitoring, and financial control and transparency requirements of the American Recovery and

Reinvestment Act (ARRA) of 2009. This appropriation may be used to cover costs incurred by other state agencies and financial partners working in cooperation with the commissioner of finance to comply with the ARRA transparency requirements, including local units of government, higher education institutions, and nonprofit organizations. This appropriation must not be used to support the costs of administering specific programs funded by the ARRA. This is a onetime appropriation and is available until June 30, 2011.

Sec. 4. **STATE AUDITOR**

\$384,000

Federal Stimulus Money Reporting and Oversight

This appropriation is to provide temporary funding for staff, computers, and other operating expenses necessary to conduct special investigations and other oversight related to ensuring compliance with the reporting, monitoring, and financial control and transparency requirements of the American Recovery and Reinvestment Act (ARRA) of 2009. This is a onetime appropriation and is available until June 30, 2011.

Sec. 5. **LOCAL SHARE PAYMENT MODIFICATION REQUIRED FOR ARRA COMPLIANCE.**

Effective retroactively from October 1, 2008, through June 30, 2009, the state shall reduce Hennepin County's monthly contribution to the nonfederal share of medical assistance costs to the percentage required on September 1, 2008, to meet federal requirements for enhanced federal match under the American Reinvestment and Recovery Act of 2009. Notwithstanding the requirements of Minnesota Statutes 2008, section 256B.19, subdivision 1c, paragraph (d), for the period beginning October 1, 2008, to June 30, 2009, Hennepin County's monthly payment under that provision is reduced to \$434,688.

Sec. 6. **CAPITATION PAYMENTS.**

Effective retroactively from October 1, 2008, through December 31, 2010, the commissioner of human services shall increase capitation payments made to the Metropolitan Health Plan under Minnesota Statutes 2008, section 256B.19, subdivision 1c, paragraph (c) by \$6,800,000. The increased amount includes federal matching funds.

Sec. 7. **FISCAL STABILIZATION ACCOUNT.**

The fiscal stabilization account is created in the federal fund in the state treasury. All money received by the state under title XIV of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, division A, must be credited to the fiscal stabilization account. Money in the account must not be spent except pursuant to a direct appropriation by law. When all money credited and to be credited to the account from the American Recovery and Reinvestment Act of 2009 has been spent, the commissioner of finance shall close the account.

Sec. 8. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government finance; providing federal stimulus oversight funding for certain state agencies; establishing a fiscal stabilization account; appropriating money."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 99, A bill for an act relating to traffic regulations; requiring restraint of child under age eight and shorter than four feet nine inches while passenger in motor vehicle and modifying seat belt requirements accordingly; amending Minnesota Statutes 2008, sections 169.685, subdivision 5; 169.686, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 169.685, subdivision 5, is amended to read:

Subd. 5. **Violation; petty misdemeanor.** (a) Every motor vehicle operator, when transporting a child who is both under the age of ~~four~~ eight and shorter than four feet nine inches on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.

(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child who is both under the age of ~~four~~ eight and shorter than four feet nine inches in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system. Any motor vehicle operator who violates this subdivision is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than \$50. The fine may must be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

(c) For the purposes of this section, "child passenger restraint system" means any device that meets the standards of the United States Department of Transportation; is designed to restrain, seat, or position children; and includes a booster seat.

~~(e)~~ (d) Of the fines collected for violations of this subdivision:

(1) the first \$4,000 must be deposited in the state treasury and credited to the emergency medical services relief account; and

(2) the remainder must be deposited in the state treasury and credited to a special account to be known as the Minnesota child passenger restraint and education account.

EFFECTIVE DATE. This section is effective July 1, 2009, for offenses committed on or after that date.

Sec. 2. Minnesota Statutes 2008, section 169.686, subdivision 1, is amended to read:

Subdivision 1. **Seat belt requirement.** (a) A properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by:

(1) the driver of a passenger vehicle or commercial motor vehicle;

(2) a passenger riding in the front seat of a passenger vehicle or commercial motor vehicle; and

(3) a passenger riding in any seat of a passenger vehicle who (i) is not required to be transported in a child passenger restraint system under section 169.685, subdivision 5, and (ii) is older than three but younger than 11 years of age.

(b) A person who is 15 years of age or older and who violates paragraph (a), clause (1) or (2), is subject to a fine of \$25. The driver of the passenger vehicle or commercial motor vehicle in which the violation occurred is subject to a \$25 fine for a violation of paragraph (a), clause (2) or (3), by a child of the driver under the age of 15 or any child under the age of 11. A peace officer may not issue a citation for a violation of this section unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation other than a violation involving motor vehicle equipment. The Department of Public Safety shall not record a violation of this subdivision on a person's driving record.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to offenses committed on or after that date."

Delete the title and insert:

"A bill for an act relating to traffic regulations; requiring restraint of child under age eight and shorter than four feet nine inches while passenger in motor vehicle and modifying seat belt requirements accordingly; amending Minnesota Statutes 2008, sections 169.685, subdivision 5; 169.686, subdivision 1."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 656, A bill for an act relating to energy; directing Legislative Energy Commission to analyze state energy standards for certain appliances.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 2082, A bill for an act relating to government operations; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; establishing a statewide electronic licensing system; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 5.12, subdivision 1; 5.29; 5.32; 5A.03; 10A.31, subdivision 4; 16A.133, subdivision 1; 16B.24, subdivision

5; 43A.49; 45.24; 270C.63, subdivision 13; 302A.821; 303.14; 303.16, subdivision 4; 308A.995; 308B.121, subdivisions 1, 2; 317A.823; 321.0206; 321.0210; 321.0810; 322B.960; 323A.1003; 333.055; 336A.04, subdivision 3; 336A.09, subdivision 2; 359.01, subdivision 3; 469.175, subdivisions 1, 6; proposing coding for new law in Minnesota Statutes, chapters 5; 16E; repealing Minnesota Statutes 2008, section 240A.08.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

| | <u>APPROPRIATIONS</u> | |
|--|--------------------------------------|----------------------------|
| | <u>Available for the Year</u> | |
| | <u>Ending June 30</u> | |
| | <u>2010</u> | <u>2011</u> |
| Sec. 2. <u>LEGISLATURE</u> | | |
| Subdivision 1. <u>Total Appropriation</u> | <u>\$67,352,000</u> | <u>\$67,326,000</u> |
| <u>Appropriations by Fund</u> | | |
| | <u>2010</u> | <u>2011</u> |
| <u>General</u> | <u>67,174,000</u> | <u>67,148,000</u> |
| <u>Health Care Access</u> | <u>178,000</u> | <u>178,000</u> |
| <u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u> | | |
| Subd. 2. <u>Senate</u> | <u>21,810,000</u> | <u>21,810,000</u> |
| Subd. 3. <u>House of Representatives</u> | <u>29,940,000</u> | <u>29,940,000</u> |

During the biennium ending June 30, 2011, any revenues received by the house of representatives from sponsorship notices in broadcast or print media are appropriated to the house of representatives.

The house must develop a system under which members and employees have electronic access to their payroll and payroll deduction information.

Subd. 4. Legislative Coordinating Commission

15,602,000

15,576,000

Appropriations by Fund

General 15,424,000 15,398,000

Health Care Access 178,000 178,000

(a) \$5,657,000 the first year and \$5,657,000 the second year are for the Office of the Revisor of Statutes.

(b) \$1,379,000 the first year and \$1,379,000 the second year are for the Legislative Reference Library.

(c) \$5,833,000 the first year and \$5,833,000 the second year are for the Office of the Legislative Auditor.

(d) \$10,000 the first year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern. This appropriation is available until June 30, 2011.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

\$4,245,000

\$4,245,000

This appropriation is to fund the Office of the Governor and Lieutenant Governor.

\$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

Sec. 4. STATE AUDITOR

\$9,858,000

\$9,178,000

\$680,000 the first year is for additional audit activities under the American Recovery and Reinvestment Act of 2009. This appropriation remains available through June 30, 2011.

Sec. 5. ATTORNEY GENERAL

\$25,631,000

\$25,631,000

Appropriations by Fund

| | <u>2010</u> | <u>2011</u> |
|----------------|-------------------|-------------------|
| <u>General</u> | <u>23,409,000</u> | <u>23,409,000</u> |

State Government

| | | |
|------------------------|------------------|------------------|
| <u>Special Revenue</u> | <u>1,827,000</u> | <u>1,827,000</u> |
| <u>Environmental</u> | <u>145,000</u> | <u>145,000</u> |
| <u>Remediation</u> | <u>250,000</u> | <u>250,000</u> |

Sec. 6. **SECRETARY OF STATE** **\$5,910,000** **\$5,909,000**

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

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** **\$698,000** **\$698,000**

Sec. 8. **INVESTMENT BOARD** **\$151,000** **\$151,000**

Sec. 9. **OFFICE OF ENTERPRISE TECHNOLOGY** **\$5,758,000** **\$5,758,000**

The requirements imposed on the commissioner of finance and the chief information officer under Laws 2007, chapter 148, article 1, section 10, paragraph (e), regarding the determination of the savings attributable to the electronic licensing system and information technology security improvements are inoperative.

Sec. 10. **ADMINISTRATIVE HEARINGS** **\$7,525,000** **\$7,525,000**

Appropriations by Fund

| | <u>2010</u> | <u>2011</u> |
|------------------------------|------------------|------------------|
| <u>General</u> | <u>275,000</u> | <u>275,000</u> |
| <u>Workers' Compensation</u> | <u>7,250,000</u> | <u>7,250,000</u> |

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **\$19,260,000** **\$18,905,000**

Appropriations by Fund

| | <u>2010</u> | <u>2011</u> |
|-----------------------------|-------------------|-------------------|
| <u>General</u> | <u>19,010,000</u> | <u>18,905,000</u> |
| <u>Special Revenue Fund</u> | <u>250,000</u> | <u>0</u> |

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

Subd. 2. Government and Citizen Services17,384,00017,054,000Appropriations by Fund

| | | |
|-----------------------------|-------------------|-------------------|
| <u>General</u> | <u>17,134,000</u> | <u>17,054,000</u> |
| <u>Special Revenue Fund</u> | <u>250,000</u> | <u>0</u> |

(a) \$802,000 the first year and \$802,000 the second year are for the Minnesota Geospatial Information Office. Of the total appropriation, \$10,000 per year is intended for preparation of township acreage data in Laws 2008, chapter 366, article 17, section 7, subdivision 3.

(b) \$74,000 the first year and \$74,000 the second year are for the Council on Developmental Disabilities.

(c) \$134,000 the first year and \$134,000 the second year are for a grant to the Council on Developmental Disabilities for the purpose of establishing a statewide self-advocacy network for persons with intellectual and developmental disabilities (ID/DD). The self-advocacy network shall: (1) ensure that persons with ID/DD are informed of their rights in employment, housing, transportation, voting, government policy, and other issues pertinent to the ID/DD community; (2) provide public education and awareness of the civil and human rights issues persons with ID/DD face; (3) provide funds, technical assistance, and other resources for self-advocacy groups across the state; and (4) organize systems of communications to facilitate an exchange of information between self-advocacy groups.

(d) \$250,000 the first year and \$170,000 the second year are to fund activities to prepare for and promote the 2010 census.

(e) \$206,000 the first year and \$206,000 the second year are for the Office of the State Archaeologist.

(f) The requirements imposed on the commissioner of finance and the commissioner of administration under Laws 2007, chapter 148, article 1, section 12, subdivision 2, paragraph (b), relating to the savings attributable to the real property portfolio management system are inoperative.

(g) \$250,000 is appropriated to the commissioner of administration from the information and telecommunications account in the special revenue fund to continue planning for data center consolidation, including completing a predesign study and lifecycle cost analysis, and exploring technologies to reduce energy consumption and operating costs.

(f) \$8,388,000 the first year and \$8,388,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

Subd. 3. Administrative Management Support1,876,0001,851,000

\$125,000 each year is for the Office of Grant Management. During the biennium ending June 30, 2011, the commissioner must recover this amount through deductions in state grants subject to the jurisdiction of the office. The amount deducted from appropriations for these grants must be deposited in the general fund.

\$25,000 the first year is for the Office of Grants Management to study and make recommendations on improving collaborative activities between the state, nonprofit entities, and the private sector, including: (1) recommendations for expanding successful initiatives involving not-for-profit organizations that have demonstrated measurable, positive results in addressing high-priority community issues; and (2) recommendations on grant requirements and design to encourage programs receiving grants to become self-sufficient. The office may appoint an advisory group to assist in the study and recommendations. The office must report its recommendations to the legislature by January 15, 2010.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD\$354,000\$354,000**Sec. 13. FINANCE**\$20,530,000\$20,030,000

\$500,000 the first year is for oversight and reporting of federal funds received under the American Recovery and Reinvestment Act of 2009. This appropriation is available until June 30, 2011.

Sec. 14. REVENUE**Subdivision 1. Total Appropriation**\$127,802,000\$130,275,000Appropriations by Fund

| | <u>2010</u> | <u>2011</u> |
|--------------------------------------|--------------------|--------------------|
| <u>General</u> | <u>123,555,000</u> | <u>126,040,000</u> |
| <u>Health Care Access</u> | <u>1,761,000</u> | <u>1,749,000</u> |
| <u>Highway User Tax Distribution</u> | <u>2,183,000</u> | <u>2,183,000</u> |
| <u>Environmental</u> | <u>303,000</u> | <u>303,000</u> |

The amounts that may be spent for each purpose are specified in subdivisions 2 and 3.

Subd. 2. Tax System Management103,528,000105,379,000

Appropriations by Fund

| | | |
|--|-------------------|--------------------|
| <u>General</u> | <u>99,281,000</u> | <u>101,144,000</u> |
| <u>Health Care Access</u> | <u>1,761,000</u> | <u>1,749,000</u> |
| <u>Highway User Tax Distribution</u> | <u>2,183,000</u> | <u>2,183,000</u> |
| <u>Environmental</u> | <u>303,000</u> | <u>303,000</u> |

The requirements imposed on the commissioners of finance and revenue under Laws 2007, chapter 148, article 1, section 16, subdivision 2, paragraph (d), relating to the determination of savings attributable to implementing the integrated tax software package are inoperative.

(a) \$1,925,000 the first year and \$3,788,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$12,825,000 for the biennium ending June 30, 2011.

(b) The department must report to the chairs of the house of representatives Ways and Means and senate Finance Committees by March 1, 2010, and January 15, 2011, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amounts of valid tax liabilities collected.

Subd. 3. Debt Collection Management24,274,00024,896,000

\$588,000 the first year and \$1,120,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$17,250,000 for the biennium ending June 30, 2011.

Sec. 15. GAMBLING CONTROL**\$2,940,000****\$2,940,000**

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

Sec. 16. **RACING COMMISSION****\$899,000****\$899,000**

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

Sec. 17. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the operating budget must not exceed \$28,111,000 in fiscal year 2010 and \$28,740,000 in fiscal year 2011.

Sec. 18. **TORT CLAIMS****\$161,000****\$161,000**

To be spent by the commissioner of finance according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 19. **MINNESOTA STATE RETIREMENT SYSTEM**Subdivision 1. **Total Appropriation****\$2,346,000****\$2,405,000**

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

Subd. 2. **Legislators****1,889,000****1,937,000**

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

Subd. 3. **Constitutional Officers****457,000****468,000**

Under Minnesota Statutes, section 352C.001.

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

Sec. 20. **MINNEAPOLIS EMPLOYEES RETIREMENT FUND****\$9,000,000****\$9,000,000**

These amounts are estimated to be needed under Minnesota Statutes, section 422A.101, subdivision 3.

Sec. 21. **TEACHERS RETIREMENT ASSOCIATION****\$15,454,000****\$15,454,000**

The amounts estimated to be needed are as specified in paragraphs (a) and (b):

(a) \$12,954,000 the first year and \$12,954,000 the second year are for special direct state aid authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

(b) \$2,500,000 the first year and \$2,500,000 the second year are for special direct state matching aid authorized under Minnesota Statutes, section 354A.12, subdivision 3b.

Sec. 22. **ST. PAUL TEACHERS RETIREMENT FUND** **\$2,827,000** **\$2,827,000**

The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 23. **DULUTH TEACHERS RETIREMENT FUND** **\$346,000** **\$346,000**

The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 24. **GENERAL CONTINGENT ACCOUNTS** **\$2,775,000** **\$500,000**

Appropriations by Fund

| | <u>2010</u> | <u>2011</u> |
|------------------------------|------------------|----------------|
| <u>General</u> | <u>2,275,000</u> | <u>0</u> |
| <u>State Government</u> | | |
| <u>Special Revenue</u> | <u>400,000</u> | <u>400,000</u> |
| <u>Workers' Compensation</u> | <u>100,000</u> | <u>100,000</u> |

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

(b) Of the appropriation to the general fund contingent account, \$1,775,000 is a onetime appropriation for potential state matching requirements needed to maximize receipt of federal funds under the American Recovery and Reinvestment Act of 2009.

(c) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

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

Sec. 25. **AMATEUR SPORTS COMMISSION** **\$270,000** **\$270,000**

The amount available for appropriation to the commission under Laws 2005, chapter 156, article 2, section 43, is reduced in the first year and the second year by the amounts appropriated in this section.

| | | |
|---|-------------------------|-------------------------|
| Sec. 26. <u>COUNCIL ON BLACK MINNESOTANS</u> | <u>\$316,000</u> | <u>\$316,000</u> |
| Sec. 27. <u>COUNCIL ON CHICANO/LATINO AFFAIRS</u> | <u>\$298,000</u> | <u>\$298,000</u> |
| Sec. 28. <u>COUNCIL ON ASIAN-PACIFIC MINNESOTANS</u> | <u>\$275,000</u> | <u>\$275,000</u> |
| Sec. 29. <u>INDIAN AFFAIRS COUNCIL</u> | <u>\$500,000</u> | <u>\$500,000</u> |

\$32,000 each year is for activities of the council relating to Indian burial sites, including activities relating to unfunded federal mandates.

Sec. 30. **PROBLEM GAMBLING APPROPRIATION.**

\$225,000 in fiscal year 2010 and \$225,000 in fiscal year 2011 are appropriated from the lottery prize fund to the Gambling Control Board for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. These services must be complimentary to and not duplicative of the services provided through the problem gambling program administered by the commissioner of human services. Of this appropriation, \$50,000 in fiscal year 2010 and \$50,000 in fiscal year 2011 are contingent on the contribution of nonstate matching funds. Matching funds may be either cash or qualifying in-kind contributions. The commissioner of finance may disburse the state portion of the matching funds in increments of \$25,000 upon receipt of a commitment for an equal amount of matching nonstate funds. These are onetime appropriations.

Sec. 31. **MANAGERIAL POSITION REDUCTIONS.**

The governor must reduce the number of deputy commissioners, assistant commissioners, and positions designated as unclassified under authority of Minnesota Statutes, section 43A.08, subdivision 1a, by an amount that will generate savings to the general fund of \$16,488,000 in the biennium ending June 30, 2011, and \$16,488,000 in the biennium ending June 30, 2013. The commissioner of finance shall determine the costs of salaries and benefits attributable to the positions eliminated by this section, and reduce the appropriation to each affected agency accordingly.

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. **[3.057] ENTERPRISE SERVICES AND GOVERNMENT EFFICIENCY.**

The finance committee divisions in the house of representatives and the senate with jurisdiction over state government finance issues must be known as the "Enterprise Services and Government Efficiency Finance Divisions," and must conduct periodic Kaizen events to ensure that the divisions operate in a LEAN manner.

Sec. 2. Minnesota Statutes 2008, section 3.97, is amended by adding a subdivision to read:

Subd. 2a. **Review of financial management and internal controls.** The commission shall monitor internal control systems in state government to the extent necessary to ensure that management has established and implemented effective systems and procedures. The commission shall also review legislative auditor audits and reports and make recommendations, as the commission determines necessary, for improvements in the state's system of financial management. In furtherance of these duties, the commission shall:

(1) receive reports and recommendations from the legislative auditor, the financial controls council, and from internal auditors in state agencies;

(2) review significant findings and recommendations from the legislative auditor's financial audits of state agencies and from agency internal auditors, together with state agency management's responses and action plans;

(3) review the scope of annual audit plans for the state's internal audit function;

(4) review the qualifications, performance, and objectivity of the state's internal audit function, including the activities of the commissioner in section 16A.056;

(5) review with the legislative auditor any audit problems or difficulties and management's responses, any difficulties the auditor encountered during the course of the audit work, including any restrictions on the scope of the auditor's activities or on access to requested information, and any significant disagreements between the auditor and management;

(6) make recommendations to the governor and the legislature for changes in laws or policies necessary to deal with agencies that have not satisfactorily addressed repeated problems with financial controls;

(7) make recommendations to the governor and the legislature for changes needed in state laws, policies, procedures, or personnel, to ensure an effective system of internal controls that safeguards public funds and assets and minimizes incidences of fraud, waste, and abuse;

(8) conduct hearings as necessary regarding the effectiveness of internal control or internal audit functions of any state agency; and

(9) contract with outside auditors as the commission determines is beneficial for the state's internal audit function and internal controls.

Sec. 3. Minnesota Statutes 2008, section 3.971, subdivision 6, is amended to read:

Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements of the state of Minnesota required by section 16A.50 and, as resources permit, shall audit Minnesota State Colleges and Universities, the University of Minnesota, state agencies, departments, boards, commissions, courts, and other state organizations subject to audit by the legislative auditor, including the State Agricultural Society, Agricultural Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco, Metropolitan Sports Facilities Commission, Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial audits must be conducted according to generally accepted government auditing standards. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with and may, as part of a financial audit or separately, investigate allegations of noncompliance ~~by employees of departments and agencies of the state government and the other organizations listed in this subdivision.~~

Sec. 4. Minnesota Statutes 2008, section 3.975, is amended to read:

3.975 DUTIES CONCERNING MISUSE OF PUBLIC MONEY OR OTHER RESOURCES.

If a legislative auditor's examination discloses that a state official or employee has used money for a purpose other than the purpose for which the money was appropriated or discloses any other misuse of public money or other public resources, the legislative auditor shall file a report with the Legislative Audit Commission, the attorney general, and the appropriate county attorney. The attorney general shall seek recovery of money and other resources as the evidence may warrant. The county attorney shall cause criminal proceedings to be instituted as the evidence may warrant.

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

Sec. 5. **[4.041] GOVERNOR'S OFFICE BUDGET.**

Any personnel costs attributable to the office of the governor and the lieutenant governor must be accounted for through an appropriation to the office of the governor. The office of the governor and the lieutenant governor may not enter into agreements with other executive branch agencies under which these personnel costs are supported by appropriations to other agencies.

Sec. 6. Minnesota Statutes 2008, section 4A.02, is amended to read:

4A.02 STATE DEMOGRAPHER.

(a) The director shall appoint a state demographer. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance.

(b) The demographer shall:

(1) continuously gather and develop demographic data relevant to the state;

(2) design and test methods of research and data collection;

(3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;

(4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;

(5) serve as the state liaison with the United States Bureau of the Census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;

(6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 4A.03;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the United States Bureau of the Census, with the maps of cities showing precinct boundaries;

(9) prepare an estimate of population and of the number of households for each governmental subdivision for which the Metropolitan Council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by June 1 of each year;

(10) direct, under section 414.01, subdivision 14, and certify population and household estimates of annexed or detached areas of municipalities or towns after being notified of the order or letter of approval by the chief administrative law judge of the State Office of Administrative Hearings;

(11) prepare, for any purpose for which a population estimate is required by law or needed to implement a law, a population estimate of a municipality or town whose population is affected by action under section 379.02 or 414.01, subdivision 14; and

(12) prepare an estimate of average household size for each statutory or home rule charter city with a population of 2,500 or more by June 1 of each year.

(c) A governing body may challenge an estimate made under paragraph (b) by filing their specific objections in writing with the state demographer by June 24. If the challenge does not result in an acceptable estimate, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the state demographer by July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the state demographer by the next April 15 to be used in that year's June 1 estimate to the political subdivision under paragraph (b).

(d) The state demographer shall certify the estimates of population and household size to the commissioner of revenue by July 15 each year, including any estimates still under objection.

(e) The state demographer shall release a demographic forecast in conjunction with the commissioner of finance and the November state economic forecast.

Sec. 7. Minnesota Statutes 2008, section 5A.03, is amended to read:

5A.03 ORGANIZATION APPLICATION FOR REGISTRATION.

(a) An application for registration as an international student exchange visitor placement organization must be submitted in the form prescribed by the secretary of state. The application must include:

- (1) evidence that the organization meets the standards established by the secretary of state by rule;
- (2) the name, address, and telephone number of the organization, its chief executive officer, and the person within the organization who has primary responsibility for supervising placements within the state;
- (3) the organization's unified business identification number, if any;
- (4) the organization's United States Information Agency number, if any;
- (5) evidence of Council on Standards for International Educational Travel listing, if any;
- (6) whether the organization is exempt from federal income tax; and
- (7) a list of the organization's placements in Minnesota for the previous academic year including the number of students placed, their home countries, the school districts in which they were placed, and the length of their placements.

(b) The application must be signed by the chief executive officer of the organization and the person within the organization who has primary responsibility for supervising placements within Minnesota. If the secretary of state determines that the application is complete, the secretary of state shall file the application and the applicant is registered.

(c) Organizations that have registered shall inform the secretary of state of any changes in the information required under paragraph (a), clause (1), within 30 days of the change. There is no fee to amend a registration.

(d) Registration under this chapter is valid for one year. The registration may be renewed annually. The fee to renew a registration is \$50 per year.

(e) Organizations registering for the first time in Minnesota must pay an initial registration fee of \$150.

(f) Fees collected by the secretary of state under this section must be deposited in ~~the state treasury and credited to the general fund and are added to the appropriation from which registration costs are paid as a nondedicated receipt.~~

Sec. 8. Minnesota Statutes 2008, section 10.43, is amended to read:

10.43 TELEPHONE USE; APPROVAL.

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

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

EFFECTIVE DATE. This section is effective for telephone bills for usage on or after July 1, 2009.

Sec. 9. **[10.49] NAMING.**

Laws must not be named for living people, and laws may not name councils, buildings, roads, or other facilities or entities after living people.

Sec. 10. Minnesota Statutes 2008, section 10.60, subdivision 2, is amended to read:

Subd. 2. **Purpose of Web site and publications.** The purpose of a Web site and ~~a publication~~ publications must be to provide information about the duties and jurisdiction of a state agency or political subdivision ~~or~~ and to facilitate access to public services and information related to the responsibilities or functions of the state agency or political subdivision.

Sec. 11. Minnesota Statutes 2008, section 10.60, is amended by adding a subdivision to read:

Subd. 2a. **Contact information.** The home page of a Web site maintained by a state agency must prominently display an e-mail address at which the agency may be contacted and a telephone number that will be answered by a human being to the greatest extent possible, located in Minnesota, during normal business hours. A state agency must comply with the requirements of this subdivision with existing resources.

Sec. 12. Minnesota Statutes 2008, section 10A.31, subdivision 4, is amended to read:

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

(b) In addition to the amounts in paragraph (a), ~~\$1,250,000~~ \$1,020,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

In addition, \$50,000 each fiscal year is appropriated from the general fund to the Campaign Finance and Public Disclosure Board to supplement its operating budget. Amounts remaining unspent at the end of the biennium must be transferred and canceled to the general account of the state elections campaign fund.

~~Of this appropriation, \$65,000 each fiscal year must be set aside to pay assessments made by~~ In addition, \$130,000 for each two-year period beginning on July 1 of each odd-numbered year is appropriated from the general fund to the Office of Administrative Hearings to perform its duties under section 211B.37. Amounts remaining after all assessments have been paid must be canceled to the general account of the state elections campaign fund.

Sec. 13. Minnesota Statutes 2008, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Finance;

(3) employ professional and clerical staff as necessary. Employees whose primary responsibility is to invest or manage money or employees who hold positions designated as unclassified under section 43A.08, subdivision 1a, are in the unclassified service of the state. Other employees are in the classified service. Unclassified employees who are not covered by a collective bargaining agreement are employed under the terms and conditions of the compensation plan approved under section 43A.18, subdivision 3b;

(4) report to the state board on all operations under the director's control and supervision;

(5) maintain accurate and complete records of securities transactions and official activities;

(6) establish a policy relating to the purchase and sale of securities on the basis of competitive offerings or bids. The policy is subject to board approval;

(7) cause securities acquired to be kept in the custody of the commissioner of finance or other depositories consistent with chapter 356A, as the state board deems appropriate;

(8) prepare and file with the director of the Legislative Reference Library, by December 31 of each year, a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year. The report must be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, money managers, and brokerage organizations and the amount of these commissions or other fees. The report must contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles. The report must include an executive summary;

(9) include on the state board's Web site its annual and quarterly reports, including executive summaries;

~~(9)~~ (10) require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of its investment activities;

~~(10)~~ (11) receive and expend legislative appropriations; and

~~(11)~~ (12) undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with chapter 356A.

Sec. 14. Minnesota Statutes 2008, section 13.64, is amended to read:

13.64 DEPARTMENT OF ~~ADMINISTRATION~~ FINANCE DATA.

(a) Notes and preliminary drafts of reports created, collected, or maintained by the Management Analysis Division, Department of ~~Administration~~ finance, and prepared during management studies, audits, reviews, consultations, or investigations are classified as confidential or protected nonpublic data until the final report has been published or preparation of the report is no longer being actively pursued.

(b) Data that support the conclusions of the report and that the commissioner of ~~administration~~ finance reasonably believes will result in litigation are confidential or protected nonpublic until the litigation has been completed or until the litigation is no longer being actively pursued.

(c) Data on individuals that could reasonably be used to determine the identity of an individual supplying data for a report are private if:

(1) the data supplied by the individual were needed for a report; and

(2) the data would not have been provided to the Management Analysis Division without an assurance to the individual that the individual's identity would remain private, or the Management Analysis Division reasonably believes that the individual would not have provided the data.

Sec. 15. **[15B.055] PARKING SPACES.**

To provide the public with greater access to legislative proceedings, all parking spaces on Aurora Avenue in front of the Capitol building must be reserved for the public.

Sec. 16. **[15C.01] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the terms in this section have the meanings given them.

Subd. 2. **Claim.** "Claim" includes any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the state has provided or will provide any portion of the money or property which is requested or demanded, or if the state has reimbursed or will reimburse the contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

Subd. 3. **Knowing and knowingly.** "Knowing" and "knowingly" mean that a person, with respect to information:

(1) has actual knowledge of the information;

(2) acts in deliberate ignorance of the truth or falsity of the information; or

(3) acts in reckless disregard of the truth or falsity of the information.

No proof of specific intent to defraud is required.

Subd. 4. **Original source.** "Original source" means a person who has direct and independent knowledge of information which is probative of any essential element of the allegations in an action brought pursuant to this section which was not obtained from a public source and who either voluntarily provided the information to the state before bringing an action based on the information or whose information provided the basis for or caused an investigation, hearing, audit, or report that led to the public disclosure of the allegations or transactions upon which an action brought pursuant to this section is based.

Subd. 5. **Person.** "Person" means any natural person, partnership, corporation, association or other legal entity, including the state and any department, agency, or political subdivision of the state.

Subd. 6. **State.** "State" means the state of Minnesota and includes any department, agency, or political subdivision of the state.

Sec. 17. **[15C.02] LIABILITY FOR CERTAIN ACTS.**

Subdivision 1. **Liability.** (a) Any person who commits any of the acts in clauses (1) to (8) is liable to the state for a civil penalty of not less than \$5,000 and not more than \$10,000 per false claim, plus three times the amount of damages which the state sustains because of the act of that person, except as otherwise provided in paragraph (b):

(1) knowingly presents, or causes to be presented, to an officer or employee of the state of Minnesota a false or fraudulent claim for payment or approval;

(2) knowingly makes or uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the state;

(3) knowingly conspires to either present a false or fraudulent claim to the state for payment or approval or make, use, or cause to be made or used a false record or statement to obtain payment or approval of a false or fraudulent claim;

(4) has possession, custody, or control of public property or money used, or to be used, by the state and knowingly delivers or causes to be delivered to the state less money or property than the amount for which the person receives a receipt;

(5) is authorized to prepare or deliver a receipt for money or property used, or to be used, by the state and knowingly prepares or delivers a receipt that falsely represents the money or property;

(6) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the state who lawfully may not sell or pledge the property; or

(7) knowingly makes or uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the state.

(b) The court may assess not less than two times the amount of damages which the state sustains because of the act of the person if:

(1) the person committing a violation under paragraph (a) furnished officials of the state responsible for investigating the false claims violations with all information known to the person about the violation within 30 days after the date on which the defendant first obtained the information;

(2) the person fully cooperated with any state investigation of the violation; and

(3) at the time the person furnished the state with information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this section with respect to the violation, and the person did not have actual knowledge of the existence of an investigation into the violation.

(c) A person violating this section is also liable to the state for the costs of a civil action brought to recover any penalty or damages.

Subd. 2. **Right to cure.** A person is not liable under this section for mere inadvertence or mistake with respect to activities involving a false or fraudulent claim.

Sec. 18. **[15C.03] EXCLUSION.**

This chapter does not apply to claims, records, or statements made under portions of Minnesota Statutes relating to taxation.

Sec. 19. **[15C.04] RESPONSIBILITIES OF ATTORNEY GENERAL.**

The attorney general may investigate violations of section 15C.02. If the attorney general finds that a person has violated or is violating section 15C.02, the attorney general may bring a civil action under this section against the person to enjoin any act in violation of section 15C.02 and to recover damages and penalties.

Sec. 20. **[15C.05] PRIVATE REMEDIES; COMPLAINT UNDER SEAL; COPY OF COMPLAINT AND WRITTEN DISCLOSURE OF EVIDENCE TO BE SENT TO ATTORNEY GENERAL.**

(a) Except as otherwise provided in this section, a person may maintain an action pursuant to this section on the person's own account and that of the state if money, property, or services provided by the state are involved; the person's own account and that of a political subdivision if money, property, or services provided by the political subdivision are involved; or on the person's own account and that of both the state and a political subdivision if both are involved. After such an action is commenced, it may be voluntarily dismissed only if the court and the attorney general give written consent to the dismissal and their reasons for consenting.

(b) If an action is brought pursuant to this section, no other person may bring another action pursuant to this section based on the same facts which are the subject of the pending action.

(c) An action may not be maintained by a person pursuant to this section:

(1) against the legislature, the judiciary, an executive department of the state, or a political subdivision, and their members or employees;

(2) if the action is based upon allegations or transactions that are the subject of a civil action or an administrative proceeding for a monetary penalty to which the state or a political subdivision of the state is already a party; or

(3) unless the action is brought by an original source of the information or the attorney general initiates or intervenes in the action, if the action is based upon the public disclosure of allegations or transactions: (i) in a criminal, civil, or administrative hearing; (ii) in an investigation, report, hearing, or audit conducted by or at the request of the house of representatives or the senate; (iii) by an auditor or the governing body of a political subdivision; or (iv) from the news media.

(d) A complaint in an action pursuant to this section must be commenced by filing the complaint with the court in camera, and the court must place it under seal for at least 60 days. No service may be made upon the defendant until the complaint is unsealed.

(e) If a complaint is filed under this section, the plaintiff shall serve a copy of the complaint on the attorney general in accordance with the Minnesota Rules of Civil Procedure and shall also serve at the same time a written disclosure of substantially all material evidence and information the plaintiff possesses.

Sec. 21. **[15C.06] ATTORNEY GENERAL INTERVENTION; MOTION TO EXTEND TIME; UNSEALING OF COMPLAINT.**

(a) Within 60 days after receiving a complaint and disclosure pursuant to section 15C.05, the attorney general shall intervene or decline intervention or, for good cause shown, move the court to extend the time for doing so. The motion may be supported by affidavits or other submissions in chambers.

(b) The complaint must be unsealed after the attorney general decides whether or not to intervene.

(c) Notwithstanding the attorney general's decision regarding intervention in an action brought by a plaintiff under section 15C.05, the attorney general may pursue the claim through any alternate remedy available to the state, including any administrative proceeding to determine a civil money penalty. If the attorney general pursues any such alternate remedy in another proceeding, the person initiating the action has the same rights in that proceeding as if the action had continued under section 15C.05. Any finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under section 15C.05. For purposes of this paragraph, a finding or conclusion is final if it has been finally determined on appeal to the appropriate state court, if the time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.

Sec. 22. **[15C.07] SERVICE OF UNSEALED COMPLAINT AND RESPONSE BY DEFENDANT.**

When unsealed, the complaint shall be served on the defendant pursuant to Rule 3 of the Minnesota Rules of Civil Procedure.

The defendant must respond to the complaint within 20 days after it is served on the defendant.

Sec. 23. **[15C.08] ATTORNEY GENERAL AND PRIVATE PARTY ROLES.**

(a) Except as otherwise provided by this section, if the attorney general does not intervene at the outset in an action brought by a person pursuant to section 15C.05, the person has the same rights in conducting the action as the attorney general would have had. A copy of each pleading or other paper filed in the action, and a copy of the transcript of each deposition taken, must be mailed to the attorney general if the attorney general so requests and pays the cost of doing so.

(b) If the attorney general elects not to intervene at the outset in the action, the attorney general may intervene subsequently, upon timely application and good cause shown. If the attorney general so intervenes, the attorney general subsequently has primary responsibility for conducting the action.

(c) If the attorney general elects at the outset of the action to intervene, the attorney general has the primary responsibility for prosecuting the action. The person who initially brought the action remains a party, but the person's acts do not bind the attorney general.

(d) Whether or not the attorney general intervenes in the action, the attorney general may move to dismiss the action for good cause. The person who brought the action must be notified of the filing of the motion and may oppose it and present evidence at the hearing. The attorney general may also settle the action. If the attorney general intends to settle the action, the attorney general shall notify the person who brought the action. The state may settle the action with the defendant notwithstanding the objections of the person initiating the action if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all the circumstances. Upon a showing of good cause, such a hearing may be held in camera.

Sec. 24. **[15C.09] STAY OF DISCOVERY; EXTENSION.**

(a) The court may stay discovery by a person who brought an action under section 15C.05 for not more than 60 days if the attorney general shows that the proposed discovery would interfere with the investigation or prosecution of a civil or criminal matter arising out of the same facts, whether or not the attorney general participates in the action.

(b) The court may extend the stay upon a further showing that the attorney general has pursued the civil or criminal investigation or proceeding with reasonable diligence and that the proposed discovery would interfere with its continuation.

(c) Discovery may not be stayed for a total of more than six months over the objection of the person who brought the action, except for good cause shown by the attorney general.

(d) A showing made pursuant to this section must be made in chambers.

Sec. 25. **[15C.10] COURT-IMPOSED LIMITATION UPON PARTICIPATION OF PRIVATE PLAINTIFF IN ACTION.**

Upon a showing by the attorney general in an action in which the attorney general has intervened that unrestricted participation by a person under this chapter would interfere with or unduly delay the conduct of the action, or would be repetitious, irrelevant, or solely for harassment, the court may limit the person's participation by, among other measures, limiting the number of witnesses, the length of the testimony of the witnesses, or the cross-examination of witnesses by the person.

Sec. 26. **[15C.11] LIMITATION OF ACTIONS; REMEDIES.**

(a) An action pursuant to this chapter may not be commenced more than three years after the date of discovery of the fraudulent activity by the attorney general or more than six years after the fraudulent activity occurred, whichever occurs last, but in no event more than ten years after the date on which the violation is committed.

(b) A finding of guilt in a criminal proceeding charging false statement or fraud, whether upon a verdict of guilty or a plea of guilty or nolo contendere, stops the person found guilty from denying an essential element of that offense in an action pursuant to this chapter based upon the same transaction as the criminal proceeding.

(c) In any action under this chapter, the state and any qui tam plaintiff must prove all essential elements of the cause of action, including damages, by a preponderance of the evidence.

Sec. 27. **[15C.12] AWARD OF EXPENSES AND ATTORNEY FEES.**

If the attorney general or a person who brought an action under section 15C.05 prevails in or settles an action pursuant to this chapter, the court may authorize the person to recover reasonable costs, reasonable attorney fees, and the reasonable fees of expert consultants and expert witnesses. Those expenses must be awarded against the defendant, and may not be allowed against the state or a political subdivision. If the attorney general does not intervene in the action and the person bringing the action conducts the action, and if the defendant prevails in the action, the court shall award to the defendant reasonable expenses and attorney fees against the party or parties who participated in the action if it finds that the action was clearly frivolous or vexatious or brought in substantial part for harassment.

Sec. 28. **[15C.13] DISTRIBUTION TO PRIVATE PLAINTIFF IN CERTAIN ACTIONS.**

If the attorney general intervenes at the outset in an action brought by a person under section 15C.05, the person shall receive not less than 15 percent or more than 25 percent of any recovery in proportion to the person's contribution to the conduct of the action. If the attorney general does not intervene in the action at the outset, the person is entitled to receive not less than 25 percent or more than 30 percent of any recovery of the civil penalty and damages, or settlement, as the court determines to be reasonable. For recoveries whose distribution is governed by federal code or rule, the basis for calculating the portion of the recovery the person is entitled to receive shall not include such amounts reserved for distribution to the federal government or designated in their use by such federal code or rule.

Sec. 29. **[15C.14] EMPLOYER RESTRICTIONS; LIABILITY.**

(a) An employer shall not adopt or enforce any rule or policy forbidding an employee to disclose information to the state, a political subdivision, or a law enforcement agency, or to act in furtherance of an action pursuant to this chapter, including investigation for bringing or testifying in such an action.

(b) An employer shall not discharge, demote, suspend, threaten, harass, deny promotion to, or otherwise discriminate against an employee in the terms or conditions of employment because of lawful acts done by the employee on the employee's behalf or on behalf of others in disclosing information to the state, a political subdivision, or a law enforcement agency in furtherance of an action pursuant to this chapter, including investigation for bringing or testifying in such an action.

(c) An employer who violates this section is liable to the affected employee in a civil action for damages and other relief, including reinstatement, twice the amount of lost compensation, interest on the lost compensation, any special damage sustained as a result of the discrimination, and punitive damages if appropriate. The employer is also liable for expenses recoverable pursuant to section 15C.12, including costs and attorney fees.

Sec. 30. **[16A.0115] NAME.**

The commissioner of finance and the Department of Finance may not be identified by a title or name other than the title and name assigned by law. The Commissioner must ensure that the department's documents, publications, and Web site comply with this section.

Sec. 31. Minnesota Statutes 2008, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. **List.** (a) The commissioner shall:

(1) receive and record all money paid into the state treasury and safely keep it until lawfully paid out;

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; and

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles; and

~~(7) coordinate the development of, and maintain standards for, internal auditing in state agencies and, in cooperation with the commissioner of administration, report to the legislature and the governor by January 31 of odd-numbered years, on progress made.~~

(b) In addition to the duties in paragraph (a), the commissioner has the powers and duties given to the commissioner in chapter 43A.

Sec. 32. Minnesota Statutes 2008, section 16A.055, is amended by adding a subdivision to read:

Subd. 1a. **Additional duties.** The commissioner may assist state agencies by providing analytical, statistical, and organizational development services to state agencies in order to assist the agency to achieve the agency's mission and to operate efficiently and effectively.

Sec. 33. **[16A.056] WEB SITE WITH SEARCHABLE DATABASE ON STATE EXPENDITURES.**

Subdivision 1. **Web database requirement.** The commissioner, in consultation with the commissioners of administration and revenue, must maintain a Web site with a searchable database providing the public with information on state contracts, state appropriations, state expenditures, and state tax expenditures. For each data field identified in subdivisions 2 to 5, the searchable database must allow a user of the Web site to:

- (1) perform a search using that field;
- (2) sort by that field;
- (3) obtain information grouped or aggregated by that field, where groups or subtotals are feasible; and
- (4) view information in that field by each fiscal year or an aggregation of fiscal years.

Subd. 2. **Contracts.** (a) The searchable database on the Web site must include at least the following data fields:

- (1) the name of the entity receiving the contract;
 - (2) the name of the agency entering into the contract;
 - (3) an indication if the contract is for (i) goods; (ii) professional or technical services; (iii) services other than professional and technical services; or (iv) a grant; and
 - (4) the fund or funds from which the entity receiving the contract will be paid.
- (b) For each contract, the database must also include:
- (1) an address for each entity receiving a contract; and
 - (2) a brief statement of the purpose of the contract or grant.
- (c) Information on a new contract or grant must be entered into the database within 30 days of the time the contract or grant is entered into.
- (d) For purposes of this section, a "grant" is a contract between a state agency and a recipient, the primary purpose of which is to transfer cash or a thing of value to the recipient to support a public purpose. Grant does not include payments to units of local governments, payments to state employees, or payments made under laws providing for assistance to individuals.

Subd. 3. **Appropriations.** The searchable database on the Web site must include at least the following data fields on state appropriations:

- (1) the agency receiving the appropriation, or the name of the nonstate entity receiving the appropriation;
- (2) the agency program, to the extent applicable;
- (3) the agency activity, to the extent applicable;
- (4) an item within an activity if applicable;

(5) the fund from which the appropriation is made; and

(6) the object of expenditure.

Subd. 4. **State expenditures.** The searchable database on the Web site must include at least the following data fields on state expenditures:

(1) the agency making the expenditure, or the name of the nonstate entity making the appropriation;

(2) the agency program, to the extent applicable;

(3) the agency activity, to the extent applicable;

(4) an item within an activity if applicable;

(5) the fund from which the expenditure is made; and

(6) the object of expenditure.

Subd. 5. **Tax expenditures.** The Web site must include a searchable database of state tax expenditures. For each fiscal year, the database must include data fields showing the estimated impact on state revenues of each tax expenditure item listed in the report prepared under section 270C.11.

Subd. 6. **Retention of data.** The database required under this section must include information beginning with fiscal year 2010 funds and must retain data for at least ten years.

Subd. 7. **Consultation.** The commissioner of finance must consult with the chairs of the house of representatives Ways and Means and senate Finance Committees before encumbering any funds appropriated on or after July 1, 2009, for the planning, development, and implementation of state accounting or procurement systems. No funds appropriated for these purposes may be spent unless the commissioner certifies that the systems will allow compliance with requirements of this section.

Sec. 34. **[16A.057] INTERNAL CONTROLS AND INTERNAL AUDITING.**

Subdivision 1. **Establishment of system.** The commissioner is responsible for the system of internal controls across the executive branch. The commissioner must coordinate the design, implementation, and maintenance of an effective system of internal controls and internal auditing for all executive agencies. The system must:

(1) safeguard public funds and assets and minimize incidences of fraud, waste, and abuse;

(2) ensure that programs are administered in compliance with federal and state laws and rules;

(3) require documentation of internal control procedures over financial management activities, provide for analysis of risks, and provide for periodic evaluation of control procedures to satisfy the commissioner that these procedures are adequately designed, properly implemented, and functioning effectively; and

(4) provide for periodic internal audit of major systems and controls, including accounting systems and controls; administrative systems and controls; and, in conjunction with the Office of Enterprise Technology, information and telecommunications technology systems and controls.

Subd. 2. **Standards.** The commissioner must adopt internal control standards and policies that agencies must follow to meet the requirements of subdivision 1. These standards and policies may include separation of duties, safeguarding receipts, time entry, approval of travel, and other topics the commissioner determines are necessary to comply with subdivision 1.

Subd. 3. **Training and assistance.** The commissioner shall coordinate training for accounting personnel and financial managers in state agencies on internal controls as necessary to ensure financial integrity in the state's financial transactions. The commissioner shall provide internal control support to agencies that the commissioner determines need this assistance.

Subd. 4. **Sharing internal audit resources.** The commissioner must administer a program for sharing internal auditors among executive agencies that do not have their own internal auditors and for assembling interagency teams of internal auditors as necessary.

Subd. 5. **Monitoring Office of the Legislative Auditor audits.** The commissioner must review audit reports from the Office of the Legislative Auditor and take appropriate steps to address internal control problems found in executive agencies.

Subd. 6. **Budget for internal controls.** The commissioner of finance may require that each executive agency spend a specified percentage of its operating budget on internal control systems. The commissioner of finance may require that an agency transfer a portion of its operating budget to the commissioner to pay for internal control functions performed by the commissioner.

Subd. 7. **Annual report.** The commissioner must report to the legislature and the governor by January 31 of each odd-numbered year on the system of internal controls and internal auditing in executive agencies.

Subd. 8. **Agency head responsibilities.** The head of each executive agency is responsible for designing, implementing, and maintaining an effective internal control system within the agency that complies with the requirements of subdivision 1, clauses (1) to (4). The head of each executive agency must annually certify that the agency head has reviewed the agency's internal control systems, and that these systems are in compliance with standards and policies established by the commissioner. The agency head must submit the signed certification form to the commissioner of finance, in a form specified by the commissioner.

Subd. 9. **State colleges and universities.** This section does not apply to the Minnesota state colleges and universities system.

Sec. 35. **[16A.058] FINANCIAL CONTROLS COUNCIL.**

Subdivision 1. **Membership.** The executive council shall appoint a five-member financial controls council. Members must have public or private sector experience in internal control issues. The council shall annually elect a chair and vice-chair from among its members.

Subd. 2. **Duties.** (a) The council shall advise the commissioner of finance, the governor, the Legislative Audit Commission, and the legislature on the system of internal controls for executive agencies. In performing this duty, the council shall:

(1) review audits and other reports of the Office of the Legislative Auditor and from internal auditors in executive agencies;

(2) review the state's system of internal controls and make recommendations for changes in practices of specific executive agencies or on general changes needed in state laws, procedures, or policies;

(3) recommend guidelines and best practices to produce an effective system of internal controls;

(4) recommend the number of internal audit employees required for executive agencies, individually and in total; and

(5) review and comment on the performance of the commissioner of finance in carrying out duties under section 16A.057.

(b) The council may:

(1) require reports from any executive agency relative to an internal control or an internal audit matter;

(2) receive and review reports from internal auditors in executive agencies;

(3) conduct hearings relative to attempts to interfere with, compromise, or intimidate an internal auditor; and

(4) conduct hearings on the effectiveness of internal control or internal audit functions within an executive agency.

Subd. 3. **Terms; compensation; removal; vacancies; expiration.** The membership terms, compensation, removal of members, and filling of vacancies shall be as provided in section 15.059, except that council members shall not receive a per diem. The council is not subject to the expiration date provisions of section 15.059.

Subd. 4. **Administrative support.** The commissioner of finance shall provide administrative support to the council upon request of its chair.

Subd. 5. **MnSCU.** The Minnesota State Colleges and Universities system is not an executive agency for purposes of this section.

Sec. 36. Minnesota Statutes 2008, section 16A.11, is amended by adding a subdivision to read:

Subd. 3d. **Information technology budget proposals.** A proposal in the detailed budget documents for a new investment in information technology systems or equipment costing \$100,000 or more must request that money for the system or equipment be appropriated to the Office of Enterprise Technology.

Sec. 37. Minnesota Statutes 2008, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 4A.05; 14.46; 14.53; 16B.48; 16B.54; 16B.58; 16B.85; 16C.03, subdivision 11; 16E.14; 43A.55; and 176.591; and the fund established in section 43A.30.

Sec. 38. Minnesota Statutes 2008, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. **Payroll direct deposit and deductions.** An agency head in the executive, judicial, and legislative branch shall, upon written request signed by an employee, directly deposit all or part of an employee's pay to those credit unions or financial institutions, as defined in section 47.015, designated by the employee.

An agency head ~~may~~ **must**, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to the Minnesota Benefit Association, or to any ~~organization~~ **organizations** contemplated by section 179A.06, of which the employee is a member. ~~If an employee has more than one account~~

~~with the Minnesota Benefit Association or more than one organization under section 179A.06, only the Minnesota Benefit Association and one organization, as defined under section 179A.06, may be paid money by payroll deduction from the employee's pay.~~

Sec. 39. Minnesota Statutes 2008, section 16A.139, is amended to read:

16A.139 MISAPPROPRIATION OF MONEY.

~~It is illegal for any (a) No official or head of any state department in the executive, legislative, or judicial branches, or any employee thereof of a state department in those branches, to may intentionally use moneys money appropriated by law, or fees collected knowing that the use is for any other a purpose other than the purpose for which the moneys have been money was appropriated, and any such act by any. Unless a greater penalty is specified elsewhere in law, a person who violates this paragraph is guilty of a gross misdemeanor.~~

~~(b) A violation of paragraph (a) by a head of a department, or any state official, is cause for immediate removal of the official or head of a state department from the position held with the government of this state. A criminal conviction under paragraph (a) is not a prerequisite for removal. This paragraph does not apply to a judge, a constitutional officer, or a legislator, except as potential grounds for expulsion, impeachment, or recall in the manner specified in article IV, section 7, and article VIII of the Minnesota Constitution.~~

~~**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to crimes committed on or after that date.~~

Sec. 40. **[16A.1391] BEST PRACTICES FOR INVESTIGATIONS.**

~~The commissioner of finance must develop and make available to appointing authorities in the executive, legislative, and judicial branches a best practices policy for conducting investigations in which the appointing authority compels its employees to answer questions about allegedly inappropriate activity. The best practices policy must be designed to facilitate effective investigations, without compromising the ability to prosecute criminal cases when appropriate. Each appointing authority must follow the best practices policy or, in consultation with the attorney general, must develop its own policy for conducting these investigations.~~

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

Sec. 41. Minnesota Statutes 2008, section 16A.152, is amended by adding a subdivision to read:

Subd. 8. Report on budget reserve percentage. ~~(a) The commissioner of finance must periodically review the formula developed as part of the Budget Trends Study Commission authorized by Laws 2007, chapter 148, article 2, section 81, to estimate the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve.~~

~~(b) The commissioner must annually review the variables and coefficients in the formula used to model the base of the general fund taxes and the mix of taxes that provide revenues to the general fund. If the commissioner determines that the variables and coefficients have changed enough to result in a change in the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve, the commissioner must update the variables and coefficients in the formula to reflect the current base and mix of general fund taxes.~~

~~(c) Every ten years, the commissioner must review the methodology underlying the formula, taking into consideration relevant economic literature from the past ten years, and determine if the formula remains adequate as a tool for estimating the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. If the commissioner determines that the methodology underlying the formula is outdated, the commissioner must revise the formula.~~

(d) By January 15 of each year, the commissioner must report to the chairs of the house of representatives Committee on Ways and Means and the senate Committee on Finance, in compliance with sections 3.195 and 3.197, on the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. The report must specify:

(1) if the commissioner updated the variables and coefficients in the formula to reflect significant changes to either the base of one or more general fund taxes or to the mix of taxes that provide revenues to the general fund as provided in paragraph (b);

(2) if the commissioner revised the formula after determining the methodology was outdated as provided in paragraph (c); and

(3) if the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve has changed as a result of an update of or a revision to the formula.

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

Sec. 42. **[16A.81] TECHNOLOGY DEVELOPMENT LEASE-PURCHASE FINANCING.**

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

(a) "Technology system project" means the development, acquisition, installation, and implementation of a technology system that is essential to state operations and is expected to have a long useful life.

(b) "Lease-purchase agreement" means an agreement for the lease and installment purchase of a technology system project, or a portion of the project, between the commissioner, on behalf of the state, and a vendor or a third-party financing source.

(c) "Technology development lease-purchase guidelines" means policies, procedures, and requirements established by the commissioner for technology system projects that are financed pursuant to a lease-purchase agreement.

Subd. 2. **Lease-purchase financing.** The commissioner may enter into a lease-purchase agreement in an amount sufficient to fund a technology system project and authorize the public or private sale and issuance of certificates of participation, provided that:

(1) the technology system project has been authorized by law to be funded pursuant to a lease-purchase agreement;

(2) the term of the lease-purchase agreement and the related certificates of participation shall not exceed the lesser of the expected useful life of the technology system project financed by the lease-purchase agreement and the certificates or ten years from the date of issuance of the lease-purchase agreement and the certificates;

(3) the principal amount of the lease-purchase agreement and the certificates is sufficient to provide for the costs of issuance, capitalized interest, credit enhancement, or reserves, if any, as required under the lease-purchase agreement;

(4) funds sufficient for payment of lease obligations have been committed in the authorizing legislation for the technology system project for the fiscal year during which the lease-purchase agreement is entered into; provided that no lease-purchase agreement shall obligate the state to appropriate funds sufficient to make lease payments due under such agreement in any future fiscal year; and

(5) planned expenditures for the technology system project are permitted within the technology development lease-purchase guidelines.

Subd. 3. Covenants. The commissioner may covenant in a lease-purchase agreement that the state will abide by the terms and provisions that are customary in lease-purchase financing transactions, including but not limited to, covenants providing that the state:

(1) will maintain insurance as required under the terms of the lease-purchase agreement;

(2) is responsible to the lessor for any public liability or property damage claims or costs related to the selection, use, or maintenance of the technology system project, to the extent of insurance or self-insurance maintained by the state, and for costs and expenses incurred by the lessor as a result of any default by the state; or

(3) authorizes the lessor to exercise the rights of a secured party with respect to the technology system project or any portion of the project in the event of default or nonappropriation of funds by the state, and for the present recovery of lease payments due during the current term of the lease-purchase agreement as liquidated damages in the event of default.

Subd. 4. Credit and appropriation of proceeds. Proceeds of the lease-purchase agreement and certificates of participation must be credited to a technology lease project fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the appropriate accounts in the technology lease project fund. Funds in the technology lease project fund are appropriated for the purposes described in the authorizing law for each technology development project and this section.

Subd. 5. Transfer of funds. Before the lease-purchase proceeds are received in the technology lease project fund, the commissioner may transfer to that fund from the general fund amounts not exceeding the expected proceeds from the lease-purchase agreement and certificates of participation. The commissioner shall return these amounts to the general fund by transferring proceeds when received. The amounts of these transfers are appropriated from the general fund and from the technology lease project fund.

Subd. 6. Administrative expenses. Actual and necessary travel and subsistence expenses of employees and all other nonsalary expenses incidental to the sale, printing, execution, and delivery of the lease-purchase agreement and certificates of participation may be paid from the lease-purchase proceeds. The lease-purchase proceeds are appropriated for this purpose.

Subd. 7. Treatment of technology lease project fund. Lease-purchase proceeds remaining in the technology lease project fund after the purposes for which the lease-purchase agreement was undertaken are accomplished or abandoned, as determined by the commissioner, must be transferred to the general fund.

Subd. 8. Lease-purchase not public debt. A lease-purchase agreement does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated or otherwise available for payments or obligations under such agreement. Payments due under a lease-purchase agreement during a current lease term for which money has been appropriated is a current expense of the state.

Subd. 9. Refunding certificates. The commissioner from time to time may enter into a new lease-purchase agreement and issue and sell certificates of participation for the purpose of refunding any lease-purchase agreement and related certificates of participation then outstanding, including the payment of any redemption premiums, any interest accrued or that is to accrue to the redemption date, and costs related to the issuance and sale of such refunding certificates. The proceeds of any refunding certificates may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the certificates to be refunded, to the redemption of outstanding lease-purchase agreements and certificates on any redemption date, or to pay interest on the refunding lease-

purchase agreements and certificates and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on any authorized investment may also be applied to the payment of the lease-purchase agreements and certificates to be refunded, interest or premiums on the refunded certificates, or to pay interest on the refunding lease-purchase agreements and certificates. After the terms of the escrow have been fully satisfied, any balance of proceeds and any investment income may be returned to the general fund, or if applicable, the technology lease project fund, for use in a lawful manner. All refunding lease-purchase agreements and certificates issued under the provisions of this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the lease-purchase agreements and certificates to be refunded.

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

Sec. 43. **[16A.82] TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

\$8,975,000 is appropriated annually from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for replacement of the state's accounting and procurement systems, provided that the state is not obligated to continue such appropriation of funds or to make lease payments in any future fiscal year. Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2020.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 44. **[16B.1225] LETTER-SIZED PAPER FOR DOCUMENTS.**

State entities in the executive, legislative, and judicial branches must use standard letter-sized paper to print documents to the extent practical, and may not print documents on legal-sized paper unless this is the only possible size paper for a particular document.

Sec. 45. Minnesota Statutes 2008, section 16B.24, is amended by adding a subdivision to read:

Subd. 5b. Employee fitness and wellness facilities. An entity in the executive, legislative, or judicial branch may use space under its control to offer fitness, wellness, or similar classes or activities to its employees, and may allow persons conducting these classes or activities to charge employees a fee to participate. Revenue received by a public entity under this section is appropriated to the entity. This authorization applies to all state space, including property in the Capitol area, and other designated property as defined in rules adopted by the commissioner of public safety. Persons conducting these classes or activities, and participating employees, waive any and all claims of liability against the state for any damage or injury arising from the use of state space for employee fitness and wellness classes or similar classes or activities. Persons conducting these classes or activities agree to indemnify, save, and hold the state, its agents, and employees harmless from any claims or causes of action, including attorney fees incurred by the state that arise from these classes or activities.

Sec. 46. Minnesota Statutes 2008, section 16B.24, is amended by adding a subdivision to read:

Subd. 5c. Rulemaking. The commissioner of public safety must amend Minnesota Rules, part 7525.0400, and any other rules as necessary to conform with subdivision 5b. The commissioner may use the good cause exemption, under authority of Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend rules to conform with subdivision 5b.

Sec. 47. **[16B.242] ENTERPRISE REAL PROPERTY ACCOUNT.**

The enterprise real property technology system and services account is created in the special revenue fund. Receipts credited to the account are appropriated to the commissioner of administration for the purpose of funding the personnel and technology to maintain the enterprise real property system and services.

Sec. 48. **[16B.2421] BIRD-SAFE BUILDINGS.**

Between March 15 and May 31 and between August 15 and October 31 each year, occupants of state-owned or state-leased buildings must attempt to reduce dangers posed to migrating birds by turning off building lights between midnight and dawn, to the extent turning off lights is consistent with the normal use of the buildings. The commissioner of administration may adopt policies to implement this requirement.

Sec. 49. **[16B.243] NAMING RIGHTS.**

The commissioner of administration may enter into a contract to sell the naming rights to a state-owned building, or to meeting rooms within a state-owned building. This section does not apply to the State Capitol building, to the Minnesota Judicial Center, or the State Office Building.

Sec. 50. **[16B.351] ADVERTISING.**

The commissioner of administration may enter into a contract to sell advertising on temporary fences or other temporary barriers adjacent to construction or repair projects on state-owned buildings or grounds.

Sec. 51. Minnesota Statutes 2008, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the Constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

~~(2) the lieutenant governor;~~

~~(3)~~ (2) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;

~~(4)~~ (3) the Financial Institutions Division of the Department of Commerce;

~~(5)~~ (4) the Division of Disease Prevention and Control of the Department of Health;

~~(6)~~ (5) the State Lottery;

~~(7)~~ (6) criminal investigators of the Department of Revenue;

~~(8)~~ (7) state-owned community service facilities in the Department of Human Services;

~~(9)~~ (8) the investigative staff of the Department of Employment and Economic Development;

~~(10)~~ (9) the Office of the Attorney General; and

~~(11)~~ (10) the investigative staff of the Gambling Control Board.

(e) The state may not provide a car for use of the lieutenant governor.

Sec. 52. **[16B.90] MILESTONES REPORT REQUIRED.**

The commissioner of administration must establish a statewide system of economic (including tax implications), social, and environmental performance measures. The milestones must provide the economic (including tax implications), social, and environmental information necessary for public and elected officials to understand and evaluate the sustainability of the state's long-term trends. The commissioner must report on the trends and their implications each year. The commissioner may contract for the development of information and measures.

Sec. 53. **[16B.99] GEOSPATIAL INFORMATION OFFICE.**

Subdivision 1. **Creation.** The Minnesota Geospatial Information Office is created under the supervision of the commissioner of administration.

Subd. 2. **Responsibilities; authority.** The office has authority to provide coordination, guidance, and leadership, and to plan the implementation of Minnesota's geospatial information technology. The office shall identify, coordinate, and guide strategic investments in geospatial information technology systems, data, and services to ensure effective implementation and use of Geospatial Information Systems (GIS) by state agencies to maximize benefits for state government as an enterprise.

Subd. 3. **Duties.** (a) The office must:

(1) coordinate and guide the efficient and effective use of available federal, state, local, and public-private resources to develop statewide geospatial information technology, data, and services;

(2) provide leadership and outreach, and ensure cooperation and coordination for all GIS functions in state and local government, including coordination between state agencies, intergovernment coordination between state and local units of government, and extragovernment coordination, which includes coordination with academic and other private and nonprofit sector GIS stakeholders;

(3) review state agency and intergovernment geospatial technology, data, and services development efforts involving state or intergovernment funding, including federal funding;

(4) provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(5) coordinate management of geospatial technology, data, and services between state and local governments;

(6) provide coordination, leadership, and consultation to integrate government technology services with GIS infrastructure and GIS programs;

(7) work to avoid or eliminate unnecessary duplication of existing GIS technology services and systems, including services provided by other public and private organizations while building on existing governmental infrastructures;

(8) promote and coordinate consolidated geospatial technology, data, and services and shared geospatial Web services for state and local governments; and

(9) promote and coordinate geospatial technology training, technical guidance, and project support for state and local governments.

Subd. 4. Duties of chief geospatial information officer. (a) In consultation with the state geospatial advisory council, the commissioner of administration, the commissioner of finance, and the Minnesota chief information officer, the chief geospatial information officer must identify when it is cost-effective for agencies to develop and use shared information and geospatial technology systems, data, and services. The chief geospatial information officer may require agencies to use shared information and geospatial technology systems, data, and services.

(b) The chief geospatial information officer, in consultation with the state geospatial advisory council, must establish reimbursement rates in cooperation with the commissioner of finance to bill agencies and other governmental entities sufficient to cover the actual development, operation, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

Subd. 5. Fees. (a) The chief geospatial information officer must set fees under section 16A.1285 that reflect the actual cost of providing information products and services to clients. The fees must be approved by the commissioner of finance. Fees are not subject to rulemaking under chapter 14 and section 14.386 does not apply. Fees collected must be deposited in the state treasury and credited to the Minnesota Geospatial Information Office revolving account. Money in the account is appropriated to the chief geospatial information officer for providing GIS consulting services, software, data, Web services, and map products on a cost-recovery basis, including the cost of services, supplies, material, labor, and equipment as well as the portion of the general support costs and statewide indirect costs of the office that is attributable to the delivery of these products and services. Money in the account shall not be used for the general operation of the Minnesota Geospatial Information Office.

(b) The chief geospatial information officer may require a state agency to make an advance payment to the revolving fund sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. For a given period of time, the amount of total net profit to be distributed to each fund shall reflect the same ratio of total purchases attributable to each fund divided by the total purchases from all funds.

Subd. 6. Accountability. The chief geospatial information officer is appointed by the commissioner of administration and shall work closely with the Minnesota chief information officer who shall play an advisory role on technology projects, standards, and services.

Subd. 7. Discretionary powers. The office may:

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

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

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

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

(5) appoint committees and task forces to assist the office in carrying out its duties;

(6) sponsor and conduct conferences and studies, collect and disseminate information, and issue reports relating to geospatial information and technology issues;

(7) participate in the activities and conferences related to geospatial information and communications technology issues;

(8) review the GIS technology infrastructure of regions of the state and cooperate with and make recommendations to the governor, legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of GIS information and technology infrastructure development potential;

(9) sponsor, support, and facilitate innovative and collaborative geospatial systems technology, data, and services projects; and

(10) review and recommend alternative sourcing strategies for state geospatial information systems technology, data, and services.

Subd. 8. Geospatial advisory councils created. The chief geospatial information officer must establish a governance structure that includes advisory councils to obtain expert advice from stakeholders on issues focusing on improving the operations and management of geospatial technology within state government and also on issues of importance to users of geospatial technology throughout the state.

(a) A statewide geospatial advisory council must advise the Minnesota Geospatial Information Office about issues concerning the improvement of services statewide through the coordinated, affordable, reliable, and effective use of geospatial technology. Membership of the statewide council must include voting members selected to represent a cross section of organizations that include counties, cities, universities, business, nonprofit organizations, federal agencies, and state agencies. State agency membership must be limited to no more than 20 percent of the total voting membership. In addition, the chief geospatial information officer must be a nonvoting member.

(b) A state government geospatial advisory council must advise the Minnesota Geospatial Information Office on issues concerning improving state government services through the coordinated, affordable, reliable, and effective use of geospatial technology. Membership of the state government council must include voting members representing up to 15 state government agencies and constitutional offices, including the Office of Enterprise Technology and the Minnesota Geospatial Information Office and shall be chaired by the chief geographic information officer. A representative of the statewide geospatial advisory council must serve as a nonvoting member.

(c) Members of both the statewide geospatial advisory council and the state government advisory council must be recommended by a process that ensures that each member is designated to represent a clearly identified agency or stakeholder category and that complies with the state's open appointment process. Appointments must be made by the commissioner of administration for a period of two years. Members serve at the pleasure of the commissioner. Members must be reimbursed for expenses in the manner specified in section 15.059, but do not receive per diem under that section. The advisory councils expire June 30, 2013.

(d) The Minnesota Geospatial Information Office must provide administrative support for both geospatial advisory councils.

Subd. 9. **Report to legislature.** By January 15, 2010, the chief geospatial information officer must provide a report to the appropriate chairs of the state government committees of the legislature that addresses all statutes that refer to the land management information center or land management information system and makes a recommendation about whether they should be continued, amended, or repealed.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 54. Minnesota Statutes 2008, section 16C.16, is amended by adding a subdivision to read:

Subd. 6a. **Service-disabled veteran-owned small businesses.** (a) The commissioner shall award up to a six percent preference in the amount bid on state procurement to certified small businesses that are majority-owned and operated by veterans having service-connected disabilities, as determined by the United States Department of Veterans Affairs.

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

(c) For purposes of this section and section 16C.19, the following terms have the meanings given them:

(1) "veteran" has the meaning given in section 197.447; and

(2) "service-connected disability" has the meaning given in United States Code, title 38, section 101(16), as determined by the United States Department of Veterans Affairs.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 55. Minnesota Statutes 2008, section 16C.19, is amended to read:

16C.19 ELIGIBILITY; RULES.

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

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

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

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

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 56. Minnesota Statutes 2008, section 16C.20, is amended to read:

16C.20 CERTIFICATION.

A business that is certified by the commissioner of administration as a small business, small targeted group business ~~or~~, a small business located in an economically disadvantaged area, or a service-disabled veteran-owned small business is eligible to participate under the requirements of sections 137.31 and 161.321 and, if certified as a small business ~~or~~, small targeted group business, or service-disabled veteran-owned small business, under section 473.142 without further certification by the contracting agency.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 57. **[16E.22] STATEWIDE ELECTRONIC LICENSING SYSTEM.**

Subdivision 1. **Account established; appropriation.** The statewide electronic licensing account is created in the special revenue fund. Receipts credited to the account are appropriated to the state chief information officer for completion of the Minnesota electronic licensing system, for transferring licensing agencies to the system, and for operation and maintenance of the system during the completion and transfer period.

Subd. 2. **Temporary licensing surcharge.** Executive branch state agencies shall collect a temporary surcharge of ten percent of the licensing fee, but no less than \$5 and no more than \$150 on each business, commercial, professional, or occupational license that:

(1) requires a fee; and

(2) will be transferred to the Minnesota electronic licensing system, as determined by the state chief information officer.

The surcharge applies to initial license applications and license renewals. Each agency that issues a license subject to this subdivision shall collect the surcharge for the license for up to six years between July 1, 2009, and June 30, 2015, as directed by the state chief information officer. Receipts from the surcharge shall be deposited in the statewide licensing account established in subdivision 1. Department of Commerce licensees who are paying for an existing electronic licensing database system under section 45.24 must not be required to pay the surcharge under this section. The funds acquired under section 45.24 must be used in part, as determined by the commissioner of commerce, to fund the statewide electronic licensing system under this section and the fee imposed on licensees who pay for the system under section 45.24 may not exceed the maximum fee allowed under that section.

Subd. 3. **Priority.** In completing the statewide electronic licensing system, the chief information officer must give priority to the extent practical to licenses that are not currently issued electronically.

Subd. 4. **Contract authority.** The state chief information officer may enter into a risk-share or phased agreement with a vendor to complete the Minnesota electronic licensing system and to transfer licensing agencies to the system, provided that the payment for the vendor's services under the agreement is limited to the revenue from the surcharge enacted under subdivision 2, after payment of state operating and maintenance costs. The agreement must clearly indicate that the state chief information officer may only expend amounts actually collected from the surcharge, after state operations and maintenance costs have been paid, in payment for the vendor's services and that the vendor assumes this risk when performing work under the contract. This section does not require the state chief information officer to pay the vendor the entire amount of the surcharge revenue that remains after payment of state operations and maintenance costs. Before entering into a contract under this subdivision, the state chief information officer must consult with the commissioner of finance regarding the implementation of the surcharge and the terms of the contract.

Subd. 5. **Unused funds.** Money remaining in the statewide electronic licensing account after payment of all costs of completing the Minnesota electronic licensing system, transferring licensing agencies to the system, and operating and maintaining the system during the completion and transfer period is appropriated for the costs of operating and maintaining the Minnesota electronic licensing system after the system has been completed.

Subd. 6. **Expiration.** This section expires on June 30, 2017.

Sec. 58. Minnesota Statutes 2008, section 43A.02, is amended by adding a subdivision to read:

Subd. 18a. **Domestic partner.** "Domestic partner" means a person who has entered into a committed interdependent relationship with one other adult, where the partners:

- (1) are responsible for each other's basic common welfare;
- (2) share a common residence and intend to do so indefinitely;
- (3) are not related by blood or adoption to an extent that would prohibit marriage in this state; and
- (4) are legally competent and qualified to enter into a contract.

For purposes of this subdivision, domestic partners may be considered to share a common residence, even if they do not each have a legal right to possess the residence or one or both domestic partners possess additional real property.

If one domestic partner temporarily leaves the common residence with the intention to return, the domestic partners continue to share a common residence for the purposes of this subdivision.

Sec. 59. Minnesota Statutes 2008, section 43A.1815, is amended to read:

43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.

(a) In addition to donations under section 43A.181, a state employee may donate a total of up to ~~12~~ 40 hours of accrued vacation or sick leave each fiscal year to the sick leave account of one or more state employees. A state employee may not be paid for more than 80 hours in a payroll period during which the employee uses sick leave credited to the employee's account as a result of a transfer from another state employee's vacation or sick leave account.

(b) The recipient employee must receive donations, as available, for an illness or condition of the employee or a member of the employee's family that prevents the employee from working. The donations must be available without a waiting period as soon as the employee's sick and vacation leave is exhausted. Donations may be used for up to a total of 1,044 hours during the duration of eligible employment. Recipients must continue to accrue vacation and sick leave while they are on donation leave.

(c) An applicant for benefits under this section who receives an unfavorable determination may select a designee to consult with the commissioner or commissioner's designee on the reasons for the determination.

(d) The commissioner shall establish procedures under section 43A.04, subdivision 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of individual eligibility status, and other topics related to administration of this program.

Sec. 60. Minnesota Statutes 2008, section 43A.24, subdivision 1, is amended to read:

Subdivision 1. **General.** Employees, including persons on layoff from a civil service position, and employees who are employed less than full time, shall be eligible for state paid life insurance and hospital, medical and dental benefits as provided in collective bargaining agreements or plans established pursuant to section 43A.18. If a collective bargaining agreement or plan provides state paid health insurance for spouses of employees, the insurance must be made available to a domestic partner of a state employee on the same terms and conditions.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 61. Minnesota Statutes 2008, section 43A.49, is amended to read:

43A.49 VOLUNTARY UNPAID LEAVE OF ABSENCE.

(a) Appointing authorities in state government may allow each employee to take unpaid leaves of absence for up to 1,040 hours ~~between June 1, 2007, and June 30, 2009. The 1,040 hour limit replaces, and is not in addition to, limits set in prior laws~~ in each two-year period beginning July 1 of each odd-numbered year. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit and credited salary in the state retirement plans as if the employee had actually been employed during the time of leave. An employee covered by the unclassified plan may voluntarily make the employee contributions to the unclassified plan during the leave of absence. If the employee makes these contributions, the appointing authority must make the employer contribution. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for the unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to the applicable provisions of collective bargaining agreements and compensation plans.

(b) To receive eligible service credit and credited salary in a defined benefit plan, the member shall pay an amount equal to the applicable employee contribution rates. If an employee pays the employee contribution for the period of the leave under this section, the appointing authority must pay the employer contribution. The appointing authority may, at its discretion, pay the employee contributions. Contributions must be made in a time and manner prescribed by the executive director of the Minnesota State Retirement ~~Association~~ System.

Sec. 62. **[43A.55] MANAGEMENT ANALYSIS REVOLVING FUND.**

Subdivision 1. Creation. The management analysis revolving fund is created in the state treasury.

Subd. 2. Appropriation and use of funds. Money in the management analysis revolving fund is appropriated annually to the commissioner to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, school districts, and other public entities in the state.

Subd. 3. **Reimbursements.** Except as specifically provided otherwise, each agency shall reimburse the management analysis revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, that the commissioner is authorized and directed to furnish an agency. The commissioner shall report the rates to be charged for the revolving fund no later than July 1 of each year to the chair of the committee or division of the senate or the house of representatives with primary jurisdiction over the budget of the Department of Finance.

Subd. 4. **Cash flow.** The commissioner may make appropriate transfers to the revolving fund according to section 16A.126. The commissioner may make allotment and encumbrances in anticipation of these transfers. In addition, the commissioner may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner under this section must be deposited in the management analysis revolving fund.

Subd. 5. **Liquidation.** If the management analysis revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. For a given period of time, the amount of total net profit to be distributed to each fund shall reflect the same ratio of total purchases attributable to each fund divided by the total purchases from all funds.

Sec. 63. Minnesota Statutes 2008, section 116G.15, is amended to read:

116G.15 MISSISSIPPI RIVER CRITICAL AREA.

~~(a)~~ The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi River critical area plan and specify any additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

~~The results of an environmental impact statement prepared under chapter 116D begun before and completed after July 1, 1994, for a proposed project that is located in the Mississippi River critical area north of the United States Army Corps of Engineers Lock and Dam Number One must be submitted in a report to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph shall be submitted by the responsible governmental unit that prepared the environmental impact statement, and must list alternatives to the project that are determined by the environmental impact statement to be economically less expensive and environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives. This paragraph does not apply to a proposed project to be carried out by the Metropolitan Council or a metropolitan agency as defined in section 473.121.~~

~~(b) If the results of an environmental impact statement required to be submitted by paragraph (a) indicate that there is an economically less expensive and environmentally superior alternative, then no member agency of the Environmental Quality Board shall issue a permit for the facility that is the subject of the environmental impact statement, other than an economically less expensive and environmentally superior alternative, nor shall any government bonds be issued for the facility, other than an economically less expensive and environmentally superior alternative, until after the legislature has adjourned its regular session sine die in 1996.~~

Sec. 64. [116G.152] CRITICAL AREA.

The Metropolitan Council, in consultation with the Environmental Quality Board, shall consider for inclusion in the regional recreational open space system created in chapter 473 property adjacent to Main Street and southeast of 6th Avenue Southeast in the city of Minneapolis. The Council and the Environmental Quality Board shall report to the legislature by January 15, 2011, on the extent to which inclusion of the property in the open space system would

support official plans for the area, including local comprehensive plans, regional park plans, and Mississippi River Critical Area standards. No rezoning, conditional use permit, or variance may be granted with respect to any property in the area described in this section until the legislature determines that the property is not suitable for inclusion in the regional recreational open space system.

Sec. 65. Minnesota Statutes 2008, section 135A.17, subdivision 2, is amended to read:

Subd. 2. **Residential housing list.** ~~All postsecondary institutions that enroll students accepting state or federal financial aid may~~ (a) Institutions within the Minnesota State Colleges and Universities system must prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus Minnesota. The list shall must include each student's name and current address as permitted by applicable privacy laws. The list shall must be certified and sent to the appropriate county auditor or auditors secretary of state no earlier than 30 and no later than 25 days prior to the November general election, in an electronic format specified by the secretary of state, for use in election day registration as provided under section 201.061, subdivision 3. The certification must be dated and signed by the chief officer or designee of the postsecondary educational institution, or for institutions within the Minnesota State Colleges and Universities system, by the chancellor, and must state that the list is current and accurate and includes only the names of currently enrolled students residing in Minnesota as of the date of certification. The secretary of state must combine the data received from each postsecondary educational institution under this subdivision and must process the data to locate the precinct in which the address provided for each student is located. If the data submitted by the postsecondary educational institution is insufficient for the secretary of state to locate the proper precinct, the associated student name must not appear in any list forwarded to a county auditor under this subdivision.

At least 14 days prior to the November general election, the secretary of state must forward to the appropriate county auditor lists of students containing the students' names and addresses for which precinct determinations have been made along with their postsecondary educational institutions. The list must be sorted by precinct and student last name and must be forwarded in an electronic format specified by the secretary of state or other mutually agreed upon medium, if a written agreement specifying the medium is signed by the secretary of state and the county auditor at least 90 days before the November general election. A written agreement is effective for all elections until rescinded by either the secretary of state or the county auditor.

(b) Other postsecondary institutions may provide lists as provided by this subdivision or as provided by the rules of the secretary of state. The University of Minnesota is requested to comply with this subdivision.

(c) A residential housing list provided under this subdivision may not be used or disseminated by a county auditor or the secretary of state for any other purpose.

Sec. 66. Minnesota Statutes 2008, section 161.321, is amended to read:

161.321 SMALL BUSINESS CONTRACTS.

Subdivision 1. **Definitions.** For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding except as otherwise provided in this section.

(b) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(c) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in paragraph (b).

(d) "Targeted group business" means a business designated under section 16C.16, subdivision 5.

(e) "Service-disabled veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Small business set-asides.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to small targeted group businesses and service-disabled veteran-owned small businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid. The commissioner may designate a contract for construction work for award only to service-disabled veteran-owned small businesses if the commissioner determines that at least three service-disabled veteran-owned small businesses are likely to bid.

(c) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and service-disabled veteran-owned small businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and service-disabled veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses or service-disabled veteran-owned small businesses.

(d) The commissioner may award up to a four percent preference in the amount bid on procurement to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Subd. 3. **Awards to small businesses.** At least 75 percent of subcontracts awarded to small targeted group businesses must be performed by the business to which the subcontract is awarded or another small targeted group business. At least 75 percent of subcontracts awarded to service-disabled veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another service-disabled veteran-owned small business.

Subd. 4. **Awards, limitations.** Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by the commissioner of administration.

Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 and 3, the award may be placed pursuant to the normal solicitation and award provisions set forth in this chapter and chapter 16C.

Subd. 6. **Rules.** The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase from small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report by commissioner.** The commissioner of transportation shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 67. Minnesota Statutes 2008, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a voter registration application as described in section 201.071, subdivision 1, and submitting it in person or by mail to the county auditor of that county or to the Secretary of State's Office. If the Web site maintained by the secretary of state provides a process for it, an individual who has a Minnesota driver's license, identification card, or learner's permit may register online. A registration that is received no later than 5:00 p.m. on the 21st day preceding any election shall be accepted. An improperly addressed or delivered registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten days after the applications are dated by the voter.

For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 68. Minnesota Statutes 2008, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 ~~and certified to the county auditor~~ or in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 69. Minnesota Statutes 2008, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **Form.** A voter registration application must ~~be of suitable size and weight for mailing and~~ contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, and the last four digits of the voter's Social Security number; ~~and voter's signature~~. The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

(1) will be at least 18 years old on election day;

(2) am a citizen of the United States;

(3) will have resided in Minnesota for 20 days immediately preceding election day;

(4) maintain residence at the address given on the registration form;

(5) am not under court-ordered guardianship in which the court order revokes my right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) have the right to vote because, if I have been convicted of a felony, my felony sentence has expired (been completed) or I have been discharged from my sentence; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

A paper voter registration application must include space for the voter's signature. Paper voter registration applications, other than those used for election day registration, must be of suitable size and weight for mailing.

Sec. 70. Minnesota Statutes 2008, section 201.091, is amended by adding a subdivision to read:

Subd. 5a. **Registration confirmation to registered voter.** The secretary of state must ensure that the secretary of state's Web site is capable of providing voter registration confirmation to a registered voter. An individual requesting registration confirmation must provide the individual's name, address, and date of birth. If the information provided by the individual completely matches an active voter record in the statewide voter registration system, the Web site must inform the individual that the individual is a registered voter and must provide the individual with the individual's polling place location. If the information provided by the individual does not completely match an active voter record in the statewide voter registration system, the Web site must inform the individual that a voter record with that name and date of birth at the address provided cannot be confirmed and the Web site must advise the individual to contact the county auditor for further information.

EFFECTIVE DATE. This section is not effective until the secretary of state has certified that the Web site has been tested, has been shown to properly retrieve information from the correct voter's record, and can handle the expected volume of use.

Sec. 71. Minnesota Statutes 2008, section 211B.37, is amended to read:

211B.37 COSTS ASSESSED.

Except as otherwise provided in section 211B.36, subdivision 3, ~~the chief administrative law judge shall assess the cost of considering complaints filed under section 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot question or an election for a statewide or legislative office must be assessed against the appropriation from the general fund to the general account of the state elections campaign fund Office of Administrative Hearings in section 10A.31, subdivision 4. Costs of complaints relating to any other ballot question or elective office must be assessed against the county or counties in which the election is held. Where the election is held in more than one county, the chief administrative law judge shall apportion the assessment among the counties in proportion to their respective populations within the election district to which the complaint relates according to the most recent decennial federal census.~~

Sec. 72. **[270C.145] TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

\$2,117,000 is appropriated annually from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for completing the purchase and development of an integrated tax software package; provided that the state is not obligated to continue the appropriation of funds or to make lease payments in any future fiscal year. Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2019.

Sec. 73. Minnesota Statutes 2008, section 471.345, subdivision 15, is amended to read:

Subd. 15. **Cooperative purchasing.** (a) Municipalities may contract for the purchase of supplies, materials, or equipment by utilizing contracts that are available through the state's cooperative purchasing venture authorized by section 16C.11 whenever practicable and cost-effective.

(b) Unless required to utilize the state's cooperative purchasing venture under paragraph (a), a municipality may contract for the purchase of supplies, materials, or equipment without regard to the competitive bidding requirements of this section if the purchase is through a national municipal association's purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.

Sec. 74. Minnesota Statutes 2008, section 473.142, is amended to read:

473.142 SMALL BUSINESSES.

(a) The Metropolitan Council and agencies specified in section 473.143, subdivision 1, may award up to a six percent preference in the amount bid for specified goods or services to small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16.

(b) The council and each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to small targeted group businesses designated under section 16C.16 if the council or agency determines that at least three small targeted group businesses are likely to bid. The council and each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to service-disabled veteran-owned small businesses designated under section 16C.16 if the council or agency determines that at least three service-disabled veteran-owned small businesses are likely to bid.

(c) The council and each agency specified in section 473.143, subdivision 1, as a condition of awarding a construction contract or approving a contract for consultant, professional, or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16. The council or agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and service-disabled veteran-owned small businesses are not reasonably available. The council or agency may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses and service-disabled veteran-owned small businesses. At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under this paragraph must be performed by the business to which the subcontract is awarded or by another small targeted group business. At least 75 percent of the value of the subcontracts awarded to service-disabled veteran-owned small businesses under this paragraph must be performed by the business to which the subcontract is awarded or another service-disabled veteran-owned small business.

(d) The council and each agency listed in section 473.143, subdivision 1, are encouraged to purchase from small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

(e) The council and each agency may adopt rules to implement this section.

(f) Each council or agency contract must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the council or agency for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney fees, incurred in bringing the action.

(g) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 75. Laws 2005, chapter 156, article 2, section 45, as amended by Laws 2007, chapter 148, article 2, section 73, is amended to read:

Sec. 45. SALE OF STATE LAND.

Subdivision 1. **State land sales.** The commissioner of administration shall coordinate with the head of each department or agency having control of state-owned land to identify and sell at least \$6,440,000 of state-owned land. Sales should be completed according to law and as provided in this section as soon as practicable but no later than June 30, ~~2009~~ 2011. Notwithstanding Minnesota Statutes, sections 16B.281 and 16B.282, 94.09 and 94.10, or any other law to the contrary, the commissioner may offer land for public sale by only providing notice of lands or an offer of sale of lands to state departments or agencies, the University of Minnesota, cities, counties, towns, school districts, or other public entities.

Subd. 2. **Anticipated savings.** Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or other law to the contrary, the amount of the proceeds from the sale of land under this section that exceeds the actual expenses of selling the land must be deposited in the general fund, except as otherwise provided by the commissioner of finance. Notwithstanding Minnesota Statutes, section 94.11 or 16B.283, the commissioner of finance may establish the timing of payments for land purchased under this section. If the total of all money deposited into the general fund from the proceeds of the sale of land under this section is anticipated to be less than \$6,440,000, the governor must allocate the amount of the difference as reductions to general fund operating expenditures for other executive agencies for the biennium ending June 30, ~~2009~~ 2011.

Subd. 3. **Sale of state lands revolving loan fund.** \$290,000 is appropriated from the general fund in fiscal year 2006 to the commissioner of administration for purposes of paying the actual expenses of selling state-owned lands to achieve the anticipated savings required in this section. From the gross proceeds of land sales under this section, the commissioner of administration must cancel the amount of the appropriation in this subdivision to the general fund by June 30, ~~2009~~ 2011.

Sec. 76. Laws 2005, chapter 162, section 34, subdivision 2, is amended to read:

Subd. 2. **Optical scan equipment.** \$6,000,000 is appropriated from the Help America Vote Act account to the secretary of state for grants to counties to purchase optical scan voting equipment. Counties are eligible for grants to the extent that they decide to purchase ballot marking machines and as a result do not have sufficient Help America Vote Act grant money remaining to also purchase a compatible precinct-based optical scan machine or central-count machine. These grants must be allocated to counties at a rate of \$3,000 per eligible precinct until the appropriation is exhausted, with priority in the payment of grants to be given to counties currently using hand- and central-count voting systems and counties using precinct-count optical scan voting systems incompatible with assistive voting systems or ballot marking machines. This appropriation is available until June 30, ~~2009~~ 2012.

EFFECTIVE DATE. This section is effective June 30, 2009.

Sec. 77. Laws 2007, chapter 131, article 2, section 22, is amended to read:

Sec. 22. **PRIVATE SALE OF SURPLUS STATE LAND; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale to a governmental subdivision the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell the land to a governmental subdivision of the state for ~~less than the value of the land as determined by the commissioner~~ no consideration under the conditions and provisions described in paragraph (e), but the conveyance must provide that the land described in paragraph (c) be used for the public and reverts to the state if the governmental subdivision fails to provide for public use or abandons the public use of the land. The commissioner may include conservation restrictions in the conveyance deed to ensure the property is maintained as open space.

(c) The land that may be sold is located in Hennepin County and is described as follows:

(1) the Northwest Quarter of Southwest Quarter, Section 36, Township 120 North, Range 22 West, less road right-of-way, containing 39 acres, more or less;

(2) the east six and two-thirds acres of the West Half of the Southeast Quarter of the Southwest Quarter, Section 36, Township 120 North, Range 22 West, less road right-of-way, containing 6.67 acres, more or less; and

(3) the West Quarter of the East Half of the Southeast Quarter of the Southwest Quarter, Section 36, Township 120 North, Range 22 West, less road right-of-way, containing 4.87 acres, more or less.

(d) The land was conveyed to the state for wild game reservation purposes. Due to adjacent residential use and local zoning restrictions, the land is no longer available for hunting purposes. The Department of Natural Resources has determined that the state's land management interests would best be served if the lands were conveyed to a local unit of government.

(e) The payment in lieu to Hennepin County as provided under Minnesota Statutes, sections 477A.11 to 477A.145, will be reduced by \$18,750 for the amounts payable in each of calendar years 2009 and 2010.

Sec. 78. Laws 2007, chapter 148, article 2, section 79, is amended to read:

Sec. 79. **TRAINING SERVICES.**

During the biennium ending June 30, ~~2009~~ 2011, state executive branch agencies must consider using services provided by government training services before contracting with other outside vendors for similar services.

Sec. 79. **CASH FLOW STUDY.**

By January 15, 2010, the commissioner of finance must submit to the chair of the Finance Committee in the senate and the chair of the Ways and Means Committee in the house of representatives, a report on the cash flow condition of the general fund for the fiscal year 2010-2011 biennium and the following biennium, including an assessment of the options for improving the long-term cash flow of the state through changes in the timing of general fund payment dates, revenue collections, or other changes. In addition, the report should identify all major provisions of law that result in state expenditures or revenues being recognized in budget documents in a fiscal year earlier or later than the fiscal year in which the obligation to pay state expenses was incurred or the liability to pay state taxes was incurred.

Sec. 80. **STATE EMPLOYEES' PERSONAL HEALTH RECORDS; CRITERIA.**

(a) The system that the commissioner of finance selects to provide electronic personal health records under Laws 2007, chapter 148, article 2, section 78, must meet the following criteria:

(1) be interoperable and compliant with the ASTM International's Continuum of Care Record standards and the Continuity of Care Document standards;

(2) provide consumer-owned records that are portable among plans, employers, and providers;

(3) not be tethered to or affiliated with a specific health plan or provider;

(4) support management, storing, and sharing of complete health history information, including but not limited to, medical conditions, medication history, surgeries, medical procedures, immunizations, lab results, radiology reports, health directives, and other medical records;

(5) provide employees the ability to share their health data electronically with health providers and others and give them flexibility and control over which specific health data is shared;

(6) enable each employee to manage multiple personal health record accounts for family members under the employee's account;

(7) provide a range of consumer engagement and decision support tools, such as online provider directories and health care cost management tools;

(8) support integration of third-party applications, such as health risk assessments and wellness and incentive programs; and

(9) provide that participation in the system is voluntary for each employee.

(b) The commissioner of finance must contract with a vendor that demonstrates the following:

(1) a plan and ability to provide Minnesota consumers access to data on prescription history, immunizations, lab and radiology results, and other medical records;

(2) an ability to provide online consumer-owned health records to all Minnesotans;

(3) a plan to serve rural and underserved communities; and

(4) a commitment to providing Minnesota-based staff for onsite assistance in planning and participation in securing and integrating health data from multiple sources for consumers.

(c) The selected system must not permit ad-serving cookies, tracking of clicked links, and server log commercial data mining without the express consent of the consumer. The selected system must require the same privacy terms for all linked services and must not share aggregate, de-identified information without express consent from the consumer.

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

Sec. 81. **COLOCATION REPORT.**

The Management Analysis Division of the Department of Finance must study and report to the legislature by January 15, 2010, on possible colocation of the offices of the Council on Black Minnesotans, the Council on Affairs of Chicano/Latino People, the Council on Asian-Pacific Minnesotans, and the metropolitan area office of the Indian Affairs Council. The report must include analysis of potential cost savings, when those savings could be realized, and the effect of potential colocation on operations of the councils.

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

Sec. 82. **NO TRANSFER OF EQB DUTIES OR STAFF.**

During the biennium ending June 30, 2011, the executive branch may not use authority under Minnesota Statutes, section 16B.37 or any other authority to transfer powers, duties, or personnel associated with the Environmental Quality Board.

Sec. 83. **ACCOUNTING AND PROCUREMENT SYSTEMS.**

The commissioner of finance must consult with the chairs of the house of representatives Ways and Means Committee and senate Finance Committee before encumbering any funds appropriated for use on or after July 1, 2009, for the planning, development, and implementation of state accounting or procurement systems. No funds appropriated for these purposes may be spent unless the commissioner certifies that the systems will include an application programming interface that allows public access to the system's underlying data on state contracts, appropriations, and expenditures using an open format. In developing the public access system, the commissioner

must consult with the commissioner of administration and the director of the Office of Enterprise Technology to ensure that the design and operation of the system are done in compliance with Minnesota Statutes, chapter 13, Minnesota Statutes, section 138.17, and other laws governing data practices, including but not limited to, ensuring that government data in the system are easily accessible for convenient use by the public, ensuring that only public data are placed on the Web site, and preparing and following retention schedules for data in the system.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 84. **RACING LICENSE FEE RATIFICATION.**

The license fees in Minnesota Rules, part 7877.0120, are ratified by this act.

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

Sec. 85. **TECHNOLOGY LEASE-PURCHASE AUTHORIZATION.**

Subdivision 1. **Lease-purchase agreements.** The commissioner of finance shall enter into one or more lease-purchase agreements as defined in Minnesota Statutes, section 16A.81, to finance the two projects in subdivisions 2 and 3.

Subd. 2. **Replacement of state's accounting and procurement systems.** Proceeds of lease-purchase agreements and the issuance and sale of related certificates of participation are appropriated to the commissioner of finance for development and implementation of a new statewide accounting and procurement system.

Subd. 3. **Completion of integrated tax system.** Proceeds of lease-purchase agreements and the issuance and sale of related certificates of participation are appropriated to the commissioner of revenue for completing the purchase and implementation of an integrated tax software package.

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

Sec. 86. **LRT MITIGATION IMPACTS IN CAPITOL AREA.**

The Metropolitan Council must include mitigation of impacts in the Capitol Area not addressed in the project baseline in preliminary engineering and the final design for the Central Corridor Light Rail Transit Line. The Metropolitan Council must include the construction of mitigation elements not addressed in the project baseline in the Central Corridor Light Rail Transit bid packages as add-alternates. Proceeding with construction of these add-alternates will be subject to availability of an appropriation in the 2010 legislative session for this purpose. The Capitol Area Architectural and Planning Board and the Department of Administration, in consultation with the Metropolitan Council, shall determine impacts not addressed in the project baseline that require mitigation. By January 15, 2010, the Metropolitan Council must report to the chairs of the house of representatives Capital Investment Finance Division, the senate Capital Investment committee, and the house of representatives and senate Finance and Transportation Committees the estimated cost to mitigate the impacts not addressed in the project baseline.

Sec. 87. **ENTERPRISE REAL PROPERTY CONTRIBUTIONS.**

On or before June 1, 2009, the commissioner of administration shall determine the amount to be contributed by each executive agency to maintain the enterprise real property technology system for the fiscal year 2010 and fiscal year 2011 biennium. On or before June 15, 2009, each executive agency shall enter into an agreement with the commissioner of administration setting forth the manner in which the executive agency shall make its contribution to the enterprise real property system, either from uncommitted fiscal year 2009 funds or by contributing from fiscal

year 2010 and fiscal year 2011 funds to the real property enterprise system and services account to fund the total amount of \$1,688,000 for the biennium. Funds contributed under this section must be credited to the enterprise real property technology system and services account.

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

Sec. 88. **RENTAL COST SAVINGS.**

The commissioner of administration must report to the legislature by January 15, 2010, on savings in state agency costs for rental space in state-owned and state-leased buildings that can be achieved by expected decreases in agency complement and that could be achieved by encouraging or requiring increased telecommuting by state employees. The report must estimate savings by agency and by fund, and must estimate when these savings can be realized.

Sec. 89. **TRANSFER OF ASSETS, EMPLOYEES, EQUIPMENT, AND SUPPLIES.**

The existing funds, assets, employees, equipment, and supplies of the Land Management Information Center are transferred to the Minnesota Geospatial Information Office according to Minnesota Statutes, section 15.039.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 90. **INFORMATION TECHNOLOGY STUDY.**

The chief information officer of the Office of Enterprise Technology, in consultation with heads of other executive agencies, must report to the legislature by January 15, 2010, on a plan to transfer from other state agencies to the Office of Enterprise Technology state employees whose work primarily relates to development, upgrading, replacement, problem resolution, or maintenance of state data centers, system software, data networks, and office systems. The report must include an estimate of the number of employees who would be transferred, an estimate of enterprise costs savings, an analysis of potential improvements in operations, and a proposed transition plan and schedule. This section does not apply to the Minnesota State Colleges and Universities or to employees of constitutional offices.

Sec. 91. **REVISOR'S INSTRUCTION.**

In the next edition of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall substitute the term "Land Management Information Center" with the term "Minnesota Geospatial Information Office," wherever they appear in Minnesota Statutes and Minnesota Rules.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 92. **REVISOR'S INSTRUCTION.**

In the next and subsequent edition of Minnesota Statutes, the revisor of statutes must delete the word "Tennessee" from the headnote of Minnesota Statutes, section 13.04, subdivision 2; must delete the word "Lessard" from Minnesota Statutes, section 97A.056, and other places in Minnesota Statutes where this word appears; and must delete the words "Douglas J. Johnson" from Minnesota Statutes, sections 298.291 to 298.298.

Sec. 93. **REPEALER.**

(a) Minnesota Statutes 2008, sections 16C.046; and 645.44, subdivision 19, are repealed.

(b) Minnesota Statutes 2008, section 4A.05, is repealed.

(c) Minnesota Statutes 2008, section 116G.151, is repealed.

(d) Minnesota Statutes 2008, section 240A.08, is repealed.

ARTICLE 3

SECRETARY OF STATE

Section 1. [5.001] DEFINITIONS.

Subdivision 1. **Applicability.** As used in this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Business entity.** "Business entity" means an organization that is formed under chapters 300, 301, 302A, 303, 308, 308A, 308B, 315, 317, 317A, 318, 319, 319A, 321, 322A, 322B, 323, or 323A and that has filed documents with the secretary of state.

Subd. 3. **Business entity filings.** "Business entity filings" means any filing from a business entity and also includes filings made under chapter 333.

Subd. 4. **Bulk data.** "Bulk data" means data that has commercial value and is a substantial or discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system.

Sec. 2. [5.002] E-MAIL ADDRESSES.

The secretary of state is authorized to provide a field on each of the forms and on each online entry screen, used to file business entity filings, Uniform Commercial Code records, and central notification system filings, for the collection of an e-mail address to which the secretary of state can forward official notices required by law and other notices to the business entity, assumed name, or the person filing the uniform commercial code or central notification system record. The e-mail address may be updated by or on behalf of the business entity by sending a notification of the change to the secretary of state. No fee shall be charged for an e-mail address update. If requested by the business entity, the e-mail address provided to the secretary of state pursuant to this section must not be provided as bulk data.

EFFECTIVE DATE. This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 3. Minnesota Statutes 2008, section 5.12, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The secretary of state shall charge a fee of \$5 for each certificate or certification of a copy or electronically transmitted image of any document filed in the Office of the Secretary of State. The secretary of state shall charge a fee of \$3 for a copy or electronically transmitted image of an original ~~filing of a corporation, limited partnership, assumed name, or trade or service mark business entity filing.~~ The secretary of state shall charge a fee of \$3 for a copy of ~~any or all each subsequent filings of a corporation, limited partnership, assumed name, or trade or service mark business entity filing.~~ The secretary of state shall charge a fee of \$1 ~~per page for copies~~ \$3 for a copy of ~~any other nonuniform commercial code documents~~ document filed with the secretary of state. At the time of filing, the secretary of state may provide at the public counter, without charge, a copy of a filing, ten or fewer pages in length, to the person making the filing.

EFFECTIVE DATE. This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 4. Minnesota Statutes 2008, section 5.29, is amended to read:

5.29 BULK AGENT NAME AND ADDRESS CHANGES GLOBAL FILINGS.

~~The filing fee charged for filing an amendment is charged for each document filed.~~ (a) When a registered agent for multiple business entities files an instrument that changes its name or office address pursuant to sections 302A.123, subdivision 3; 303.10; 308A.025, subdivision 5; 317A.123, subdivision 3; 318.02; and 322B.135, subdivision 3; and chapters 321; 323; and 323A, but the cumulative fee shall not exceed \$10,000 for entities governed by the provisions of chapters 302A, 303, 308A, 317A, 318, 322A, 322B, 323, and 323A, the change for each business entity must be filed online as a separate transaction, and a separate filing fee charged.

(b) When a secured party wishes to file an amendment to a financing statement making a change in secured party or debtor name and address information, each amendment must be filed online as a separate transaction and a separate filing fee charged.

EFFECTIVE DATE. This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 5. Minnesota Statutes 2008, section 5.32, is amended to read:

5.32 TEMPORARY TECHNOLOGY SURCHARGE.

Subdivision 1. **Surcharge.** For fiscal years 2008 ~~and~~ 2009, 2010, and 2011, the following technology surcharges are imposed on the filing fees required under the following statutes:

- (1) \$25 for articles of incorporation filed under section 302A.151;
- (2) \$25 for articles of organization filed under section 322B.17;
- (3) \$25 for applications for certificates of authority to transact business in Minnesota filed under section 303.06;
- (4) \$20 for annual reports filed by non-Minnesota corporations under section 303.14; and
- (5) \$50 for reinstatements to authority to transact business in Minnesota filed under section 303.19.

Subd. 2. **Deposit.** The surcharges listed in subdivision 1 shall be deposited into the uniform commercial code account.

Subd. 3. **Expiration.** This section expires June 30, ~~2009~~ 2011.

EFFECTIVE DATE. The amendments to this section are effective the day following final enactment.

Sec. 6. **[5.34] ANNUAL RENEWAL FILINGS.**

Any business registered with the secretary of state required to file an annual renewal in order to maintain its active status, good standing, or existence under Minnesota Statutes shall file that renewal, whether online or otherwise, in a format that states:

- (1) the name in Minnesota of the organization for which the renewal is filed;
- (2) the name of the organization in the jurisdiction in which it is organized, if different;

(3) the address of the registered office or designated office and the name of the registered agent of the organization for service of process, if any;

(4) the jurisdiction in which the organization is organized, if that jurisdiction is not Minnesota;

(5) the name and business address of the officer or other person exercising the principal functions of the president of a nonprofit corporation, manager of a limited liability company, or chief executive officer of a corporation or cooperative;

(6) the address of the principal executive office of a domestic business corporation or of a limited liability company or the principal place of business of a cooperative, if different from the registered office address;

(7) the address of the designated office and the name, street, and mailing address of the agent for service of process in Minnesota of a limited partnership or foreign limited partnership;

(8) the street and mailing address of the principal office of a limited partnership;

(9) the street and mailing address of the chief executive office of a partnership and, if different, the street address of an office of a partnership in Minnesota, if any;

(10) the name, street, mailing address, and telephone number of an individual who may be contacted for purposes other than services of process on behalf of a limited partnership or a limited liability partnership, if the agent for the limited liability partnership, limited partnership, or foreign limited partnership is not an individual; and

(11) the e-mail address of the organization to which notices from the secretary of state will be directed, if the organization has an e-mail address.

Sec. 7. Minnesota Statutes 2008, section 5A.06, is amended to read:

5A.06 COMPLAINTS.

The secretary of state may, upon receipt of a complaint regarding an international student exchange organization, report the matter to the organization involved, ~~the United States Information Agency, the Office of Exchange Coordination and Designation, United States Department of State,~~ or the Council on Standards for International Educational Travel, as the secretary of state considers appropriate. The secretary may also investigate complaints received to determine if the issue raised is limited to one high school or if there are more systemic problems with placements made by a particular organization. An organization's registration automatically terminates if the organization fails to remain in compliance with local, state, and federal statutes and regulations.

Sec. 8. Minnesota Statutes 2008, section 270C.63, subdivision 13, is amended to read:

Subd. 13. **Lien search fees.** Upon request of any person, the filing officer shall issue a certificate showing whether there is recorded in that filing office, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed on or after ten years before the date of the search certificate, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate shall be as provided by section 336.9-525 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of state lien, or notice or certificate affecting a state lien, for a fee of ~~50 cents~~ \$1 per page, except that after the effective date of section 5.12, subdivision 1, that section shall govern the fee charged by the secretary of state for a copy or electronically transmitted image.

Sec. 9. Minnesota Statutes 2008, section 302A.821, is amended to read:

302A.821 MINNESOTA CORPORATE REGISTRATION RENEWAL.

Subdivision 1. **Annual registration renewal.** (a) The secretary of state ~~must~~ may send annually to each corporation ~~at the registered office of the corporation a postcard, using the information provided by the corporation pursuant to section 5.002 or 5.34 or the articles of incorporation, a notice announcing the need to file the annual registration renewal and informing the corporation that the annual registration renewal may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual registration renewal will result in an administrative dissolution of the corporation.~~

(b) Each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, the corporation must file with the secretary of state by December 31 of each calendar year a registration renewal containing the information listed in subdivision 2.

Subd. 2. **Information required; manner of filing.** ~~The registration must include:~~ filing must be made pursuant to section 5.34.

~~(1) the name of the corporation;~~

~~(2) the address of its principal executive office, if different from the registered office address;~~

~~(3) the address of its registered office and the name of the registered agent, if any;~~

~~(4) the state of incorporation; and~~

~~(5) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the corporation.~~

Subd. 3. **Information public.** ~~The information required by subdivision 2 is public data. Chapter 13 does not apply to this information.~~

Subd. 4. **Penalty; reinstatement.** (a) A corporation that has failed to file a ~~registration pursuant to the requirements of subdivision 2~~ renewal complying with section 5.34 must be dissolved by the secretary of state as described in paragraph (b).

(b) If the corporation has not filed the registration renewal during any calendar year, the secretary of state must issue a certificate of administrative dissolution and the certificate must be filed in the Office of the Secretary of State. The secretary of state must make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 302A.781. The liability, if any, of the shareholders of a corporation dissolved in this manner shall be determined and limited in accordance with section 302A.557, except that the shareholders shall have no liability to any director of the corporation under section 302A.559, subdivision 2.

(c) After administrative dissolution, filing a registration renewal complying with section 5.34 and the \$25 fee with the secretary of state:

(1) returns the corporation to good standing as of the date of the dissolution;

(2) validates contracts or other acts within the authority of the articles, and the corporation is liable for those contracts or acts; and

(3) restores to the corporation all assets and rights of the corporation to the extent they were held by the corporation before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

Sec. 10. Minnesota Statutes 2008, section 303.14, is amended to read:

303.14 ANNUAL REPORT RENEWAL.

Subdivision 1. ~~Filed with secretary of state; contents~~ **Notice; filing.** Each calendar year beginning in the calendar year following the calendar year in which a corporation receives a certificate of authority to do business in Minnesota, the secretary of state ~~must mail by first class mail an annual registration form to the registered office of each corporation as shown on the records of the secretary of state. The form must include the following~~ may send to the corporation, using the information provided by the corporation pursuant to section 5.002 or 5.34 or the application for certificate of authority, a notice: announcing the need to file the annual renewal and informing the corporation that the annual renewal may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual renewal will result in an administrative dissolution or revocation of certificate of authority to do business in Minnesota.

~~"NOTICE: Failure to file this form by December 31 of this year will result in the revocation of the authority of this corporation to transact business in Minnesota without further notice from the secretary of state, pursuant to Minnesota Statutes, section 303.17."~~

The corporation will submit a \$115 fee with the annual ~~registration~~ renewal and will set forth on the form: the items required by section 5.34.

~~(1) the name of the corporation, and, if the corporation has designated an alternate name pursuant to section 303.05, subdivision 1, that alternate name;~~

~~(2) the name of the registered agent of the corporation in Minnesota;~~

~~(3) the address of its registered office;~~

~~(4) the state of incorporation; and~~

~~(5) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the corporation.~~

Sec. 11. Minnesota Statutes 2008, section 303.16, subdivision 4, is amended to read:

Subd. 4. **Approval; filing.** The application for withdrawal shall be delivered to the secretary of state. Upon receiving and examining the same, and upon finding that it conforms to the provisions of this chapter, the secretary of state shall, when all license fees, filing fees, and other charges other than the fee required by section 303.14 have been paid as required by law, file the same and shall issue and record a certificate of withdrawal. Upon the issuance of the certificate, the authority of the corporation to transact business in this state shall cease.

Sec. 12. Minnesota Statutes 2008, section 308A.995, is amended to read:

308A.995 PERIODIC REGISTRATION ANNUAL RENEWAL.

Subdivision 1. ~~Periodic registration in certain years~~ **Annual renewal.** Each cooperative governed by this chapter must file a ~~periodic registration~~ an annual renewal with the secretary of state in each ~~odd-numbered~~ calendar year following the calendar year in which the cooperative was incorporated. ~~In these years,~~ The secretary of state ~~must mail by first class mail a registration form to the registered office of each cooperative as shown on the records of the secretary of state, or if no such address is in the records, to the location of the principal place of business~~

~~shown on the records of the secretary of state. The form must include the following notice:~~ may send annually to the cooperative, using the information provided by the cooperative pursuant to section 5.002 or 5.34 or the articles of incorporation, a notice announcing the need to file the annual renewal and informing the cooperative that the annual renewal may be filed online and that paper filings may also be made, and informing the cooperative that failing to file the annual renewal will result in an administrative dissolution of the cooperative.

~~"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this cooperative without further notice from the secretary of state, pursuant to Minnesota Statutes, section 308A.995, subdivision 4, paragraph (b)."~~

Subd. 2. **Minnesota cooperative registration renewal form.** In each calendar year in which a ~~registration renewal~~ registration renewal is to be filed, a cooperative must file with the secretary of state ~~a registration an annual renewal~~ by December 31 of that calendar year containing: the items required by section 5.34.

~~(1) the name of the cooperative;~~

~~(2) the address of its registered office;~~

~~(3) the address of its principal place of business, if different from the registered office address; and~~

~~(4) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the cooperative.~~

~~Subd. 3. **Information public.** The information required by subdivision 1 is public data.~~

Subd. 4. **Penalty; dissolution.** (a) A cooperative that has failed to file a ~~registration renewal~~ registration renewal pursuant to the requirements of this section by December 31 of the calendar year for which the ~~registration renewal~~ registration renewal was required must be dissolved by the secretary of state as described in paragraph (b).

(b) If the cooperative has not filed the ~~registration renewal~~ registration renewal by December 31 of that calendar year, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the Office of the Secretary of State. The secretary of state must make available in an electronic format the names of the dissolved cooperatives. A cooperative dissolved in this manner is not entitled to the benefits of section 308A.981.

Subd. 5. **Reinstatement.** A cooperative may retroactively reinstate its existence by filing a single annual ~~registration renewal~~ registration renewal and paying a \$25 fee. Filing the annual ~~registration renewal~~ registration renewal with the secretary of state:

(1) returns the cooperative to active status as of the date of the dissolution;

(2) validates contracts or other acts within the authority of the articles, and the cooperative is liable for those contracts or acts; and

(3) restores to the cooperative all assets and rights of the cooperative and its shareholders or members to the extent they were held by the cooperative and its shareholders or members before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

EFFECTIVE DATE. This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 13. Minnesota Statutes 2008, section 308B.121, subdivision 1, is amended to read:

Subdivision 1. ~~Periodic registration in certain years~~ **Annual renewal.** Each cooperative governed by this chapter ~~and each foreign cooperative registered under section 308B.151~~ must file a ~~periodic registration~~ an annual renewal with the secretary of state ~~with the initial articles and any amendment of the articles in each odd-numbered calendar year after the calendar year in which the cooperative incorporated.~~ ~~In these years,~~ The secretary of state must mail by first class mail a registration form to the registered office of each cooperative and registered foreign cooperative as shown in the records of the secretary of state, or if no such address is in the records, to the location of the principal place of business shown in the records of the secretary of state. ~~For a cooperative, the form must include the following notice:~~ may send annually to each cooperative, using the information provided by the cooperative pursuant to section 5.002 or 5.34 or the articles of organization, a notice announcing the need to file the annual renewal and informing the cooperative that the annual renewal may be filed online and that paper filings may also be made, and informing the cooperative that failing to file the annual renewal will result in an administrative dissolution.

~~"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this cooperative without further notice from the secretary of state, under Minnesota Statutes, section 308B.121, subdivision 4, paragraph (b)."~~

For a foreign cooperative, the form must contain the following notice:

~~"NOTICE: Failure to file this form by December 31 of this year will result in the loss of good standing and the authority to do business in Minnesota."~~

EFFECTIVE DATE. This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 14. Minnesota Statutes 2008, section 308B.121, subdivision 2, is amended to read:

Subd. 2. **Registration Renewal form.** In each calendar year in which a ~~registration~~ renewal is to be filed, a cooperative must file with the secretary of state ~~a registration~~ by December 31 of that calendar year a renewal containing: the items required by section 5.34.

~~(1) the name of the cooperative;~~

~~(2) the address of its registered office;~~

~~(3) the address of its principal place of business, if different from the registered office address; and~~

~~(4) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the cooperative.~~

EFFECTIVE DATE. This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 15. Minnesota Statutes 2008, section 317A.823, is amended to read:

317A.823 ANNUAL CORPORATE REGISTRATION RENEWAL.

Subdivision 1. **Annual registration renewal.** (a) The secretary of state ~~must~~ may send annually to each corporation ~~at the registered office of the corporation,~~ using the information provided by the corporation pursuant to section 5.002 or 5.34 or the articles of incorporation, a ~~postcard~~ notice announcing the need to file the annual

~~registration renewal~~ and informing the corporation that the annual ~~registration renewal~~ may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual ~~registration renewal~~ will result in an administrative dissolution of the corporation.

(b) Each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, a corporation must file with the secretary of state by December 31 of each calendar year a registration containing the information ~~listed in paragraph (e) required by section 5.34.~~

~~(e) The registration must include:~~

~~(1) the name of the corporation;~~

~~(2) the address of its registered office;~~

~~(3) the name of its registered agent, if any; and~~

~~(4) the name and business address of the officer or other person exercising the principal functions of president of the corporation.~~

Subd. 2. **Penalty.** (a) A corporation that has failed to file a ~~registration renewal~~ pursuant to ~~the requirements of~~ subdivision 1 must be dissolved by the secretary of state as described in paragraph (b).

(b) If the corporation has not filed the delinquent ~~registration renewal~~, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the Office of the Secretary of State. The secretary of state must also make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 317A.781.

Sec. 16. Minnesota Statutes 2008, section 321.0206, is amended to read:

321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF STATE; EFFECTIVE TIME AND DATE.

(a) A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, be in a medium permitted by the secretary of state, and be delivered to the secretary of state. Unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, and if the appropriate filing fees have been paid, the secretary of state shall file the record and:

(1) for a statement of dissociation, send:

(A) a copy of the filed statement to the person which the statement indicates has dissociated as a general partner; and

(B) a copy of the filed statement to the limited partnership;

(2) for a statement of withdrawal, send:

(A) a copy of the filed statement to the person on whose behalf the record was filed; and

(B) if the statement refers to an existing limited partnership, a copy of the filed statement to the limited partnership; and

(3) for all other records, send a copy of the filed record to the person on whose behalf the record was filed.

(b) Upon request and payment of a fee, the secretary of state shall send to the requester a certified copy of the requested record.

(c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Except as otherwise provided in this chapter, a record filed by the secretary of state is effective:

(1) if the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed as evidenced by the secretary of state's endorsement of the date and time on the record;

(2) if the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record;

(3) if the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed; or

(4) if the record specifies an effective time and a delayed effective date, at the specified time on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed.

(d) The appropriate fees for filings under this chapter are:

(1) for filing a certificate of limited partnership, \$100;

(2) for filing an amended certificate of limited partnership, \$50;

(3) for filing a name reservation for a limited partnership name, \$35;

~~(3)~~ (4) for filing any other record, other than the annual ~~report renewal~~ required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing, ~~\$35~~ 50;

~~(4)~~ (5) for filing a certificate requesting authority to transact business in Minnesota as a foreign limited partnership, ~~\$85~~ 100;

~~(5)~~ (6) for filing an application of reinstatement, \$25;

~~(6)~~ (7) for filing a name reservation for a foreign limited partnership name, \$35; and

~~(7)~~ (8) for filing any other record, other than the annual ~~report renewal~~ required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing on a foreign limited partnership authorized to transact business in Minnesota, \$50.

Sec. 17. Minnesota Statutes 2008, section 321.0210, is amended to read:

321.0210 ANNUAL ~~REPORT~~ RENEWAL FOR SECRETARY OF STATE.

(a) Subject to subsection (b):

(1) in each calendar year following the calendar year in which a limited partnership becomes subject to this chapter, the limited partnership must deliver to the secretary of state for filing an annual ~~registration~~ renewal containing the information required by subsection (c); and

(2) in each calendar year following the calendar year in which there is first on file with the secretary of state a certificate of authority under section 321.0904 pertaining to a foreign limited partnership, the foreign limited partnership must deliver to the secretary of state for filing an annual ~~registration~~ renewal containing the information required by subsection (c).

(b) A limited partnership's obligation under subsection (a) ends if the limited partnership delivers to the secretary of state for filing a statement of termination under section 321.0203 and the statement becomes effective under section 321.0206. A foreign limited partnership's obligation under subsection (a) ends if the secretary of state issues and files a certificate of revocation under section 321.0906 or if the foreign limited partnership delivers to the secretary of state for filing a notice of cancellation under section 321.0907(a) and that notice takes effect under section 321.0206. If a foreign limited partnership's obligations under subsection (a) end and later the secretary of state files, pursuant to section 321.0904, a new certificate of authority pertaining to that foreign limited partnership, subsection (a)(2), again applies to the foreign limited partnership and, for the purposes of subsection (a)(2), the calendar year of the new filing is treated as the calendar year in which a certificate of authority is first on file with the secretary of state.

(c) The annual ~~registration~~ renewal must contain: the items required by section 5.34.

~~(1) the name of the limited partnership or foreign limited partnership;~~

~~(2) the address of its designated office and the name and street and mailing address of its agent for service of process in Minnesota and, if the agent is not an individual, the name, street and mailing address, and telephone number of an individual who may be contacted for purposes other than service of process with respect to the limited partnership;~~

~~(3) in the case of a limited partnership, the street and mailing address of its principal office; and~~

~~(4) in the case of a foreign limited partnership, the name of the state or other jurisdiction under whose law the foreign limited partnership is formed and any alternate name adopted under section 321.0905(a).~~

(d) The secretary of state shall:

(1) administratively dissolve under section 321.0809 a limited partnership that has failed to file a ~~registration~~ renewal pursuant to subsection (a); and

(2) revoke under section 321.0906 the certificate of authority of a foreign limited partnership that has failed to file a ~~registration~~ renewal pursuant to subsection (a).

Sec. 18. Minnesota Statutes 2008, section 321.0810, is amended to read:

321.0810 REINSTATEMENT FOLLOWING ADMINISTRATIVE DISSOLUTION.

(a) A limited partnership that has been administratively dissolved or a foreign limited partnership that has had its certificate of authority revoked may apply to the secretary of state for reinstatement ~~reinstated~~ after the effective date of dissolution. The application To reinstate, the annual renewal required by section 5.34 must be delivered to the secretary of state for filing and state: with the reinstatement fee of \$25.

- ~~(1) the name of the limited partnership and the effective date of its administrative dissolution;~~
- ~~(2) that the grounds for dissolution either did not exist or have been eliminated; and~~
- ~~(3) that the limited partnership's name satisfies the requirements of section 321.0108.~~

~~The application must also include any documents that were required to be delivered for filing to the secretary of state but which were not so delivered.~~

(b) If the secretary of state determines that ~~an application~~ an annual renewal contains the information required by subsection (a) and that the information is correct and ~~the application includes~~ is accompanied by the appropriate fee, the secretary of state shall file the ~~reinstatement application and serve the limited partnership with a copy~~ renewal and reinstate the limited partnership or foreign limited partnership.

(c) When reinstatement becomes effective, it relates back to and takes effect as of the effective date of the administrative dissolution or revocation and the limited partnership may resume its activities as if the administrative dissolution or revocation had never occurred, except that for the purposes of section 321.0103(c) and (d) the reinstatement is effective only as of the date the reinstatement is filed.

Sec. 19. Minnesota Statutes 2008, section 322B.960, is amended to read:

322B.960 ANNUAL REGISTRATION RENEWAL.

Subdivision 1. **Annual registration renewal form.** (a) The secretary of state ~~must~~ may send annually to each limited liability company ~~at the registered office of the corporation a postcard, using the information provided by the limited liability company pursuant to section 5.002 or 5.34 or the articles of organization, a notice announcing the need to file the annual registration renewal and informing the limited liability company that the annual registration renewal may be filed online and that paper filings may also be made, and informing the limited liability company that failing to file the annual registration renewal will result in an administrative termination of the limited liability company or the revocation of the authority of the limited liability company to do business in Minnesota.~~

(b) Each calendar year beginning in the calendar year following the calendar year in which a limited liability company files articles of organization, a limited liability company must file with the secretary of state by December 31 of each calendar year a registration renewal containing the ~~information listed in subdivision 2~~ items required by section 5.34.

Subd. 2. ~~Information required; fees.~~ The registration ~~must include:~~

~~(1) the name of the limited liability company or the name under which a foreign limited liability company has registered in this state;~~

~~(2) the address of its principal executive office, if different from the registered address;~~

~~(3) the address of its registered office;~~

~~(4) the name of its registered agent, if any;~~

~~(5) the state or jurisdiction of organization; and~~

~~(6) the name and business address of the manager or other person exercising the principal functions of the chief manager of the limited liability company.~~

Subd. 4. **Penalty.** (a) A domestic limited liability company that has not filed a registration renewal pursuant to ~~the requirements of subdivision 2, this section~~ is administratively terminated. The secretary of state shall issue a certificate of administrative termination which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the terminated limited liability companies.

(b) A non-Minnesota limited liability company that has not filed a registration renewal pursuant to ~~the requirements of subdivision 2, this section~~ shall have its authority to do business in Minnesota revoked. The secretary of state must issue a certificate of revocation which must be filed in the Office of the Secretary of State. The secretary of state must also make available in an electronic format the names of the revoked non-Minnesota limited liability companies.

Subd. 5. **Reinstatement.** If a limited liability company is administratively terminated or has its authority to do business in Minnesota revoked, it may retroactively reinstate its existence or authority to do business by filing a single annual registration renewal and paying a \$25 fee.

(a) For a domestic limited liability company, filing the annual registration renewal with the secretary of state:

(1) returns the limited liability company to active status as of the date of the administrative termination;

(2) validates contracts or other acts within the authority of the articles, and the limited liability company is liable for those contracts or acts; and

(3) restores to the limited liability company all assets and rights of the limited liability company and its members to the extent they were held by the limited liability company and its members before the administrative termination occurred, except to the extent that assets or rights were affected by acts occurring after the termination, sold, or otherwise distributed after that time.

(b) For a non-Minnesota limited liability company, filing the annual registration renewal restores the limited liability company's ability to do business in Minnesota and the rights and privileges which accompany that authority.

Sec. 20. Minnesota Statutes 2008, section 323A.1003, is amended to read:

323A.1003 ANNUAL REGISTRATION RENEWAL.

(a) Each calendar year beginning in the calendar year following the calendar year in which a partnership files a statement of qualification or in which a foreign partnership becomes authorized to transact business in this state, the secretary of state ~~must mail by first class mail an annual registration form to the street address of the partnership's chief executive office, if located in Minnesota, the office in this state, if the chief executive office is not located in Minnesota, or address of the registered agent of the partnership as shown on the records of the secretary of state when the chief executive office is not located in Minnesota and no other Minnesota office exists~~ may send annually to the partnership or foreign partnership, using the information provided by the limited liability partnership pursuant to section 5.002 or 5.34 or the limited liability partnership statement of qualification, a notice. The ~~form must include the following notice:~~ will announce the need to file the annual renewal and will inform the partnership or foreign partnership that the annual renewal may be filed online and that paper filings may also be made and that "NOTICE: failure to file this form the notice by December 31 of this year will result in the revocation of the statement of qualification of this limited liability partnership, without further notice from the secretary of state pursuant to Minnesota Statutes, section 323A.1003, subsection (d)."

(b) A limited liability partnership, and a foreign limited liability partnership authorized to transact business in this state, shall file an annual registration renewal in the office of the secretary of state which contains: the information required by section 5.34.

~~(1) the name of the limited liability partnership and the state or other jurisdiction under whose laws the foreign limited liability partnership is formed;~~

~~(2) the street address, including the zip code, of the partnership's chief executive office and, if different, the street address, including the zip code, of an office of the partnership in this state, if any;~~

~~(3) if the partnership does not have an office in this state, the name and street address, including the zip code, of the partnership's current agent for service of process; and~~

~~(4) if the agent for service of process under clause (3) is not an individual, the name, street address, and telephone number of an individual who may be contacted for purposes other than service of process with respect to the limited liability partnership.~~

(c) An annual ~~registration~~ renewal must be filed once each calendar year beginning in the year following the calendar year in which a partnership files a statement of qualification or a foreign partnership becomes authorized to transact business in this state.

(d) The secretary of state must revoke the statement of qualification of a partnership that fails to file an annual ~~registration~~ renewal when due or pay the required filing fee. The secretary of state must issue a certificate of revocation which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the revoked limited liability companies.

(e) A revocation under subsection (d) only affects a partnership's status as a limited liability partnership and is not an event of dissolution of the partnership.

(f) A partnership whose statement of qualification has been revoked may apply to the secretary of state for reinstatement ~~within one year after the effective date of the revocation~~. A partnership must file an annual ~~registration~~ renewal to apply for reinstatement and pay a reinstatement fee of ~~\$135~~ \$160.

(g) A reinstatement under subsection (f) relates back to and takes effect as of the effective date of the revocation, and the partnership's status as a limited liability partnership continues as if the revocation had never occurred.

Sec. 21. Minnesota Statutes 2008, section 333.055, is amended to read:

333.055 TERM OF CERTIFICATE.

Subdivision 1. **Application and renewal.** Filing of a certificate hereunder shall be effective ~~for a term of ten years from the date of filing and upon application filed within the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, upon filing and shall remain in effect as long as an annual renewal for the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal. is filed in each calendar year following the calendar year in which the original filing was filed. The certificate expires in the calendar year following a calendar year in which the annual renewal was not filed. Notice of the annual renewal requirement must be provided to the person or entity submitting the certificate at the time of the original filing.~~

~~The secretary of state shall notify each business holding a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the business at least six months prior to the certificate's expiration date.~~

Assumed name certificates on file with the secretary of state upon the effective date of this section are exempt from the renewal requirements of this section until the expiration of the original ten-year term.

Subd. 2. ~~**Existing certificates Reinstatement.** Any assumed name certificate of record in the district courts and in force on July 1, 1978 shall continue in force without the necessity of another filing under section 333.01 until July 31, 1979, at which time all such certificates shall expire unless renewed as hereinafter provided. Any certificate may be renewed by filing an application with the secretary of state on a form prescribed by the secretary and paying the renewal fee prescribed by subdivision 3 within the six month period prior to the expiration of the certificate that expires as a result of failing to file the annual renewal may be reinstated by filing the annual renewal with the \$25 reinstatement fee.~~

Subd. 2a. **Annual renewal; contents.** The annual renewal filed under subdivision 1 must include the assumed name and the address of the principal place of business.

Subd. 3. **Fees.** The secretary of state shall charge and collect: a fee of \$30 for each filing submitted with respect to an assumed name except for the annual renewal, for which no fee will be charged.

~~(a) for the filing of each certificate or amended certificate of an assumed name —\$25;~~

~~(b) certificate renewal fee —\$25.~~

Subd. 4. **Secretary of state duties.** The secretary of state shall accept for filing all certificates and renewals thereof which comply with the provisions of sections 333.001 to 333.06 and which are accompanied by the prescribed fees, notwithstanding the fact that the assumed name disclosed therein may not be distinguishable from one or more other assumed names already filed with the secretary of state. The secretary of state shall not accept for filing a certificate that discloses an assumed name that is not distinguishable from a corporate, limited liability company, limited liability partnership, cooperative, or limited partnership name in use or reserved in this state by another or a trade or service mark registered with the secretary of state, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of nonuser of the kind required by section 302A.115, subdivision 1, clause (d). The secretary of state shall determine whether a name is distinguishable from another name for purposes of this subdivision.

EFFECTIVE DATE; APPLICATION. The amendments to this section are effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section, and the amendments to this section apply to all existing and new assumed name certificates on and after that date.

Sec. 22. Minnesota Statutes 2008, section 336A.04, subdivision 3, is amended to read:

Subd. 3. **Fees.** The fee for filing and indexing a standard form or format for a lien notice, effective financing statement, or continuation statement, and stamping the date and place of filing on a copy of the filed document furnished by the filing party is \$15 until June 30, 2005. ~~Effective July 1, 2005, the fee for each filing will be as follows:~~

(1) \$20 for each effective financing statement and \$15 for each lien notice or other filing made through the Web interface of the Office of the Secretary of State; and

(2) \$25 for each effective financing statement and \$20 for each lien notice or other filing submitted in any other manner; and

(3) no fee will be charged for filing a termination statement.

Filing fees collected by a satellite office must be deposited in the general fund of the county in which the satellite office is located.

Sec. 23. Minnesota Statutes 2008, section 336A.09, subdivision 2, is amended to read:

Subd. 2. **Searches; fees.** (a) If a person makes a request, the filing officer shall conduct a search of the computerized filing system for effective financing statements or lien notices and statements of continuation of a particular debtor. The filing officer shall produce a report including the date, time, and results of the search by issuing:

(1) a listing of the file number, date, and hour of each effective financing statement found in the search and the names and addresses of each secured party on the effective financing statements or of each lien notice found in the search and the names and address of each lienholder on the lien notice; or

(2) upon request, both the report and photocopies of the effective financing statements or lien notices.

(b) The uniform fee for conducting a search and for preparing a report is \$20 per debtor name. ~~If an oral or facsimile response is requested, there is an additional fee of \$5 per debtor name requested.~~ A fee of \$1 per page as set by section 5.12 will be charged for photocopies of effective financing statements, lien notices, continuation statements, or termination statements.

(c) Search fees collected by a satellite office must be deposited in the general fund of the county where the satellite office is located.

Sec. 24. Minnesota Statutes 2008, section 359.01, subdivision 3, is amended to read:

Subd. 3. **Fees.** (a) When making application for a commission the applicant must submit, along with the information required by the secretary of state, a nonrefundable fee of \$40.

(b) All fees shall be retained by the secretary of state and are nonreturnable, except ~~that~~ for an overpayment of a fee ~~is the subject of a refund upon proper application.~~

Delete the title and insert:

"A bill for an act relating to state government finance; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; enhancing state financial management and internal controls; implementing procedures for dealing with false claims made involving state funds or property; requiring Web site with searchable database on state expenditures; establishing technology development lease-purchase financing; creating the Minnesota Geospatial Information Office; establishing a preference for service-disabled veteran-owned small businesses on state procurement contract bid solicitations; establishing a statewide electronic licensing system; creating the management analysis revolving fund; modifying provisions on use of property in certain areas; requiring state institutions in the colleges and university system to prepare a residential housing list for use in election day registration; modifying provisions for small business contracts; modifying voter registration provisions; allowing municipalities to participate in the state's cooperative purchasing; setting standards on use of state employees' electronic personal health records; prohibiting transfer of Environmental Quality Board duties or staff; requiring LRT mitigation impacts in the capitol area; transferring duties and staff from Land Management Information Center to Minnesota Geospatial Information Office; modifying provisions for secretary of state duties; requiring reports; establishing penalties; appropriating money; amending Minnesota Statutes 2008, sections 3.97, by adding a subdivision; 3.971, subdivision 6; 3.975; 4A.02; 5.12, subdivision 1; 5.29; 5.32; 5A.03; 5A.06; 10.43; 10.60, subdivision 2, by adding a subdivision; 10A.31, subdivision 4; 11A.07, subdivision 4; 13.64; 16A.055, subdivision 1, by adding a subdivision; 16A.11, by adding a subdivision; 16A.126, subdivision 1; 16A.133, subdivision 1; 16A.139; 16A.152, by adding a subdivision; 16B.24, by adding subdivisions; 16B.54, subdivision 2; 16C.16, by adding a subdivision; 16C.19; 16C.20; 43A.02, by adding a subdivision; 43A.1815; 43A.24, subdivision 1; 43A.49; 116G.15; 135A.17, subdivision 2; 161.321; 201.061,

subdivisions 1, 3; 201.071, subdivision 1; 201.091, by adding a subdivision; 211B.37; 270C.63, subdivision 13; 302A.821; 303.14; 303.16, subdivision 4; 308A.995; 308B.121, subdivisions 1, 2; 317A.823; 321.0206; 321.0210; 321.0810; 322B.960; 323A.1003; 333.055; 336A.04, subdivision 3; 336A.09, subdivision 2; 359.01, subdivision 3; 471.345, subdivision 15; 473.142; Laws 2005, chapter 156, article 2, section 45, as amended; Laws 2005, chapter 162, section 34, subdivision 2; Laws 2007, chapter 131, article 2, section 22; Laws 2007, chapter 148, article 2, section 79; proposing coding for new law in Minnesota Statutes, chapters 3; 4; 5; 10; 15B; 16A; 16B; 16E; 43A; 116G; 270C; proposing coding for new law as Minnesota Statutes, chapter 15C; repealing Minnesota Statutes 2008, sections 4A.05; 16C.046; 116G.151; 240A.08; 645.44, subdivision 19."

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 2083, A bill for an act relating to higher education; classifying data; amending postsecondary education provisions; setting deadlines; allowing certain advertising; establishing the Minnesota P-20 education partnership; regulating course equivalency guides; requiring notice to prospective students; requiring lists of enrolled students; amending Minnesota Office of Higher Education responsibilities; establishing programs; defining terms; regulating grants, scholarships, and work-study; requiring an annual certificate; regulating certain board membership provisions; requiring job placement impact reviews; regulating oral health care practitioner provisions; establishing fees; providing criminal penalties; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 13.3215; 124D.09, subdivision 9; 135A.08, subdivision 1; 135A.17, subdivision 2; 135A.25, subdivision 4; 136A.08, subdivision 1, by adding a subdivision; 136A.101, subdivision 5a; 136A.121, by adding subdivisions; 136A.127, subdivisions 2, 4, 9, 10, 12, 14, by adding a subdivision; 136A.1701, subdivision 10; 136A.87; 136F.02, subdivision 1; 136F.03, subdivision 4; 136F.04, subdivision 4; 136F.045; 136F.19, subdivision 1; 136F.31; 137.0245, subdivision 2; 137.0246, subdivision 2; 137.025, subdivision 1; 150A.01, by adding subdivisions; 150A.05, subdivision 2, by adding subdivisions; 150A.06, subdivisions 2d, 5, 6, by adding subdivisions; 150A.08, subdivisions 1, 3a, 5; 150A.09, subdivisions 1, 3; 150A.091, subdivisions 2, 3, 5, 8, 10; 150A.10, subdivisions 1, 2, 3, 4; 150A.11, subdivision 4; 150A.12; 150A.21, subdivisions 1, 4; 151.01, subdivision 23; 151.37, subdivision 2; 201.061, subdivision 3; 299A.45, subdivision 1; Laws 2007, chapter 144, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 127A; 135A; 136A; 136F; 150A; repealing Minnesota Statutes 2008, sections 136A.127, subdivisions 8, 13; 150A.061.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

Subdivision 1. Summary by fund. The amounts shown in this section summarize direct appropriations, by fund, made in this article.

| | <u>2010</u> | <u>2011</u> | <u>Total</u> |
|-----------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>General</u> | <u>\$1,388,543,000</u> | <u>\$1,383,285,000</u> | <u>\$2,771,828,000</u> |

| | | | |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Health Care Access</u> | <u>2,157,000</u> | <u>2,157,000</u> | <u>4,314,000</u> |
| <u>Federal Stabilization</u> | <u>180,920,000</u> | <u>180,920,000</u> | <u>361,840,000</u> |
| <u>Total</u> | <u>\$1,571,620,000</u> | <u>\$1,566,362,000</u> | <u>\$3,137,982,000</u> |

Subd. 2. **Summary by agency - all funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

| | <u>2010</u> | <u>2011</u> | <u>Total</u> |
|---|-------------------------------|-------------------------------|-------------------------------|
| <u>Minnesota Office of Higher Education</u> | <u>\$195,358,000</u> | <u>\$190,049,000</u> | <u>\$385,407,000</u> |
| <u>Board of Trustees of the Minnesota State Colleges and Universities</u> | <u>665,883,000</u> | <u>665,883,000</u> | <u>1,331,766,000</u> |
| <u>Board of Regents of the University of Minnesota</u> | <u>709,079,000</u> | <u>709,079,000</u> | <u>1,418,158,000</u> |
| <u>Mayo Medical Foundation</u> | <u>1,300,000</u> | <u>1,351,000</u> | <u>2,651,000</u> |
| <u>Total</u> | <u>\$1,571,620,000</u> | <u>\$1,566,362,000</u> | <u>\$3,137,982,000</u> |

Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

APPROPRIATIONS
Available for the Year
Ending June 30

2010 2011

Sec. 3. **MINNESOTA OFFICE OF HIGHER EDUCATION**

Subdivision 1. **Total Appropriation** **\$195,358,000** **\$190,049,000**

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

Subd. 2. **State Grants** 149,721,000 144,618,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the Office of Higher Education make full grant awards in each year of the biennium.

For the biennium, the tuition maximum for students in four-year programs is \$9,938 in each year.

This appropriation sets the living and miscellaneous expense allowance at \$6,900 each year.

| | | |
|---|----------------|----------------|
| Subd. 3. <u>Safety Officers' Survivors</u> | <u>100,000</u> | <u>100,000</u> |
|---|----------------|----------------|

This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to dependent children under age 23 and to the spouses of public safety officers killed in the line of duty.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

| | | |
|---|------------------|------------------|
| Subd. 4. <u>Interstate Tuition Reciprocity</u> | <u>2,750,000</u> | <u>2,750,000</u> |
|---|------------------|------------------|

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

| | | |
|---|-------------------|-------------------|
| Subd. 5. <u>State Work Study</u> | <u>15,500,000</u> | <u>15,500,000</u> |
|---|-------------------|-------------------|

| | | |
|--|------------------|------------------|
| Subd. 6. <u>Child Care Grants</u> | <u>6,675,000</u> | <u>6,675,000</u> |
|--|------------------|------------------|

| | | |
|--|------------------|------------------|
| Subd. 7. <u>Indian Scholarships</u> | <u>2,375,000</u> | <u>2,375,000</u> |
|--|------------------|------------------|

The director of the Minnesota Office of Higher Education must contract with at least one knowledgeable person residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no cost to the Minnesota Office of Higher Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126.

| | | |
|--------------------------------|------------------|------------------|
| Subd. 8. <u>Minitex</u> | <u>5,631,000</u> | <u>5,631,000</u> |
|--------------------------------|------------------|------------------|

| | | |
|---------------------------------------|----------------|----------------|
| Subd. 9. <u>MnLINK Gateway</u> | <u>400,000</u> | <u>400,000</u> |
|---------------------------------------|----------------|----------------|

| | | |
|---|------------------|------------------|
| Subd. 10. <u>Learning Network of Minnesota</u> | <u>4,800,000</u> | <u>4,800,000</u> |
|---|------------------|------------------|

| | | |
|--|----------------|----------------|
| Subd. 11. <u>Minnesota College Savings Plan</u> | <u>700,000</u> | <u>700,000</u> |
|--|----------------|----------------|

| | | |
|--|---------------|---------------|
| Subd. 12. <u>Midwest Higher Education Compact</u> | <u>95,000</u> | <u>95,000</u> |
|--|---------------|---------------|

Subd. 13. Other Small Programs853,000853,000

This appropriation includes funding for student and parent information, information for college attendance, and minority education programs.

Subd. 14. TEACH Program300,000300,000

For the teacher education and compensation helps (TEACH) and the Minnesota early childhood teacher retention programs in Minnesota Statutes, section 136A.126. This is a onetime appropriation.

Subd. 15. Power of You2,000,0002,000,000

For transfer to MnSCU for the existing Power of You program and for pilot sites under article 2, section 30.

Subd. 16. Technical and Community College Emergency Grants100,000100,000

For transfer to the financial aid offices at each of the colleges of the Minnesota State Colleges and Universities to provide emergency aid grants to technical and community college students who are experiencing extraordinary economic circumstances that may result in the students dropping out of school without completing the term or their program.

Subd. 17. Veterinary Loan Forgiveness225,000

For the large animal loan forgiveness program under Minnesota Statutes, section 136A.1795. This appropriation is available until expended.

Subd. 18. Agency Administration2,685,0002,685,000**Subd. 19. Balances Forward**

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 20. Transfers

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in subdivisions 2 to 7 and 11 to the state grant appropriation, the safety officer survivors appropriation, the interstate tuition reciprocity appropriation, the Minnesota college savings plan appropriation, the child care appropriation, and the state work study appropriation.

Subd. 21. United Family Medicine Residency Program448,000467,000

For a grant to the united family medicine residency program. This appropriation must be used to support up to 18 resident physicians each year in family practice at united family medicine residency programs and must prepare doctors to practice family care medicine in underserved rural and urban areas of the state. At least seven of the resident physicians must be at a publicly owned rural hospital that has an attached nursing home. The legislature intends for this program to improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

Subd. 22. TANF Work-Study

Notwithstanding any rule to the contrary, work-study jobs funded by a TANF appropriation do not require employer matching funds.

Subd. 23. Reporting

By November 1 and February 15, the Minnesota Office of Higher Education must provide updated state grant spending projections, taking into account the most current and projected enrollment and tuition and fee information, economic conditions, and other relevant factors. Before submitting state grant spending projections, the office must meet and consult with representatives of public and private postsecondary education, the Department of Finance, the governor's office, legislative staff, and financial aid administrators.

Subd. 24. Accreditation

The office must work with small institutions to identify cost-effective methods to achieve accreditation necessary to be an eligible institution for state and federal financial aid.

Sec. 4. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES**Subdivision 1. Total Appropriation****\$665,883,000****\$665,883,000**

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

Subd. 2. Central Office and Shared Services Unit47,328,00047,328,000

For the Office of the Chancellor and the Shared Services Division.

For fiscal years 2012 and 2013 the base for the Central Office and Shared Services Unit is \$44,823,000 each year.

Subd. 3. Operations and Maintenance553,366,000553,366,000

(a) It is the intention of the legislature to increase the amount of funding distributed to colleges and universities through the allocation model to provide direct support of instruction and related functions necessary to protect the core mission of educating students.

(b) Allocations to campuses from appropriations under this section must not be reduced below the allocations for the biennium ending June 30, 2009, after deducting any amount unallotted in the biennium.

(c) The Board of Trustees shall submit expenditure reduction plans by March 15, 2010, to the committees of the legislature with responsibility for higher education finance to achieve the 2012-2013 base established in this section at the central office and at each institution. The plan submitted by the board must be based on plans developed at each institution detailing reductions to achieve lower base allocations at that institution. Each plan must focus on protecting direct instruction while reducing peripheral programs and services that may benefit students and institutions but are not necessary to the education of students seeking certificates, diplomas, and degrees.

(d) During the biennium ending June 30, 2011, except for positions that are essential to the daily operation of an institution, the board must not fill administrative and managerial vacancies, existing on the effective date of this section, in the central office or at any of the campuses of the Minnesota State Colleges and Universities or use a search firm for any hiring. The board must not authorize any increase in salaries for administrative and managerial positions in the Minnesota State Colleges and Universities in the biennium ending June 30, 2011. The board must not charge any of the institutions for reductions under this section to the central office.

(e) For the biennium ending June 30, 2011, the board must not reserve or expend appropriations under this subdivision for competitive salaries, awards of excellence, campus and technology initiatives outside the allocation model, or other board or chancellor initiatives. All amounts saved under this paragraph must be added to the allocation model and distributed to the institutions.

(f) For the biennium ending June 30, 2011, expenditures under this subdivision must not exceed \$40,000,000 for technology initiatives, including technology infrastructure improvements, and \$5,000,000 for initiatives to recruit and retain traditionally underrepresented students. All amounts saved under this paragraph must be added to the allocation model and distributed to the institutions.

(g) \$40,000 each year is for the Cook County Higher Education Board to provide educational programs and academic support services.

(h) \$1,000,000 each year is for the Northeast Minnesota Higher Education District and high schools in its area. Students from area high schools may also access the facilities and faculty of the Northeast Minnesota Higher Education District for state-of-the-art technical education opportunities, including MnSCU's 2+2 Pathways initiative.

(i) \$225,000 each year is to enhance eFolio Minnesota and for a center to provide on-site and Internet-based support and technical assistance to users of the state's eFolio Minnesota system to promote workforce and economic development and to enable access to workforce information generated through the eFolio Minnesota system.

(j) For fiscal years 2012 and 2013 the base for operations and maintenance is \$609,631,000 each year.

Subd. 4. Federal Stimulus Appropriation

65,189,000

65,189,000

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget reductions in the biennium ending June 30, 2013, and may be used to retain faculty and staff jobs, to provide severance and for early retirement incentives, and to mitigate the rising costs of attendance through minimizing tuition increases and the support of student employment opportunities.

(c) The legislature intends that the tuition increase for a Minnesota resident undergraduate student in the Minnesota State Colleges and Universities, must not exceed five percent per year for the biennium ending June 30, 2011. Federal stimulus money under this subdivision must be used to buy down the tuition increase to no more than two percent per year for these students.

(d) An additional \$3,469,000 is appropriated in fiscal year 2009 from the fiscal stabilization account in the federal fund.

Subd. 5. System Improvements

To increase efficiencies and equity for faculty and staff, the Board of Trustees is encouraged to place a priority on identifying and implementing measures to improve the human resources system used by the Minnesota State Colleges and Universities. One of the goals of improving the human resources system is to provide seamless information on faculty and employees to facilitate transfers between institutions.

Sec. 5. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation

\$709,079,000

\$709,079,000

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

Subd. 2. Operations and Maintenance

517,623,000

517,623,000

(a) In the biennium ending June 30, 2011, the board must not use appropriations under this section to create or fund new administrative positions at the University of Minnesota or to increase salaries for administrative positions.

(b) Appropriations under this subdivision may be used for a new scholarship under Minnesota Statutes, section 137.0225, to complement the University's Founders scholarship.

(c) This appropriation includes amounts for an Ojibwe Indian language program on the Duluth campus.

(d) This appropriation includes money for the Dakota language teacher training immersion program on the Twin Cities campus to prepare teachers to teach in Dakota language immersion programs.

(e) This appropriation includes \$600,000 each year for the Veterinary Diagnostic Laboratory.

(f) For fiscal years 2012 and 2013, the base for operations and maintenance is \$598,124,000 each year.

Subd. 3. Health Care Access Fund

2,157,000

2,157,000

This appropriation is from the health care access fund and is for primary care education initiatives.

| | | |
|--|-------------------|-------------------|
| Subd. 4. <u>Special Appropriation</u> | <u>73,468,000</u> | <u>73,468,000</u> |
| (a) <u>Agriculture and Extension Service</u> | <u>52,255,000</u> | <u>52,255,000</u> |
| <u>(1) This appropriation is for agricultural research and extension activities as provided in this paragraph.</u> | | |
| <u>(2) The Agricultural Experiment Stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state.</u> | | |
| <u>(3) This appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's production agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota producer organizations:</u> | | |
| <u>(i) vegetable crop research;</u> | | |
| <u>(ii) fertilizer and soil fertility research and development;</u> | | |
| <u>(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;</u> | | |
| <u>(iv) discovering and developing plant varieties that use nutrients more efficiently;</u> | | |
| <u>(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;</u> | | |
| <u>(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;</u> | | |
| <u>(vii) utilizing plant and livestock cells to treat and cure human diseases;</u> | | |
| <u>(viii) the development of dairy coproducts;</u> | | |
| <u>(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;</u> | | |
| <u>(x) crop pest and animal disease research;</u> | | |
| <u>(xi) developing animal agriculture that is capable of sustainably feeding the world;</u> | | |
| <u>(xii) consumer food safety education and outreach; and</u> | | |

(xiii) programs to meet the research and outreach needs of sustainable and organic livestock and crop farmers.

(4) This appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources. The following areas should be prioritized and carried out in consultation with Minnesota producer and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed.

(5) This appropriation includes funding for analysis of livestock facility siting and regulatory models from other states and countries and the following aspects of ethanol production in Minnesota:

(i) water use trends as compared to other industries and activities;

(ii) the carbon balance of ethanol production;

(iii) the effect of ethanol blending requirements on transportation fuel prices; and

(iv) the economic impacts of ethanol production and use including such measures as employment, economic output, and state and local tax revenues.

(6) This appropriation may be used to establish and maintain a statewide organic research and education initiative, secure a facility and retain current faculty levels for poultry research currently conducted at UMore Park, develop and implement a dairy producer continuing education program and for scoping a new dairy research and teaching facility.

(7) By February 1, 2011, the Board of Regents must submit a report to the legislative committees with responsibility for agriculture and higher education finance on the status and outcomes of research and initiatives funded in this section.

(b) Health Sciences

5,275,000

5,275,000

\$346,000 each year is to support up to 12 resident physicians each year in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in the rural areas of the state. The legislature intends for

this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

The remainder of this appropriation is for the rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

(c) **Institute of Technology** 1,387,000 1,387,000

For the Geological Survey and the talented youth mathematics program.

(d) **System Specials** 6,551,000 6,551,000

For general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, and the Bell Museum of Natural History.

(e) **University of Minnesota and Mayo Foundation Partnership** 8,000,000 8,000,000

For the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This appropriation is available until expended. All parties to the partnership and chairs of the senate and house of representatives committees responsible for higher education finance must be consulted before the Board of Regents reduces the amount allocated to the partnership under this paragraph during the biennium ending June 30, 2011. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the senate and house of representatives committees responsible for higher education and economic development by June 30 of each fiscal year.

Subd. 5. **Federal Stimulus Appropriation** 115,731,000 115,731,000

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget reductions in the biennium ending June 30, 2013, and may be used to retain faculty and staff jobs, to provide severance and for early retirement incentives and to mitigate rising costs of attendance through minimizing tuition increases and support of student employment opportunities.

(c) The legislature intends that the net tuition increase for a Minnesota resident undergraduate student at the University of Minnesota must not exceed \$300 per year for the biennium ending June 30, 2011. Appropriations of federal stimulus money under this subdivision must be used to accomplish this goal.

(d) \$400,000 of this appropriation in fiscal year 2010 is for a grant to the Minnesota Wildlife Rehabilitation Center for their uncompensated expenses. This is a onetime appropriation.

(e) An additional \$27,080,000 is appropriated in fiscal year 2009 from the stabilization account in the federal fund.

Subd. 6. Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is \$22,250,000 each year.

Subd. 7. NRRI Research

Notwithstanding Minnesota Statutes, section 137.022, subdivision 4, the board may use up to \$150,000 of the income credited to the permanent university fund from royalties from mining under state mineral leases to fund research at the Coleraine Minerals Research Laboratory of the Natural Resources Research Institute by taconite engineers who have been laid off by the mining industry.

Subd. 8. Enrollment Increases

Over the biennium ending June 30, 2011, the Board of Regents must increase the enrollment of Minnesota resident freshmen with the goal of reaching at least the proportion of Minnesota resident undergraduates enrolled in the University of Minnesota in the 2006-2007 academic year.

Sec. 6. MAYO CLINIC

Subdivision 1. Total Appropriation

\$1,300,000

\$1,351,000

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

Subd. 2. Medical School640,000665,000

The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

It is intended that during the biennium the Mayo Clinic use the capitation money to increase the number of doctors practicing in rural Minnesota areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program660,000686,000

The state must pay stipend support for up to 27 residents each year.

ARTICLE 2

RELATED HIGHER EDUCATION

Section 1. Minnesota Statutes 2008, section 135A.08, subdivision 1, is amended to read:

Subdivision 1. **Course equivalency.** The Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities shall develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer. The course equivalency guides must include information on the course equivalency and awarding of credit for learning acquired as a result of the successful completion of formal military courses and occupational training. Course equivalency guides ~~shall~~ are not be required for vocational technical programs that have not been divided into identifiable courses. The governing boards of private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.

Sec. 2. Minnesota Statutes 2008, section 135A.25, subdivision 4, is amended to read:

Subd. 4. **Minnesota Office of Higher Education responsibilities.** ~~(a)~~ For private postsecondary institutions, the Minnesota Office of Higher Education must develop educational materials considering the recommendations by the Minnesota Office of Higher Education and others and at least annually convene and sponsor meetings and workshops and provide educational strategies for faculty, students, administrators, institutions, and bookstores to inform all interested parties on strategies for reducing the costs of course materials for students attending postsecondary institutions.

~~(b) The Minnesota Office of Higher Education must identify methods to compile and distribute information on publishers that sell or distribute course material for classroom use in postsecondary institutions in a manner that meets the requirements and complies with subdivision 2. The Minnesota Office of Higher Education must also evaluate ways to make this information available for use by students and faculty in postsecondary institutions.~~

Sec. 3. **[135A.26] AMERICAN MADE CLOTHING IN COLLEGE BOOKSTORES.**

A bookstore located on the campus of a public college or university in Minnesota must only offer for sale clothing or articles of apparel that are manufactured in the United States of America.

Sec. 4. Minnesota Statutes 2008, section 136A.06, is amended to read:

136A.06 FEDERAL FUNDS.

The Minnesota Office of Higher Education is designated the state agency to apply for, receive, accept, and disburse to both public and private institutions of higher education all federal funds which are allocated to the state of Minnesota to support higher education programs, construction, or other activities and which require administration by a state higher education agency under the Higher Education Facilities Act of 1963, and any amendments thereof, the Higher Education Act of 1965, and any amendments thereof, and any other law which provides funds for higher education and requires administration by a state higher education agency as enacted or may be enacted by the Congress of the United States; provided that no commitment shall be made that shall bind the legislature to make appropriations beyond current allocations of funds. The office may apply for, receive, accept, and disburse all administrative funds available to the office for administering federal funds to support higher education programs, construction, or other activities. The office also may apply for, receive, accept, and disburse any research, planning, or program funds which are available for purposes consistent with the provisions of this chapter. In making application for and administering federal funds the office may comply with any and all requirements of federal law and federal rules and regulations to enable it to receive and accept such funds. The expenditure of any such funds received shall be governed by the laws of the state, except insofar as federal regulations may otherwise provide. The office may contract with both public and private institutions in administering federal funds, and such contracts shall not be subject to the provisions of chapter 16C. All such money received by the office shall be deposited in the state treasury and, subject to section 3.3005, are hereby appropriated to it annually for the purpose for which such funds are received. None of such moneys shall cancel but shall be available until expended.

Sec. 5. Minnesota Statutes 2008, section 136A.08, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Province" and "provincial" mean the Canadian province of Manitoba.

(c) "Resident of this state" means a resident student as defined in section 136A.101, subdivision 8.

Sec. 6. Minnesota Statutes 2008, section 136A.08, is amended by adding a subdivision to read:

Subd. 9. **Appeal; resident status.** A student who does not meet the definition of resident after residing in Minnesota for 12 months may appeal to the director by providing documentation on the student's reasons for residing in Minnesota. The director may grant resident status to the student upon determining the documentation establishes that postsecondary education was not the student's principle reason for residing in Minnesota.

Sec. 7. Minnesota Statutes 2008, section 136A.101, subdivision 4, is amended to read:

Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that (1) requires, as a condition of enrollment, that each entering Minnesota resident student must complete the federal application for student aid (FAFSA), and is either (2) operated by this state or the Board of Regents of the University of Minnesota, or ~~(2)~~ (3) is operated privately and, as determined by the office, meets all of the following: (i) maintains academic standards substantially equivalent to those of comparable institutions operated in this state; (ii) is licensed or registered as a postsecondary institution by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

Sec. 8. Minnesota Statutes 2008, section 136A.121, subdivision 5, is amended to read:

Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least ~~46~~ 45 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100 per academic year.

Sec. 9. Minnesota Statutes 2008, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of allowances specified in law for living and miscellaneous expenses, and an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or the tuition and fee maximums ~~established in law~~. The tuition and fee maximum for a student enrolled in a two-year program is the maximum tuition and fee amount charged at a two-year college within the Minnesota State Colleges and Universities. The tuition and fee maximum for a student enrolled in a four-year program shall be set in law.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 10. Minnesota Statutes 2008, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for ~~eight~~ ten semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 11. Minnesota Statutes 2008, section 136A.1701, subdivision 10, is amended to read:

Subd. 10. **Prohibition on use of state money.** Except as provided in section 136A.1787, paragraph (a), no money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

Sec. 12. **[136A.1787] SELF LOAN REVENUE BONDS ANNUAL CERTIFICATE OF NEED.**

(a) In order to ensure the payment of the principal of and interest on bonds and notes of the office and the continued maintenance of the loan capital fund under section 136A.1785, the office shall annually determine and certify to the governor, on or before December 1, the amount, if any:

(1) needed to restore the loan capital fund to the minimum amount required by a resolution or indenture relating to any bonds or notes of the office, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding;

(2) determined by the office to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all outstanding bonds and notes; and

(3) needed to restore any debt service fund securing any outstanding bonds or notes of the office to the amount required in a resolution or indenture relating to such outstanding bonds or notes.

(b) The governor shall include and submit the amounts certified by the office in accordance with this section to the legislature in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved.

Sec. 13. **[136A.1795] LARGE ANIMAL VETERINARIAN LOAN FORGIVENESS PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Veterinarian" means an individual who has been awarded a doctor of veterinary medicine degree from the College of Veterinary Medicine, University of Minnesota.

(c) "Designated rural area" means an area in Minnesota outside the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

(d) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(e) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the education of a veterinarian.

Subd. 2. **Establishment; administration.** (a) The director of the Minnesota Office of Higher Education shall establish and administer a loan forgiveness program for large animal veterinarians who:

(1) agree to practice in designated rural areas that are considered underserved; and

(2) work full time in a practice that is at least 50 percent involved with the care of food animals.

(b) Appropriations made to the program do not cancel and are available until expended.

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a veterinarian who has been awarded a veterinary medicine degree within three years of submitting an application under this section, or be enrolled in the veterinarian degree program and making satisfactory progress in the College of Veterinary Medicine, University of Minnesota; and

(2) submit an application to the director of the Minnesota Office of Higher Education in the form and manner prescribed by the director.

(b) An applicant selected to participate must sign a contract agreeing to complete a five-year service obligation to practice as required under subdivision 2, paragraph (a).

Subd. 4. **Loan forgiveness.** (a) The director of the Minnesota Office of Higher Education may select a maximum of five applicants each year for participation in the loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified educational loans.

(b) The director must select participants based on their suitability for practice serving the designated rural area, as indicated by experience or training. The director must give preference to applicants closest to completing their training.

(c) The director must make annual disbursements directly to the participant of \$15,000 or the balance of the participant's qualifying educational loans, whichever is less, for each year that a participant meets the service obligation required under subdivision 3, paragraph (b), up to a maximum of five years.

(d) Before receiving loan repayment disbursements and as requested, the participant must complete and return to the director an affidavit of practice form provided by the director verifying that the participant is practicing as required under subdivision 2, paragraph (a). The participant must provide the director with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the director and approved before the next loan repayment disbursement is made.

(e) Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2, paragraph (a).

Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required minimum commitment of service required under subdivision 3, paragraph (b), the director of the Minnesota Office of Higher Education must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The director must deposit the money collected in the state general fund. The director must allow waivers of all or part of the money owed the director as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the service obligation.

Subd. 6. **Rules.** The director may adopt rules to implement this section.

Sec. 14. Minnesota Statutes 2008, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor elected by the legislature in a joint convention, including three members who are students who have attended an institution for at least one year and are currently enrolled at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed elected to represent the state at large. In selecting appointees, the governor must consider the needs of the board of trustees and the balance of the board membership with respect to labor and business representation and racial, gender, geographic, and ethnic composition.

Sec. 15. Minnesota Statutes 2008, section 136F.04, is amended to read:

136F.04 STUDENT BOARD MEMBER SELECTION.

Subdivision 1. **Responsibility.** ~~Notwithstanding section 136F.03,~~ The State University Student Association and the State College Student Association shall each have the responsibility for recruiting, screening, and recommending qualified candidates to the joint committee for their student members of the board.

Subd. 2. **Criteria.** ~~After consulting with the Board of Trustees Candidate Advisory Council,~~ The student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Subd. 3. **Recruiting and screening.** Each student association shall develop processes for identifying and recruiting qualified candidates and for screening those candidates.

Subd. 4. **Recommendations.** Each student association shall recommend at least two and not more than four candidates for its student member. By ~~April 15~~ February 15 of the even-numbered year in which its members' term expires, each student association shall submit its recommendations to the governor joint committee. ~~The governor is not bound by these recommendations.~~

Sec. 16. Minnesota Statutes 2008, section 136F.045, is amended to read:

136F.045 LABOR ORGANIZATION BOARD MEMBER SELECTION PROCESS.

The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to be recommended to the ~~governor~~ for appointment joint committee for election to the board. The organization must develop a process for selecting candidates, and a statement of selection criteria for board membership that is consistent with the requirements under section 136F.02, subdivision 1. The organization must recommend at least two and no more than four candidates to the ~~governor~~ joint committee beginning in 2010 and every six years thereafter. Recommendations must be made by ~~April 15~~ February 15 of the even-numbered year in which the ~~governor makes appointments~~ joint committee makes recommendations for candidates to be elected to the board. ~~The governor is not bound by the recommendations.~~

Sec. 17. **[136F.047] TRUSTEE NOMINATION AND ELECTION.**

Subdivision 1. **Joint legislative committee.** The joint legislative committee consists of the members of the higher education budget and policy divisions in each body of the legislature. The chairs of the divisions from each body shall be cochairs of the joint legislative committee. A majority of the members from each body is a quorum of the joint committee.

Subd. 2. **Meeting.** By March 15 of each odd-numbered year, or at a date agreed to by concurrent resolution, the joint legislative committee shall meet to consider recommendations for trustee of the Minnesota State Colleges and Universities for possible presentation to a joint convention of the legislature. The joint committee must meet as many times as necessary for the purpose of interviewing candidates, recommending candidates for the joint committee to consider, and voting for candidates for recommendation to the joint convention.

Subd. 3. **Recommendations** The joint committee may recommend to the joint convention candidates nominated by the joint committee. If a vacancy exists for a student board member or a member recommended under this section, the joint committee must consider the recommendations made by the responsible organizations to the joint committee for those vacancies. Candidates for any vacancy may be nominated for consideration by the joint committee only if the nomination receives the support of at least three house of representatives members of the committee and two senate members of the committee. A candidate must receive a majority vote of members from the house of representatives on the joint committee and from the senate on the joint committee to be recommended

to the joint convention. The joint committee may recommend no more than two candidates for each vacancy. In recommending candidates to the joint convention, the joint committee must consider the needs of the board of trustees and the balance of the board membership with respect to gender, racial, and ethnic composition.

Sec. 18. Minnesota Statutes 2008, section 136F.46, subdivision 3, is amended to read:

Subd. 3. **Solicitation.** Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section ~~309.504~~ 43A.50.

Sec. 19. **[136F.705] UNDERGRADUATE TUITION GUARANTEE.**

(a) A Minnesota resident student who first enrolls in a degree program at a state college or university beginning in the fall of 2010 or later must be offered the opportunity to participate in a stable tuition plan, according to this section, for up to four consecutive academic years.

(b) For an undergraduate student enrolled in a baccalaureate degree program at a state university, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the state university.

(c) For an undergraduate student enrolled in an associate degree program at a college, the tuition charged to the student for each semester of enrollment during a two-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after two consecutive academic years, the tuition rate for each semester in excess of two years is equal to the tuition rate for new enrollees at the college.

Sec. 20. **[137.0225] UNIVERSITY SCHOLARSHIP.**

The Board of Regents may establish a scholarship to help offset the impact of rising tuition for Minnesota students from middle-income families. To be eligible for a scholarship under this section, a student must be a Minnesota resident undergraduate from a family that is not Pell eligible with an annual adjusted gross income not to exceed \$100,000.

Sec. 21. Minnesota Statutes 2008, section 137.0246, subdivision 2, is amended to read:

Subd. 2. **Regent nomination joint committee.** (a) The joint legislative committee consists of the members of the higher education budget and policy divisions in each house of the legislature. The chairs of the divisions from each body shall be cochairs of the joint legislative committee. A majority of the members from each house is a quorum of the joint committee.

(b) By February 28 of each odd-numbered year, or at a date agreed to by concurrent resolution, the joint legislative committee shall meet to consider ~~the advisory council's~~ recommendations for regent of the University of Minnesota for possible presentation to a joint convention of the legislature.

(c) The joint committee may recommend to the joint convention candidates ~~recommended by the advisory council and the other candidates~~ nominated by the joint committee. A candidate ~~other than those recommended by the advisory council~~ may be nominated for consideration by the joint committee only if the nomination receives the support of at least three house of representatives members of the committee and two senate members of the committee. A candidate must receive a majority vote of members from the house of representatives and from the

senate on the joint committee to be recommended to the joint convention. The joint committee may recommend no more than ~~one candidate~~ two candidates for each vacancy. In recommending nominees, the joint committee must consider the needs of the board of regents and the balance of the board membership with respect to gender, racial, and ethnic composition.

~~(d) The joint committee must meet twice, approximately one week apart. The first meeting is for the purpose of interviewing candidates and recommending candidates for the joint committee to consider. The second meeting is for the purpose of voting for candidates for recommendation to the joint convention.~~

Sec. 22. Minnesota Statutes 2008, section 137.025, subdivision 1, is amended to read:

Subdivision 1. **Appropriations not for buildings.** ~~The commissioner of finance shall pay no money to the University of Minnesota pursuant to a direct appropriation, other than an appropriation for buildings, until the university first certifies to the commissioner of finance that its aggregate balances in the temporary investment pool, cash, or separate investments, resulting from all state maintenance and special appropriations do not exceed \$7,000,000, or any other amount specified in the act making the appropriation, plus one third of all tuition and fee payments from the previous fiscal year. Upon this certification, The commissioner of finance shall pay 1/12 of the annual appropriation to the university shall be paid at the beginning on the 21st day of each month. Additional payments shall be made by the commissioner of finance whenever the state appropriations and tuition aggregate balances in the temporary investment pool, cash, or separate investments are reduced below the indicated levels. If the 21st day of the month falls on a Saturday or Sunday, the monthly payment shall be made on the Monday immediately following the 21st.~~

Sec. 23. **[137.105] UNDERGRADUATE TUITION GUARANTEE.**

A Minnesota resident student who first enrolls in a degree program at the University of Minnesota beginning in the fall of 2010 or later must be offered the opportunity to participate in a stable tuition plan, according to this section, for up to four consecutive academic years. For an undergraduate student enrolled in a baccalaureate degree program, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the University of Minnesota.

Sec. 24. **[137.701] UNIVERSITY NEIGHBORHOOD DEVELOPMENT.**

Subdivision 1. **Purpose.** In order to support and create environments surrounding the campuses of the University of Minnesota in Minneapolis and Duluth that are conducive to the purposes of higher education and vital communities, the Board of Regents, the city of Minneapolis, and the city of Duluth are requested to create with surrounding neighborhoods an appropriate organization in each city, to cooperate in the development of those neighborhoods. The purpose of each organization is to improve the university's Minneapolis and Duluth campus area neighborhoods including, without limitation, the following:

(1) providing and supporting the development of good quality university neighborhood housing, including housing for students, faculty, employees, alumni, and others who may wish to live in the university area neighborhoods;

(2) encouraging and assisting university faculty, staff, students, and others to live in the neighborhood as long-term residents;

(3) supporting and assisting appropriate business development in commercial areas of the neighborhood; and

(4) cooperating and coordinating planning and development in all matters affecting the neighborhood with local government, businesses, residents, and other stakeholders in the neighborhood.

Subd. 2. **Membership.** The organization created by the Board of Regents and the city of Minneapolis shall include representatives from the organizations currently represented on the University District Alliance Steering Committee. The Board of Regents and the city of Duluth may establish the membership of an organization for the purposes of subdivision 1.

Subd. 3. **Report.** The Board of Regents, the city of Minneapolis, and the city of Duluth are requested to report by January 15, 2010, to the chairs of the legislative committees with primary jurisdiction over higher education policy and finance on the status and activities of the organization that is created.

Sec. 25. Minnesota Statutes 2008, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;
- (c) commissioned or enlisted personnel of the Minnesota National Guard;
- (d) emergency employees who are employed for emergency work caused by natural disaster;
- (e) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;
- (f) employees whose positions are basically temporary or seasonal in character and: (1) are not for more than 67 working days in any calendar year; or (2) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;
- (g) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;
- (h) employees of charitable hospitals as defined by section 179.35, subdivision 3;
- (i) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;
- (j) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;
- (k) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities to teach one course for three or fewer credits for one semester in a year;
- (l) with respect to court employees:

- (1) personal secretaries to judges;
- (2) law clerks;
- (3) managerial employees;
- (4) confidential employees; and
- (5) supervisory employees;

(m) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

The following individuals are public employees regardless of the exclusions of clauses (e) and (f):

(i) An employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in ~~section 136F.13~~ the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (A) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (B) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(ii) An employee hired for a position under clause (f)(1) if that same position has already been filled under clause (f)(1) in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position; and

(iii) an early childhood family education teacher employed by a school district.

Sec. 26. Minnesota Statutes 2008, section 299A.45, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Each award must be given for one academic year and is renewable for a maximum of ~~eight~~ ten semesters or the equivalent. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

Sec. 27. Minnesota Statutes 2008, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the ~~town of White~~ city of Biwabik, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm; and

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, or at no more than seven other locations within the boundaries of the University of Minnesota, provided that the Board of Regents has approved an application for a license for the specified location and provided that the application for a stadium or arena location allows for the legal sale of intoxicating liquor throughout the stadium or arena and does not limit the sale of intoxicating liquor to premium seating areas or suites.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to applications for an on-sale liquor license made after December 1, 2008.

Sec. 28. **REPORT; FEDERAL TEXTBOOK INFORMATION REQUIREMENTS.**

By January 15, 2010, the Minnesota Office of Higher Education must report to the committees of the legislature responsible for higher education finance on the implementation of textbook information requirements under United States Code, title 20, section 1015b, effective July 1, 2010. In preparing the report, the office must work with representatives of textbook publishers, the Student Advisory Council, Minnesota State Colleges and Universities, the University of Minnesota, and the Private College Council. At a minimum, the report must include a template that publishers may use to provide the required information in a consistent format to all Minnesota campuses, and make recommendations of methods to disseminate pricing information to support students and faculty in making well informed decisions about course materials.

Sec. 29. **MINNESOTA STATE COLLEGE - SOUTHEAST TECHNICAL; AVIATION TRAINING CENTER.**

Notwithstanding Minnesota Statutes, section 136F.60, subdivision 5, the net proceeds of the sale or disposition of the Aviation Training Center in Winona operated by Minnesota State College - Southeast Technical, after paying all expenses incurred in selling the property and retiring any remaining debt attributable to the project, are appropriated to the Board of Trustees of the Minnesota State Colleges and Universities for use in a capital project at the Winona campus and need not be paid to the commissioner of finance, as would otherwise be required by Minnesota Statutes, section 16A.695, subdivision 3.

When the sale is complete and the sale proceeds have been applied as provided in this section, Minnesota Statutes, section 16A.695, no longer applies to the property and the property is no longer state bond financed property.

Sec. 30. **MINNESOTA STATE COLLEGES AND UNIVERSITIES DEGREE REQUIREMENTS.**

Until July 2, 2012, an associate of applied science degree offered by a college in the Minnesota State Colleges and Universities system is exempt from the 60-semester credit length limit for an associate degree specified in the Minnesota State Colleges and Universities Board Policy number 3.36, part 3, subpart C. The chancellor may consider criteria for waiving the credit length limits under this board policy for emerging or innovative programs. By January 2, 2012, the Minnesota State College Faculty and the Minnesota State College Student Association must present a joint report to the house of representatives and senate committees with jurisdiction over higher education policy on a process for reviewing the credit requirements for an associate of applied science degree.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to associate of applied science degrees whether first offered before, on, or after that date.

Sec. 31. **POWER OF YOU PILOT PROGRAMS.**

Subdivision 1. **Power of you pilot programs.** The Board of Trustees of the Minnesota State Colleges and Universities shall establish power of you pilot programs in suburban and rural sites. The pilots shall comply with Minnesota Statutes, section 136F.19.

Subd. 2. **Suburban pilot selection.** By July 1, 2009, the board of trustees shall select one technical college and one community college or community-technical college in the Minneapolis-St. Paul suburban area to develop a new power of you pilot program in conjunction with Metropolitan State University. Each college in the pilot program must work with a high school partner selected by the board in the Minneapolis-St. Paul suburban area.

Subd. 3. **Rural pilot selection.** By July 1, 2009, the Board of Trustees shall select two rural colleges to participate in the power of you pilot programs. One of the pilot programs must be a multicampus college in an agricultural part of the state and the other a multicampus college in a nonagricultural part of the state dependent on natural resources. Each college in the pilot program must work with a high school partner selected by the board.

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

Sec. 32. **REPEALER.**

Minnesota Statutes 2008, sections 136A.127; 136F.03; and 137.0245, are repealed.

Sec. 33. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to higher education; amending higher education provisions; establishing and modifying certain grants and programs; making technical changes; regulating certain activities and practices; establishing and amending certain scholarships; providing a tuition guarantee; regulating board member and trustee nominations and elections; requiring a certificate of need; defining terms; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 135A.08, subdivision 1; 135A.25, subdivision 4; 136A.06; 136A.08, subdivision 1, by adding a subdivision; 136A.101, subdivision 4; 136A.121, subdivisions 5, 6, 9; 136A.1701, subdivision 10; 136F.02, subdivision 1; 136F.04; 136F.045; 136F.46, subdivision 3; 137.0246, subdivision 2; 137.025, subdivision 1; 179A.03, subdivision 14; 299A.45, subdivision 4; 340A.404, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137; repealing Minnesota Statutes 2008, sections 136A.127; 136F.03; 137.0245."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2, 877, 1122 and 2088 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 615, 656, 2082 and 2083 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Davids introduced:

H. F. No. 2343, A bill for an act relating to arts; creating regional capital fund for arts organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129D.

The bill was read for the first time and referred to the Committee on Finance.

Brown, Poppe and Davids introduced:

H. F. No. 2344, A bill for an act relating to arts and cultural heritage; creating grants for schools to attend cultural events.

The bill was read for the first time and referred to the Committee on Finance.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 802.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 802, A bill for an act relating to public safety; appropriating money for public safety, corrections, and other criminal justice agencies; requiring annual appropriation of money in Bureau of Criminal Apprehension account to commissioner of public safety; repealing the mandatory minimum sentences for predatory offender registration offenses and subsequent controlled substances offenses; providing a 90-day cap on incarceration for certain first-time supervised release violations; eliminating the requirement that judges impose a minimum sentence

on felony DWI offenders; requesting the Sentencing Guidelines Commission to rerank the felony DWI offense; providing for supervised release of offenders; expanding the challenge incarceration program; requiring the Sentencing Guidelines Commission and the Departments of Corrections and Public Safety to review its reports; requiring Department of Corrections to annually report on felony DWI offenders; requiring that reports to the legislature by criminal justice agencies be submitted electronically; modifying and expanding the conditional release program for nonviolent drug offenders; including an advisory board for consultation with the commissioner of corrections for the conditional release program; repealing the conditional release program's sunset; authorizing correctional facilities to forward surcharges from offender wages to court or other entity collecting the surcharge; repealing reports on out-of-state juvenile placement; implementing the legislative auditor's recommendations relating to MINNCOR; requiring the licensure of firefighters; expanding the stay of adjudication provision for low-level controlled substance offenders; imposing criminal penalties; appropriating money; amending Minnesota Statutes 2008, sections 3.195, subdivision 1, by adding a subdivision; 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.18, subdivision 1; 169A.275, subdivisions 3, 4, 5; 169A.276, subdivisions 1, 2; 171.29, subdivision 2; 241.27, subdivision 1a, by adding subdivisions; 243.166, subdivision 5; 244.055, subdivisions 2, 3, 5, 7, by adding subdivisions; 244.17; 244.172, subdivision 1; 299N.02, subdivision 3; 357.021, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 244; 299N; repealing Minnesota Statutes 2008, sections 152.026; 244.055, subdivisions 6, 11; 260B.199, subdivision 2; 260B.201, subdivision 3; 325E.22.

The bill was read for the first time.

Paymar moved that S. F. No. 802 and H. F. No. 1657, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

Sertich moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Bly moved that his name be stricken as an author on H. F. No. 538. The motion prevailed.

Murphy, E., moved that the name of Bly be added as an author on H. F. No. 587. The motion prevailed.

Kalin moved that the name of Falk be added as an author on H. F. No. 680. The motion prevailed.

Hilty moved that the name of Falk be added as an author on H. F. No. 863. The motion prevailed.

Urdahl moved that the name of Sailer be added as an author on H. F. No. 908. The motion prevailed.

Gottwalt moved that the name of Emmer be added as an author on H. F. No. 1196. The motion prevailed.

Smith moved that the name of Emmer be added as an author on H. F. No. 1197. The motion prevailed.

Seifert moved that the names of Sertich, Kiffmeyer, Torkelson, Downey, Dettmer and Mack be added as authors on H. F. No. 1242. The motion prevailed.

Lieder moved that the name of Falk be added as an author on H. F. No. 1309. The motion prevailed.

Lieder moved that the name of Falk be added as an author on H. F. No. 1608. The motion prevailed.

Hornstein moved that the name of Bly be added as an author on H. F. No. 1705. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 1732. The motion prevailed.

Hilty moved that the name of Falk be added as an author on H. F. No. 1754. The motion prevailed.

Lieder moved that the name of Falk be added as an author on H. F. No. 1804. The motion prevailed.

Mariani moved that the name of Bly be added as an author on H. F. No. 1818. The motion prevailed.

Beard moved that the name of Bly be added as an author on H. F. No. 1833. The motion prevailed.

Hilty moved that the name of Falk be added as an author on H. F. No. 1914. The motion prevailed.

Hilty moved that the name of Falk be added as an author on H. F. No. 1915. The motion prevailed.

Anzels moved that the name of Bly be added as an author on H. F. No. 1982. The motion prevailed.

Falk moved that the name of Bly be added as an author on H. F. No. 2018. The motion prevailed.

Falk moved that the name of Bly be added as an author on H. F. No. 2021. The motion prevailed.

Rukavina moved that the name of Bly be added as an author on H. F. No. 2094. The motion prevailed.

Wagenius moved that the name of Bly be added as an author on H. F. No. 2123. The motion prevailed.

Eken moved that the name of Sailer be added as an author on H. F. No. 2128. The motion prevailed.

Hausman moved that the name of Falk be added as an author on H. F. No. 2134. The motion prevailed.

Hayden moved that the name of Bly be added as an author on H. F. No. 2140. The motion prevailed.

Slocum moved that the name of Bly be added as an author on H. F. No. 2141. The motion prevailed.

Solberg moved that the name of Bly be added as an author on H. F. No. 2251. The motion prevailed.

Slawik moved that the name of Bly be added as an author on H. F. No. 2269. The motion prevailed.

Newton moved that the name of Bly be added as an author on H. F. No. 2298. The motion prevailed.

Winkler moved that the name of Clark be added as an author on H. F. No. 2342. The motion prevailed.

SUSPENSION OF RULES

Urdahl moved that the rules of the House be so far suspended that S. F. No. 1454 be recalled from the Committee on Commerce and Labor, be given its second and third readings and be placed upon its final passage. The motion prevailed.

DECLARATION OF URGENCY

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Urdahl moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1454 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1454 was read for the second time.

Urdahl moved to amend S. F. No. 1454, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[268.136] SHARED WORK.**

Subdivision. 1. **Shared work agreement requirements.** (a) An employer may submit a proposed shared work plan for an employee group to the commissioner for approval in a manner and format set by the commissioner. The proposed agreement must include:

(1) a certified statement that the normal weekly hours of work of all of the proposed participating employees was full-time but are now reduced, or will be reduced, with a corresponding reduction in pay, in order to prevent layoffs;

(2) the name and Social Security number of each participating employee;

(3) a certified statement of when each participating employee was first hired by the employer, which must be at least one year before the proposed agreement is submitted;

(4) the hours of work each participating employee will work each week for the duration of the agreement, which must be at least 20 hours and no more than 32 hours per week, except that the agreement may provide for a uniform vacation shutdown of up to two weeks;

(5) the proposed duration of the agreement, which must be at least two months and not more than one year, although an agreement may be extended for up to an additional year upon approval of the commissioner;

(6) a starting date beginning on a Sunday at least 15 calendar days after the date the proposed agreement is submitted; and

(7) a signature of an owner or officer of the employer who is listed as an owner or officer on the employer's account under section 268.045.

(b) An agreement may not be approved for an employer that:

(1) has any unemployment tax or reimbursements, including any interest, fees, or penalties, due but unpaid;

(2) has the maximum experience rating provided for under section 268.051, subdivision 3; or

(3) is in a high-experience rating industry as defined in section 268.051, subdivision 5.

Subd. 2. **Agreement by commissioner.** (a) The commissioner must promptly review a proposed agreement and notify the employer, by mail or electronic transmission, within 15 days of receipt, whether the proposal satisfies the requirements of this section. If the proposal does not comply with this section, the commissioner must specifically state why the proposal is not in compliance. If a proposed agreement complies with this section, it must be implemented according to its terms.

(b) The commissioner may reject an agreement if the commissioner has cause to believe the proposal is not submitted for the purpose of preventing layoffs due to lack of work.

Subd. 3. **Applicant requirements.** (a) An applicant, in order to be paid unemployment benefits under this section, must meet all of the requirements under section 268.069, subdivision 1. The following do not apply to an applicant under this section:

(1) the deductible earnings provision of section 268.085, subdivision 5;

(2) the restriction under section 268.085, subdivision 6, if the applicant works exactly 32 hours in a week;

(3) the requirement of being available for suitable employment; and

(4) the requirement of actively seeking suitable employment.

(b) An applicant is ineligible for unemployment benefits under this section for any week, if:

(1) the applicant works more than 32 hours in a week in employment with one or more employer; or

(2) the applicant works more hours in a week for the shared work employer than the reduced weekly hours provided for in the agreement.

Subd. 4. **Amount of unemployment benefits available.** The weekly benefit amount and maximum amount of unemployment benefits available are computed according to section 268.07, except that an applicant is paid a reduced amount in direct proportion to the reduction in hours from the normal weekly hours.

Subd. 5. **Cancellation.** (a) An employer may cancel an agreement at any time upon seven calendar days' notice to the commissioner in a manner and format prescribed by the commissioner. The cancellation must be signed by an owner or officer of the employer.

(b) An employer that cancels an agreement must provide written notice to each participating employee in the group of the cancellation at the time notice is sent to the commissioner.

(c) If an employer cancels an agreement before the expiration date provided for in subdivision 1, a new agreement may not be entered into with that employer under this section for at least 60 calendar days.

(d) The commissioner may immediately cancel any agreement if the commissioner determines the agreement was based upon false information or the employer is in breach of the contract. The commissioner must immediately send written notice of cancellation to the employer. An employer that receives notice of cancellation by the commissioner must provide written notice to each participating employer in the group of the cancellation.

EFFECTIVE DATE. This section is effective August 2, 2009, except that the one-year extension of shared work agreements authorized in subdivision 1, paragraph (a), clause (5), is effective retroactively from January 1, 2009.

Sec. 2. **REPEALER.**

Minnesota Statutes 2008, section 268.135, is repealed, except that Minnesota Statutes, section 268.135, applies to a shared work agreement approved by the commissioner before August 2, 2009, until the expiration of that shared work plan.

EFFECTIVE DATE. This section is effective August 2, 2009."

The motion prevailed and the amendment was adopted.

S. F. No. 1454, A bill for an act relating to unemployment insurance; providing for a shared work plan; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2008, section 268.135.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|-----------|------------|-------------|---------------|
| Abeler | Dill | Haws | Lanning | Newton | Severson |
| Anderson, P. | Dittrich | Hayden | Lesch | Nornes | Shimanski |
| Anderson, S. | Doepke | Hilstrom | Liebling | Norton | Simon |
| Anzenc | Doty | Hilty | Lillie | Obermueller | Slawik |
| Beard | Downey | Hoppe | Loeffler | Olin | Smith |
| Benson | Drazkowski | Hornstein | Loon | Otremba | Solberg |
| Bigham | Eastlund | Hortman | Mack | Paymar | Sterner |
| Bly | Eken | Hosch | Magnus | Pelowski | Swails |
| Brod | Emmer | Huntley | Mahoney | Peppin | Thao |
| Brown | Falk | Jackson | Mariani | Persell | Thissen |
| Brynaert | Faust | Johnson | Marquart | Peterson | Tillberry |
| Buesgens | Fritz | Juhnke | Masin | Reinert | Torkelson |
| Bunn | Gardner | Kahn | McFarlane | Rosenthal | Urdahl |
| Carlson | Garofalo | Kalin | McNamara | Rukavina | Wagenius |
| Champion | Gottwalt | Kath | Morgan | Ruud | Ward |
| Clark | Greiling | Kelly | Morrow | Sailer | Welti |
| Cornish | Gunther | Kiffmeyer | Mullery | Sanders | Westrom |
| Davids | Hackbarth | Knuth | Murdock | Scalze | Winkler |
| Davnie | Hamilton | Koenen | Murphy, E. | Scott | Zellers |
| Dean | Hansen | Kohls | Murphy, M. | Seifert | Spk. Kelliher |
| Dettmer | Hausman | Laine | Nelson | Sertich | |

The bill was passed, as amended, and its title agreed to.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place H. F. Nos. 1122 and 2123; and S. F. No. 2083 on the Fiscal Calendar for Wednesday, April 22, 2009.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 11:00 a.m., Wednesday, April 22, 2009. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Pelowski declared the House stands adjourned until 11:00 a.m., Wednesday, April 22, 2009.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

