

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 2227**

(SENATE AUTHORS: KIFFMEYER, Howe and Koran)

DATE	D-PG	OFFICIAL STATUS
03/11/2019	759	Introduction and first reading Referred to State Government Finance and Policy and Elections
03/26/2019	1337	Author added Howe
03/27/2019	1396	Author added Koran
04/10/2019	2303a	Comm report: To pass as amended and re-refer to Finance
04/23/2019	3166a	Comm report: To pass as amended
	3174	Second reading
04/25/2019	3326a	Special Order: Amended
	3334	Third reading Passed
04/30/2019	4121	Returned from House with amendment
	4122	Senate not concur, conference committee of 5 requested
05/01/2019	4169	Senate conferees Kiffmeyer; Anderson, B.; Koran; Mathews; Carlson
	4197	House conferees Nelson, M.; Freiberg; Ecklund; Dehn; Kiel

1.1 A bill for an act

1.2 relating to the operation of state government; appropriating money for the

1.3 legislature, governor's office, state auditor, attorney general, secretary of state,

1.4 certain agencies, boards, councils, and retirement funds; changing provisions in

1.5 state government operations; establishing commissions and task forces; repealing

1.6 state aid to PERA General for MERF; establishing observances for veterans and

1.7 allies; requiring reports; amending Minnesota Statutes 2018, sections 3.855,

1.8 subdivision 2, by adding a subdivision; 3.97, subdivision 3a; 3.971, subdivision

1.9 9; 6.481, subdivisions 1, 3; 13.599, by adding a subdivision; 15A.083, subdivision

1.10 6a; 16A.103, subdivision 1a; 16A.11, subdivision 3; 16E.01, subdivision 1a;

1.11 16E.016; 16E.03, subdivisions 1, 2, by adding subdivisions; 16E.035; 16E.0466,

1.12 subdivision 1; 16E.05, subdivision 3; 16E.14, subdivision 3; 16E.18, subdivision

1.13 6; 43A.01, by adding a subdivision; 43A.15, subdivision 14; 43A.191, subdivisions

1.14 2, 3; 179A.20, by adding a subdivision; 196.05, subdivision 1; 240.01, by adding

1.15 a subdivision; 240.02, subdivisions 2, 6; 240.08, subdivision 5; 240.10; 240.12;

1.16 240.13, subdivision 5; 240.131, subdivision 7; 240.135; 240.16, subdivisions 1,

1.17 2; 240.18, subdivisions 2, 3; 240.22; 240.27; 240A.09; 326A.01, subdivision 2;

1.18 326A.04, subdivisions 4, 5; 326A.08, subdivisions 4, 5, by adding a subdivision;

1.19 326A.10; 349.12, subdivision 2; 349.17, subdivision 6; 349.181, subdivision 5;

1.20 349.19, subdivisions 1, 2; 353.27, subdivision 3c; 645.071; Laws 2016, chapter

1.21 189, article 13, section 64; Laws 2018, chapter 100, section 1; proposing coding

1.22 for new law in Minnesota Statutes, chapters 3; 5; 10; 14; 15; 16A; 16E; 326A;

1.23 repealing Minnesota Statutes 2018, sections 3.9735; 353.505.

1.24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.25 **ARTICLE 1**

1.26 **STATE GOVERNMENT APPROPRIATIONS**

1.27 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

1.28 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.29 and for the purposes specified in this article. The appropriations are from the general fund,

1.30 or another named fund, and are available for the fiscal years indicated for each purpose.

1.31 The figures "2020" and "2021" used in this article mean that the appropriations listed under



3.1 Economic Status of Women Advisory  
 3.2 Committee.

3.3 The base for the Legislative Coordinating  
 3.4 Commission is \$18,291,000 in fiscal year 2022  
 3.5 and \$18,326,000 in fiscal year 2023.

3.6 From its funds, \$10,000 each year is for  
 3.7 purposes of the legislators' forum, through  
 3.8 which Minnesota legislators meet with  
 3.9 counterparts from South Dakota, North  
 3.10 Dakota, and Manitoba to discuss issues of  
 3.11 mutual concern.

3.12 From its funds, \$904,000 the first year and  
 3.13 \$1,483,000 the second year are for the  
 3.14 Legislative Budget Office. The base for the  
 3.15 Legislative Budget Office is \$1,519,000 in  
 3.16 fiscal year 2022 and \$1,554,000 in fiscal year  
 3.17 2023.

3.18 **Legislative Auditor.** \$6,564,000 the first year  
 3.19 and \$6,564,000 the second year are for the  
 3.20 Office of the Legislative Auditor.

3.21 **Revisor of Statutes.** \$6,175,000 the first year  
 3.22 and \$6,176,000 the second year are for the  
 3.23 Office of the Revisor of Statutes.

3.24 **Legislative Reference Library.** \$1,445,000  
 3.25 the first year and \$1,445,000 the second year  
 3.26 are for the Legislative Reference Library.

3.27 **Sec. 3. GOVERNOR AND LIEUTENANT**  
 3.28 **GOVERNOR**

3.29 (a) This appropriation is to fund the Office of  
 3.30 the Governor and Lieutenant Governor.

3.31 (b) \$19,000 the first year and \$19,000 the  
 3.32 second year are for necessary expenses in the  
 3.33 normal performance of the governor's and

<u>\$</u>	<u>3,622,000</u>	<u>\$</u>	<u>3,622,000</u>
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4.1 lieutenant governor's duties for which no other  
 4.2 reimbursement is provided.

4.3 (c) By September 1 of each year, the  
 4.4 commissioner of management and budget shall  
 4.5 report to the chairs and ranking minority  
 4.6 members of the legislative committees with  
 4.7 jurisdiction over state government finance any  
 4.8 personnel costs incurred by the Offices of the  
 4.9 Governor and Lieutenant Governor that were  
 4.10 supported by appropriations to other agencies  
 4.11 during the previous fiscal year. The Office of  
 4.12 the Governor shall inform the chairs and  
 4.13 ranking minority members of the committees  
 4.14 before initiating any interagency agreements.

4.15 Sec. 4. STATE AUDITOR \$ 9,573,000 \$ 9,573,000

4.16 Sec. 5. ATTORNEY GENERAL \$ 24,035,000 \$ 24,434,000

4.17 Appropriations by Fund

	<u>2020</u>	<u>2021</u>
4.18 <u>General</u>	<u>21,230,000</u>	<u>21,629,000</u>
4.19 <u>State Government</u>		
4.20 <u>Special Revenue</u>	<u>2,410,000</u>	<u>2,410,000</u>
4.21 <u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
4.22 <u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

4.24 \$1,252,000 in fiscal year 2020 and \$1,651,000  
 4.25 in fiscal year 2021 are to provide legal services  
 4.26 to rural county attorneys.

4.27 Sec. 6. SECRETARY OF STATE \$ 19,321,000 \$ 6,321,000

4.28 Of these amounts, \$13,000,000 the first year  
 4.29 is for election equipment grants under  
 4.30 Minnesota Statutes, section 206.95. This is a  
 4.31 onetime appropriation and is available until  
 4.32 June 30, 2022.

4.33 Sec. 7. CAMPAIGN FINANCE AND PUBLIC  
 4.34 DISCLOSURE BOARD \$ 1,048,000 \$ 1,048,000

5.1	Sec. 8. <u>STATE BOARD OF INVESTMENT</u>	\$	<u>139,000</u>	\$	<u>139,000</u>
5.2	Sec. 9. <u>ADMINISTRATIVE HEARINGS</u>	\$	<u>8,231,000</u>	\$	<u>8,231,000</u>
5.3	<u>Appropriations by Fund</u>				
5.4			<u>2020</u>		<u>2021</u>
5.5	<u>General</u>		<u>400,000</u>		<u>400,000</u>
5.6	<u>Workers'</u>				
5.7	<u>Compensation</u>		<u>7,831,000</u>		<u>7,831,000</u>
5.8	<u>\$263,000 the first year and \$263,000 the</u>				
5.9	<u>second year are for municipal boundary</u>				
5.10	<u>adjustments.</u>				
5.11	Sec. 10. <u>OFFICE OF MN.IT SERVICES</u>	\$	<u>15,329,000</u>	\$	<u>10,526,000</u>
5.12	<u>(a) The base for this appropriation in fiscal</u>				
5.13	<u>year 2022 and later is \$9,026,000.</u>				
5.14	<u>(b) \$12,650,000 the first year and \$7,847,000</u>				
5.15	<u>the second year are for enhancements to</u>				
5.16	<u>cybersecurity across state government. The</u>				
5.17	<u>base for this appropriation in fiscal years 2022</u>				
5.18	<u>and 2023 is \$7,347,000 each year.</u>				
5.19	<u>(c) The commissioner of management and</u>				
5.20	<u>budget is authorized to provide cash flow</u>				
5.21	<u>assistance of up to \$50,000,000 from the</u>				
5.22	<u>special revenue fund or other statutory general</u>				
5.23	<u>funds as defined in Minnesota Statutes, section</u>				
5.24	<u>16A.671, subdivision 3, paragraph (a), to the</u>				
5.25	<u>Office of MN.IT Services for the purpose of</u>				
5.26	<u>managing revenue and expenditure</u>				
5.27	<u>differences. These funds shall be repaid with</u>				
5.28	<u>interest by the end of the fiscal year 2021</u>				
5.29	<u>closing period.</u>				
5.30	<u>(d) During the biennium ending June 30, 2021,</u>				
5.31	<u>MN.IT Services must not charge fees to a</u>				
5.32	<u>public noncommercial educational television</u>				
5.33	<u>broadcast station eligible for funding under</u>				
5.34	<u>Minnesota Statutes, chapter 129D, for access</u>				



7.1 (c) The commissioner of administration must  
7.2 consider the recommendations of the  
7.3 Minnesota Public Television Association  
7.4 before allocating the amounts appropriated in  
7.5 paragraphs (a) and (b) for equipment or  
7.6 matching grants.

7.7 **Public Radio.** (a) \$492,000 the first year and  
7.8 \$492,000 the second year are for community  
7.9 service grants to public educational radio  
7.10 stations. This appropriation may be used to  
7.11 disseminate emergency information in foreign  
7.12 languages.

7.13 (b) \$142,000 the first year and \$142,000 the  
7.14 second year are for equipment grants to public  
7.15 educational radio stations. This appropriation  
7.16 may be used for the repair, rental, and  
7.17 purchase of equipment including equipment  
7.18 under \$500.

7.19 (c) \$510,000 the first year and \$510,000 the  
7.20 second year are for equipment grants to  
7.21 Minnesota Public Radio, Inc., including  
7.22 upgrades to Minnesota's Emergency Alert and  
7.23 AMBER Alert Systems.

7.24 (d) The appropriations in paragraphs (a) to (c)  
7.25 may not be used for indirect costs claimed by  
7.26 an institution or governing body.

7.27 (e) The commissioner of administration must  
7.28 consider the recommendations of the  
7.29 Association of Minnesota Public Educational  
7.30 Radio Stations before awarding grants under  
7.31 Minnesota Statutes, section 129D.14, using  
7.32 the appropriations in paragraphs (a) and (b).  
7.33 No grantee is eligible for a grant unless they  
7.34 are a member of the Association of Minnesota



9.1	<u>Appropriations by Fund</u>		
9.2	<u>General</u>	<u>119,322,000</u>	<u>119,322,000</u>
9.3	<u>Health Care Access</u>	<u>760,000</u>	<u>760,000</u>
9.4	<u>Highway User Tax</u>		
9.5	<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
9.6	<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>
9.7	<b><u>Appropriation; Taxpayer Assistance. (a)</u></b>		
9.8	<u>\$400,000 each year is for the commissioner</u>		
9.9	<u>of revenue to make grants to one or more</u>		
9.10	<u>nonprofit organizations, qualifying under</u>		
9.11	<u>section 501(c)(3) of the Internal Revenue Code</u>		
9.12	<u>of 1986, to coordinate, facilitate, encourage,</u>		
9.13	<u>and aid in the provision of taxpayer assistance</u>		
9.14	<u>services. The unencumbered balance in the</u>		
9.15	<u>first year does not cancel but is available for</u>		
9.16	<u>the second year.</u>		
9.17	<u>(b) For purposes of this section, "taxpayer</u>		
9.18	<u>assistance services" means accounting and tax</u>		
9.19	<u>preparation services provided by volunteers</u>		
9.20	<u>to low-income, elderly, and disadvantaged</u>		
9.21	<u>Minnesota residents to help them file federal</u>		
9.22	<u>and state income tax returns and Minnesota</u>		
9.23	<u>property tax refund claims and to provide</u>		
9.24	<u>personal representation before the Department</u>		
9.25	<u>of Revenue and Internal Revenue Service.</u>		
9.26	<b><u>Subd. 3. Debt Collection Management</u></b>	<u>26,139,000</u>	<u>26,139,000</u>
9.27	<b><u>Sec. 15. GAMBLING CONTROL</u></b>	<b><u>\$ 3,472,000</u></b>	<b><u>\$ 3,472,000</u></b>
9.28	<u>These appropriations are from the lawful</u>		
9.29	<u>gambling regulation account in the special</u>		
9.30	<u>revenue fund.</u>		
9.31	<b><u>Sec. 16. RACING COMMISSION</u></b>	<b><u>\$ 913,000</u></b>	<b><u>\$ 913,000</u></b>
9.32	<u>These appropriations are from the racing and</u>		
9.33	<u>card playing regulation accounts in the special</u>		
9.34	<u>revenue fund.</u>		

10.1	<b>Sec. 17. <u>STATE LOTTERY</u></b>			
10.2	<u>Notwithstanding Minnesota Statutes, section</u>			
10.3	<u>349A.10, subdivision 3, the State Lottery's</u>			
10.4	<u>operating budget must not exceed \$35,000,000</u>			
10.5	<u>in fiscal year 2020 and \$36,500,000 in fiscal</u>			
10.6	<u>year 2021.</u>			
10.7	<b>Sec. 18. <u>AMATEUR SPORTS COMMISSION</u></b>	<b>\$</b>	<b><u>2,306,000</u></b>	<b>\$</b>
10.8	<u>\$2,000,000 each year is to make grants under</u>			
10.9	<u>Minnesota Statutes, section 240A.09,</u>			
10.10	<u>paragraph (b).</u>			
10.11	<b>Sec. 19. <u>COUNCIL FOR MINNESOTANS OF</u></b>			
10.12	<b><u>AFRICAN HERITAGE</u></b>	<b>\$</b>	<b><u>407,000</u></b>	<b>\$</b>
10.13	<b>Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u></b>	<b>\$</b>	<b><u>495,000</u></b>	<b>\$</b>
10.14	<b>Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC</u></b>			
10.15	<b><u>MINNESOTANS</u></b>	<b>\$</b>	<b><u>465,000</u></b>	<b>\$</b>
10.16	<b>Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u></b>	<b>\$</b>	<b><u>586,000</u></b>	<b>\$</b>
10.17	<b>Sec. 23. <u>MINNESOTA HISTORICAL</u></b>			
10.18	<b><u>SOCIETY</u></b>			
10.19	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b>\$</b>	<b><u>19,129,000</u></b>	<b>\$</b>
10.20	<u>The amounts that may be spent for each</u>			
10.21	<u>purpose are specified in the following</u>			
10.22	<u>subdivisions.</u>			
10.23	<b>Subd. 2. <u>Operations and Programs</u></b>		<b><u>18,497,000</u></b>	<b><u>18,497,000</u></b>
10.24	<u>Notwithstanding Minnesota Statutes, section</u>			
10.25	<u>138.668, the Minnesota Historical Society may</u>			
10.26	<u>not charge a fee for its general tours at the</u>			
10.27	<u>Capitol, but may charge fees for special</u>			
10.28	<u>programs other than general tours.</u>			
10.29	<b>Subd. 3. <u>Fiscal Agent</u></b>			
10.30	<b>(a) <u>Minnesota Air National Guard Museum</u></b>		<b><u>17,000</u></b>	<b><u>17,000</u></b>
10.31	<b>(b) <u>Hockey Hall of Fame</u></b>		<b><u>100,000</u></b>	<b><u>100,000</u></b>
10.32	<b>(c) <u>Farmamerica</u></b>		<b><u>115,000</u></b>	<b><u>115,000</u></b>

11.1	<u>(d) Minnesota Military Museum</u>		<u>400,000</u>	<u>400,000</u>
11.2	<u>\$350,000 each year is to:</u>			
11.3	<u>(1) expand collections network, library and</u>			
11.4	<u>museum interpretation, and existing school</u>			
11.5	<u>and community-based programming related</u>			
11.6	<u>to Minnesota military history;</u>			
11.7	<u>(2) create and conduct a statewide</u>			
11.8	<u>story-sharing program to honor the distinct</u>			
11.9	<u>service of post 9/11 veterans in anticipation</u>			
11.10	<u>of the 2021 anniversary; and</u>			
11.11	<u>(3) care for, catalog, and display the recently</u>			
11.12	<u>acquired collection of the personal and</u>			
11.13	<u>professional effects belonging to General John</u>			
11.14	<u>W. Vessey, Minnesota's most decorated</u>			
11.15	<u>veteran.</u>			
11.16	<b><u>Balances Forward.</u></b> Any unencumbered			
11.17	<u>balance of an appropriation in this subdivision</u>			
11.18	<u>remaining at the end of the first year does not</u>			
11.19	<u>cancel but is available in the second year.</u>			
11.20	Sec. 24. <b><u>BOARD OF THE ARTS</u></b>			
11.21	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>7,541,000</u></b>	<b><u>\$</u></b> <b><u>7,541,000</u></b>
11.22	<u>The amounts that may be spent for each</u>			
11.23	<u>purpose are specified in the following</u>			
11.24	<u>subdivisions.</u>			
11.25	<b><u>Subd. 2. Operations and Services</u></b>		<u>602,000</u>	<u>602,000</u>
11.26	<b><u>Subd. 3. Grants Program</u></b>		<u>4,800,000</u>	<u>4,800,000</u>
11.27	<b><u>Subd. 4. Regional Arts Councils</u></b>		<u>2,139,000</u>	<u>2,139,000</u>
11.28	<u>Any unencumbered balance of an</u>			
11.29	<u>appropriation in this subdivision remaining at</u>			
11.30	<u>the end of the first year does not cancel but is</u>			
11.31	<u>available in the second year.</u>			

12.1 Money appropriated in this section and  
 12.2 distributed as grants may only be spent on  
 12.3 projects located in Minnesota. A recipient of  
 12.4 a grant funded by an appropriation in this  
 12.5 section must not use more than ten percent of  
 12.6 the total grant for costs related to travel outside  
 12.7 the state of Minnesota.

12.8 **Sec. 25. MINNESOTA HUMANITIES**  
 12.9 **CENTER**

**\$ 988,000 \$ 988,000**

12.10 \$650,000 each year is for the Healthy Eating,  
 12.11 Here at Home program under Minnesota  
 12.12 Statutes, section 138.912. No more than three  
 12.13 percent of the appropriation may be used for  
 12.14 the nonprofit administration of this program.

12.15 **Sec. 26. BOARD OF ACCOUNTANCY**

**\$ 643,000 \$ 643,000**

12.16 **Sec. 27. BOARD OF ARCHITECTURE**  
 12.17 **ENGINEERING, LAND SURVEYING,**  
 12.18 **LANDSCAPE ARCHITECTURE,**  
 12.19 **GEOSCIENCE, AND INTERIOR DESIGN**

**\$ 806,000 \$ 806,000**

12.20 **Sec. 28. BOARD OF COSMETOLOGIST**  
 12.21 **EXAMINERS**

**\$ 2,514,000 \$ 2,514,000**

12.22 **Sec. 29. BOARD OF BARBER EXAMINERS**

**\$ 343,000 \$ 343,000**

12.23 **Sec. 30. GENERAL CONTINGENT**  
 12.24 **ACCOUNTS**

**\$ 1,000,000 \$ 500,000**

12.25 Appropriations by Fund

	<u>2020</u>	<u>2021</u>
12.26		
12.27 <u>General</u>	<u>500,000</u>	<u>-0-</u>
12.28 <u>State Government</u>		
12.29 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
12.30 <u>Workers'</u>		
12.31 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

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



14.1	<u>valuation prepared according to Minnesota</u>			
14.2	<u>Statutes, section 356.214.</u>			
14.3	<b>Sec. 33. <u>PUBLIC EMPLOYEES RETIREMENT</u></b>			
14.4	<b><u>ASSOCIATION</u></b>	<b>\$</b>	<b><u>4,500,000</u></b>	<b>\$</b> <b><u>9,000,000</u></b>
14.5	<u>These amounts are for direct state aid to the</u>			
14.6	<u>public employees police and fire retirement</u>			
14.7	<u>plan authorized under Minnesota Statutes,</u>			
14.8	<u>section 353.65, subdivision 3b.</u>			
14.9	<b>Sec. 34. <u>TEACHERS RETIREMENT</u></b>			
14.10	<b><u>ASSOCIATION</u></b>	<b>\$</b>	<b><u>29,831,000</u></b>	<b>\$</b> <b><u>29,831,000</u></b>
14.11	<u>The amounts estimated to be needed are as</u>			
14.12	<u>follows:</u>			
14.13	<b><u>Special Direct State Aid.</u></b> \$27,331,000 each			
14.14	<u>year is for special direct state aid authorized</u>			
14.15	<u>under Minnesota Statutes, section 354.436.</u>			
14.16	<b><u>Special Direct State Matching Aid.</u></b>			
14.17	<u>\$2,500,000 each year is for special direct state</u>			
14.18	<u>matching aid authorized under Minnesota</u>			
14.19	<u>Statutes, section 354.435.</u>			
14.20	<b>Sec. 35. <u>ST. PAUL TEACHERS RETIREMENT</u></b>			
14.21	<b><u>FUND</u></b>	<b>\$</b>	<b><u>14,827,000</u></b>	<b>\$</b> <b><u>14,827,000</u></b>
14.22	<u>The amounts estimated to be needed for</u>			
14.23	<u>special direct state aid to the first class city</u>			
14.24	<u>teachers retirement fund association authorized</u>			
14.25	<u>under Minnesota Statutes, section 354A.12,</u>			
14.26	<u>subdivisions 3a and 3c.</u>			
14.27	<b>Sec. 36. <u>MILITARY AFFAIRS</u></b>			
14.28	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>24,247,000</u></b>	<b>\$</b> <b><u>24,197,000</u></b>
14.29	<u>The amounts that may be spent for each</u>			
14.30	<u>purpose are specified in the following</u>			
14.31	<u>subdivisions.</u>			
14.32	<b><u>Subd. 2. Maintenance of Training Facilities</u></b>		<b><u>9,701,000</u></b>	<b><u>9,701,000</u></b>
14.33	<b><u>Subd. 3. General Support</u></b>		<b><u>3,382,000</u></b>	<b><u>3,382,000</u></b>

15.1	<u>\$258,000 each year is for reintegration</u>		
15.2	<u>activities. If the amount for fiscal year 2020</u>		
15.3	<u>is insufficient, the amount for 2021 is available</u>		
15.4	<u>in fiscal year 2020. Any unencumbered</u>		
15.5	<u>balance does not cancel at the end of the first</u>		
15.6	<u>year and is available for the second year.</u>		
15.7	<b><u>Subd. 4. Enlistment Incentives</u></b>	<u>11,114,000</u>	<u>11,114,000</u>
15.8	<u>The appropriations in this subdivision are</u>		
15.9	<u>available until June 30, 2023, except that any</u>		
15.10	<u>unspent amounts allocated to a program</u>		
15.11	<u>otherwise supported by this appropriation are</u>		
15.12	<u>canceled to the general fund upon receipt of</u>		
15.13	<u>federal funds in the same amount to support</u>		
15.14	<u>administration of that program.</u>		
15.15	<u>If appropriations for either year of the</u>		
15.16	<u>biennium are insufficient, the appropriation</u>		
15.17	<u>from the other year is available.</u>		
15.18	<b><u>Subd. 5. Transfer</u></b>	<u>50,000</u>	<u>-0-</u>
15.19	<u>\$50,000 in fiscal year 2020 is for transfer to</u>		
15.20	<u>the Support Our Troops account for grants to</u>		
15.21	<u>one or more eligible foundations for the</u>		
15.22	<u>purpose of making grants to eligible</u>		
15.23	<u>individuals as specified under Minnesota</u>		
15.24	<u>Statutes, section 190.19, subdivision 2,</u>		
15.25	<u>paragraph (a), clause (2). The amount</u>		
15.26	<u>transferred is available until June 30, 2021.</u>		
15.27	<b><u>Sec. 37. VETERANS AFFAIRS</u></b>		
15.28	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 76,723,000</u></b>	<b><u>\$ 75,423,000</u></b>
15.29	<u>The amounts that may be spent for each</u>		
15.30	<u>purpose are specified in the following</u>		
15.31	<u>subdivisions.</u>		
15.32	<b><u>Subd. 2. Veterans Programs and Services</u></b>	<u>18,912,000</u>	<u>17,662,000</u>

16.1 **(a) CORE Program.** \$1,500,000 in fiscal year  
16.2 2020 and \$500,000 in fiscal year 2021 are for  
16.3 the Counseling and Case Management  
16.4 Outreach Referral and Education (CORE)  
16.5 program.

16.6 **(b) Veterans Service Organizations.**  
16.7 \$353,000 each year is for grants to the  
16.8 following congressionally chartered veterans  
16.9 service organizations as designated by the  
16.10 commissioner: Disabled American Veterans,  
16.11 Military Order of the Purple Heart, the  
16.12 American Legion, Veterans of Foreign Wars,  
16.13 Vietnam Veterans of America, AMVETS, and  
16.14 Paralyzed Veterans of America. This funding  
16.15 must be allocated in direct proportion to the  
16.16 funding currently being provided by the  
16.17 commissioner to these organizations.

16.18 **(c) Minnesota Assistance Council for**  
16.19 **Veterans.** \$750,000 each year is for a grant  
16.20 to the Minnesota Assistance Council for  
16.21 Veterans to provide assistance throughout  
16.22 Minnesota to veterans and their families who  
16.23 are homeless or in danger of homelessness,  
16.24 including assistance with the following:

16.25 (1) utilities;  
16.26 (2) employment; and  
16.27 (3) legal issues.

16.28 The assistance authorized under this paragraph  
16.29 must be made only to veterans who have  
16.30 resided in Minnesota for 30 days prior to  
16.31 application for assistance and according to  
16.32 other guidelines established by the  
16.33 commissioner. In order to avoid duplication  
16.34 of services, the commissioner must ensure that

- 17.1 this assistance is coordinated with all other  
17.2 available programs for veterans.
- 17.3 **(d) State's Veterans Cemeteries. \$1,647,000**  
17.4 in the first year and \$1,672,000 in the second  
17.5 year are for the state's veterans cemeteries.
- 17.6 **(e) Honor Guards. \$200,000 each year is for**  
17.7 compensation for honor guards at the funerals  
17.8 of veterans under Minnesota Statutes, section  
17.9 197.231.
- 17.10 **(f) Minnesota GI Bill. \$200,000 each year is**  
17.11 for the costs of administering the Minnesota  
17.12 GI Bill postsecondary educational benefits,  
17.13 on-the-job training, and apprenticeship  
17.14 program under Minnesota Statutes, section  
17.15 197.791.
- 17.16 **(g) Gold Star Program. \$100,000 each year**  
17.17 is for administering the Gold Star Program for  
17.18 surviving family members of deceased  
17.19 veterans.
- 17.20 **(h) County Veterans Service Office.**  
17.21 \$1,100,000 each year is for funding the  
17.22 County Veterans Service Office grant program  
17.23 under Minnesota Statutes, section 197.608.
- 17.24 **(i) Armed Forces Service Center. \$100,000**  
17.25 in the first year is for a onetime grant to the  
17.26 Armed Forces Service Center at the  
17.27 Minneapolis-St. Paul Airport for construction  
17.28 costs related to the remodeling of the Armed  
17.29 Forces Service Center and for refurbishing the  
17.30 center's furniture and beds used by service  
17.31 members between connecting flights and while  
17.32 awaiting ground transportation when traveling  
17.33 individually or by unit to and from military  
17.34 duty assignments.

18.1 As a condition of issuing this grant, the  
 18.2 commissioner must ensure that the center  
 18.3 provides matching funding for this purpose.  
 18.4 The commissioner must also ensure that no  
 18.5 part of this grant may be spent for salary or  
 18.6 related benefits for any person or for the  
 18.7 operations of the center.

18.8 **(j) Medal of Honor Memorial.** \$150,000 in  
 18.9 the second year is for deposit in the Medal of  
 18.10 Honor Memorial account established under  
 18.11 Laws 2016, chapter 189, article 13, section  
 18.12 64, subdivision 2. The commissioner shall use  
 18.13 the amount transferred under this section to  
 18.14 construct the Medal of Honor Commemorative  
 18.15 Memorial. This transfer is not available until  
 18.16 the commissioner of management and budget  
 18.17 determines that an equal amount is committed  
 18.18 from other nonstate sources. This is a onetime  
 18.19 appropriation.

18.20 **Subd. 3. Veterans Health Care** 57,761,000 57,761,000

18.21 **(a) Transfers.** These appropriations may be  
 18.22 transferred to a veterans homes special  
 18.23 revenue account in the special revenue fund  
 18.24 in the same manner as other receipts are  
 18.25 deposited according to Minnesota Statutes,  
 18.26 section 198.34, and are appropriated to the  
 18.27 commissioner of veterans affairs for the  
 18.28 operation of veterans homes facilities and  
 18.29 programs.

18.30 **(b) Report.** No later than January 15, 2020,  
 18.31 the commissioner must submit a report to the  
 18.32 legislative committees with jurisdiction over  
 18.33 veterans affairs and state government finance  
 18.34 on reserve amounts maintained in the veterans  
 18.35 homes special revenue account. The report

19.1 must detail current and historical amounts  
 19.2 maintained as a reserve, and uses of those  
 19.3 amounts. The report must also include data on  
 19.4 the utilization of existing veterans homes,  
 19.5 including current and historical bed capacity  
 19.6 and usage, staffing levels and staff vacancy  
 19.7 rates, and staff-to-resident ratios.

19.8 **(c) Maximize Federal Reimbursements.** The  
 19.9 department shall seek opportunities to  
 19.10 maximize federal reimbursements of  
 19.11 Medicare-eligible expenses and provide annual  
 19.12 reports to the commissioner of management  
 19.13 and budget on the federal Medicare  
 19.14 reimbursements received. Contingent upon  
 19.15 future federal Medicare receipts, reductions  
 19.16 to the homes' general fund appropriation may  
 19.17 be made.

19.18 **Subd. 4. Transfer**

50,000

-0-

19.19 \$50,000 in fiscal year 2020 is for transfer to  
 19.20 the Support Our Troops account for providing  
 19.21 services and programs for veterans and their  
 19.22 families as specified in Minnesota Statutes,  
 19.23 section 190.19, subdivision 2a, paragraph (a),  
 19.24 clause (3), and for the agency's uncompensated  
 19.25 burial costs for eligible dependents to whom  
 19.26 the commissioner grants a no-fee or  
 19.27 reduced-fee burial in the state's veteran  
 19.28 cemeteries pursuant to Minnesota Statutes,  
 19.29 section 197.236, subdivision 9, paragraph (b),  
 19.30 as specified in Minnesota Statutes, section  
 19.31 190.19, subdivision 2a, paragraph (a), clause  
 19.32 (7). The amount transferred is available until  
 19.33 June 30, 2021.

20.1 Sec. 38. Laws 2018, chapter 100, section 1, is amended to read:

20.2 Section 1. **SENATE; APPROPRIATION.**

20.3 \$32,299,000 in fiscal year 2018 and ~~\$32,105,000~~ \$37,105,000 in fiscal year 2019 are  
20.4 appropriated from the general fund to the senate.

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

20.6 Sec. 39. **APPROPRIATION; REDUCTION FOR UNFILLED POSITIONS.**

20.7 The commissioner of management and budget must reduce general fund appropriations  
20.8 to agencies for agency operations for the biennium ending June 30, 2021, by \$468,000 as  
20.9 required under article 2, section 26. Reductions made in 2021 must be reflected as reductions  
20.10 in agency base budgets for fiscal years 2022 and 2023. For purposes of this section, "agency"  
20.11 has the meaning given in Minnesota Statutes, section 16A.011, subdivision 2, and does not  
20.12 include the Minnesota State Colleges and Universities. The commissioner of management  
20.13 and budget must report to the chairs and ranking minority members of the senate Finance  
20.14 Committee and the house of representatives Ways and Means Committee regarding the  
20.15 amount of reductions made to each agency's appropriation and base budget under this section.

20.16 Sec. 40. **CANCELLATIONS.**

20.17 (a) All unspent funds, estimated to be \$7,290,000, carried forward from a previous  
20.18 biennium by the house of representatives under Minnesota Statutes, section 16A.281, are  
20.19 canceled to the general fund by June 1, 2019.

20.20 (b) All unencumbered funds, estimated to be \$7,343,000, in the information and  
20.21 telecommunications technology systems and services account established under Minnesota  
20.22 Statutes, section 16E.21, are canceled to the general fund by June 1, 2019.

20.23 (c) All unspent funds, estimated to be \$350,000, to provide grants to the veterans Journey  
20.24 Home program in fiscal year 2019 under Laws 2017, First Special Session chapter 4, article  
20.25 1, section 38, subdivision 2, are canceled to the general fund by June 29, 2019.

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

## ARTICLE 2

## STATE GOVERNMENT OPERATIONS

21.1

21.2

21.3 Section 1. Minnesota Statutes 2018, section 3.855, subdivision 2, is amended to read:

21.4 Subd. 2. **State employee negotiations.** (a) The commissioner of management and budget  
21.5 shall regularly advise the commission on the progress of collective bargaining activities  
21.6 with state employees under the state Public Employment Labor Relations Act. During  
21.7 negotiations, the commission may make recommendations to the commissioner as it deems  
21.8 appropriate but no recommendation shall impose any obligation or grant any right or privilege  
21.9 to the parties.

21.10 (b) The commissioner shall submit to the chair of the commission any negotiated  
21.11 collective bargaining agreements, arbitration awards, compensation plans, or salaries for  
21.12 legislative approval or disapproval. Negotiated agreements shall be submitted within five  
21.13 days of the date of approval by the commissioner or the date of approval by the affected  
21.14 state employees, whichever occurs later. Arbitration awards shall be submitted within five  
21.15 days of their receipt by the commissioner. If the commission disapproves a collective  
21.16 bargaining agreement, award, compensation plan, or salary, the commission shall specify  
21.17 in writing to the parties those portions with which it disagrees and its reasons. If the  
21.18 commission approves a collective bargaining agreement, award, compensation plan, or  
21.19 salary, it shall submit the matter to the legislature to be accepted or rejected under this  
21.20 section.

21.21 (c) When the legislature is not in session, the commission may give interim approval to  
21.22 a negotiated collective bargaining agreement, salary, compensation plan, or arbitration  
21.23 award. ~~When the legislature is not in session, failure of the commission to disapprove a~~  
21.24 ~~collective bargaining agreement or arbitration award within 30 days constitutes approval.~~  
21.25 The commission shall submit the negotiated collective bargaining agreements, salaries,  
21.26 compensation plans, or arbitration awards for which it has provided approval to the entire  
21.27 legislature for ratification at a special legislative session called to consider them or at its  
21.28 next regular legislative session as provided in this section. Approval or disapproval by the  
21.29 commission is not binding on the legislature.

21.30 (d) When the legislature is not in session, the proposed collective bargaining agreement,  
21.31 arbitration decision, salary, or compensation plan must be implemented upon its approval  
21.32 by the commission, and state employees covered by the proposed agreement or arbitration  
21.33 decision do not have the right to strike while the interim approval is in effect. Wages and  
21.34 economic fringe benefit increases provided for in the agreement or arbitration decision paid

22.1 in accordance with the interim approval by the commission are not affected, but the wages  
 22.2 or benefit increases must cease to be paid or provided effective upon the rejection of the  
 22.3 agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the  
 22.4 legislature without acting on it.

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

22.6 Sec. 2. Minnesota Statutes 2018, section 3.855, is amended by adding a subdivision to  
 22.7 read:

22.8 Subd. 5. **Information required.** The commissioner of management and budget must  
 22.9 submit to the Legislative Coordinating Commission the following information with the  
 22.10 submission of a collective bargaining agreement or compensation plan under subdivisions  
 22.11 2 and 3:

22.12 (1) for each agency and for each proposed agreement or plan, a comparison of biennial  
 22.13 compensation costs under the current agreement or plan to the projected biennial  
 22.14 compensation costs under the proposed agreement or plan, paid with funds appropriated  
 22.15 from the general fund;

22.16 (2) for each agency and for each proposed agreement or plan, a comparison of biennial  
 22.17 compensation costs under the current agreement or plan to the projected biennial  
 22.18 compensation costs under the proposed agreement or plan, paid with funds appropriated  
 22.19 from each fund other than the general fund;

22.20 (3) for each agency and for each proposed agreement or plan, an identification of the  
 22.21 amount of the additional biennial compensation costs that are attributable to salary and  
 22.22 wages and to the cost of nonsalary and nonwage benefits; and

22.23 (4) for each agency, for clauses (1) to (3), the impact of the aggregate of all agreements  
 22.24 and plans being submitted to the commission.

22.25 Sec. 3. **[3.8845] LEGISLATIVE COMMISSION ON HOUSING AFFORDABILITY.**

22.26 Subdivision 1. **Membership.** (a) The Legislative Commission on Housing Affordability  
 22.27 consists of:

22.28 (1) two senators appointed by the senate majority leader;

22.29 (2) two senators appointed by the senate minority leader;

22.30 (3) two representatives appointed by the speaker of the house; and

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

23.1 (b) Each appointing authority must make appointments by January 31 of the regular  
23.2 legislative session in the odd-numbered year.

23.3 Subd. 2. **Meetings.** The ranking senator from the majority party appointed to the  
23.4 commission must convene the first meeting of a biennium by February 15 in the  
23.5 odd-numbered year.

23.6 Subd. 3. **Terms; vacancies.** Members of the commission serve for terms beginning upon  
23.7 appointment and ending at the beginning of the regular legislative session in the next  
23.8 odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of  
23.9 a current legislator for the remainder of the unexpired term.

23.10 Subd. 4. **Officers.** The commission must elect a chair and may elect other officers as it  
23.11 determines are necessary at the first meeting of the commission in an odd-numbered year.  
23.12 The chair alternates between a member of the senate and a member of the house of  
23.13 representatives at the start of the regular legislative session in each odd-numbered year.

23.14 Subd. 5. **Staff.** The Legislative Coordinating Commission must provide administrative  
23.15 and research assistance to the commission.

23.16 Subd. 6. **Duties.** The commission shall:

23.17 (1) define housing affordability and study issues relating to housing affordability and  
23.18 the construction, preservation, and rehabilitation of owner-occupied and rental housing,  
23.19 including subsidized housing, existing and future government regulations impacting housing  
23.20 affordability, market forces impacting housing affordability, and access to homeownership;

23.21 (2) review and provide the legislature with research and analysis of emerging issues  
23.22 affecting housing affordability and homeownership access, including but not limited to  
23.23 construction work force, innovation, building practices, and building material costs;

23.24 (3) review and provide the legislature with research and analysis of policies to reduce  
23.25 the homeownership equity gap; and

23.26 (4) review and make recommendations on legislative and rulemaking proposals positively  
23.27 impacting personal housing affordability, access to homeownership, and other related barriers  
23.28 to homeownership, especially with regard to first-time homebuyers and economically  
23.29 disadvantaged buyers and renters.

23.30 Subd. 7. **Expiration.** This section expires June 30, 2023.

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

24.1 Sec. 4. Minnesota Statutes 2018, section 3.97, subdivision 3a, is amended to read:

24.2 Subd. 3a. **Evaluation topics.** ~~(a)~~ The commission shall periodically select topics for the  
 24.3 legislative auditor to evaluate. Topics may include any agency, program, or activity  
 24.4 established by law to achieve a state purpose, or any topic that affects the operation of state  
 24.5 government, ~~but~~. The commission shall give primary consideration to topics that are likely,  
 24.6 upon examination, to produce recommendations for cost savings, increased productivity,  
 24.7 or the elimination of duplication among public agencies. The commission shall also give  
 24.8 consideration to programs and statutory provisions that authorize grants, tax incentives, and  
 24.9 other inducements for economic development. Legislators and legislative committees may  
 24.10 suggest topics for evaluation, but the legislative auditor shall only conduct evaluations  
 24.11 approved by the commission.

24.12 ~~(b) The commission is requested to direct the auditor, in response to a suggestion from~~  
 24.13 ~~an individual legislator of an evaluation topic, to estimate the scope of the proposed~~  
 24.14 ~~evaluation and the time required to complete it. The estimate must be reported to the legislator~~  
 24.15 ~~who submitted the suggestion and to the commission. The commission must determine~~  
 24.16 ~~within 60 days of receiving the estimate whether to proceed with the suggested evaluation~~  
 24.17 ~~and must convey its decision to the legislator along with the reasons for its decision.~~

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

24.19 Sec. 5. Minnesota Statutes 2018, section 3.971, subdivision 9, is amended to read:

24.20 Subd. 9. **Obligation to notify the legislative auditor.** The chief executive, financial,  
 24.21 or information officers of an organization subject to audit under this section must promptly  
 24.22 notify the legislative auditor when the officer obtains information indicating that public  
 24.23 money or other public resources may have been used for an unlawful purpose, or when the  
 24.24 officer obtains information indicating that government data classified by chapter 13 as not  
 24.25 public may have been accessed ~~or used unlawfully~~ by or provided to a person without lawful  
 24.26 authorization. As necessary, the legislative auditor shall coordinate an investigation of the  
 24.27 allegation with appropriate law enforcement officials.

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

24.29 Sec. 6. **[5.50] EXECUTIVE ORDER LIST SERVE.**

24.30 The secretary of state shall maintain a list of e-mail addresses of people who have  
 24.31 requested to be notified when an executive order is filed with the secretary of state. The

25.1 secretary of state shall notify people on the list by e-mail within seven days of the filing of  
25.2 an executive order.

25.3 Sec. 7. Minnesota Statutes 2018, section 6.481, subdivision 1, is amended to read:

25.4 Subdivision 1. **Powers and duties.** (a) All the powers and duties conferred and imposed  
25.5 upon the state auditor shall be exercised and performed by the state auditor in respect to the  
25.6 offices, institutions, public property, and improvements of several counties of the state. The  
25.7 state auditor may visit, without previous notice, each county and examine all accounts and  
25.8 records relating to the receipt and disbursement of the public funds and the custody of the  
25.9 public funds and other property. The state auditor shall prescribe and install systems of  
25.10 accounts and financial reports that shall be uniform, so far as practicable, for the same class  
25.11 of offices.

25.12 (b) As used in this section, "county" includes a special district consisting exclusively of  
25.13 counties operating under a joint powers agreement under section 471.59.

25.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
25.15 applies retroactively to audits and examinations covering fiscal year 2018 and thereafter.

25.16 Sec. 8. Minnesota Statutes 2018, section 6.481, subdivision 3, is amended to read:

25.17 Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the  
25.18 standards and be in a form meeting recognized industry auditing standards. The state auditor  
25.19 may require additional information from the CPA firm if the state auditor determines that  
25.20 is in the public interest, but the state auditor must accept the audit unless the state auditor  
25.21 determines the audit or its form does not meet recognized industry auditing standards. The  
25.22 state auditor may make additional examinations as the auditor determines to be in the public  
25.23 interest.

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

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

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

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

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

26.8 (5) the state auditor shall make changes to the draft report if the state auditor determines  
 26.9 changes are warranted as a result of information provided by the CPA firm during the state  
 26.10 auditor's review; and

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

26.13 **Sec. 9. [10.584] MATERNAL MENTAL HEALTH AWARENESS MONTH.**

26.14 The month of May is designated as Maternal Mental Health Awareness Month in  
 26.15 recognition of the state's desire to recognize the prevalence of pregnancy and postpartum  
 26.16 mental health issues and educate the people of the state about identifying symptoms and  
 26.17 seeking treatment options. Up to one-third of mothers report having symptoms of pregnancy  
 26.18 and postpartum mood and anxiety disorders each year. Many more cases go unreported due  
 26.19 to misunderstanding. Pregnancy and postpartum mood disorders are widespread but treatable  
 26.20 illnesses. Left untreated, pregnancy and postpartum mood and anxiety disorders can lead  
 26.21 to negative effects on birth outcomes, infant development, and the well-being of mothers  
 26.22 and families. The state declares that in order to educate the public, the governor may promote  
 26.23 and encourage the observance of Maternal Mental Health Awareness Month.

26.24 **Sec. 10. Minnesota Statutes 2018, section 13.599, is amended by adding a subdivision to**  
 26.25 **read:**

26.26 **Subd. 5. State Arts Board. Notwithstanding subdivision 3, responses submitted by a**  
 26.27 **grantee to the State Arts Board or to a regional arts council under chapter 129D become**  
 26.28 **public data at the public review meeting at which they are considered, except for trade secret**  
 26.29 **data as defined and classified in section 13.37.**

27.1 Sec. 11. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**  
27.2 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

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

27.5 **Subd. 2. Impact on housing cost; agency determination.** An agency must determine  
27.6 if implementation of a proposed rule, or any portion of a proposed rule, will, on average,  
27.7 increase the cost of residential construction or remodeling by \$1,000 or more per unit. The  
27.8 agency must make this determination before the close of the hearing record. Upon request  
27.9 of a party affected by the proposed rule, an administrative law judge must review and  
27.10 approve or disapprove an agency's determination that any portion of a proposed rule will  
27.11 increase the cost of a dwelling unit by \$1,000 or more.

27.12 **Subd. 3. Notice to legislature; legislative approval.** (a) If the agency determines that  
27.13 the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision  
27.14 2, or if the administrative law judge separately confirms the cost of any portion of a rule  
27.15 exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing,  
27.16 the chairs and ranking minority members of the policy committees of the house of  
27.17 representatives and the senate with jurisdiction over the subject matter of the proposed rule  
27.18 within ten days of the determination.

27.19 (b) If a committee of either the house of representatives or senate with jurisdiction over  
27.20 the subject matter of the proposed rule or a portion of a rule that meets or exceeds the  
27.21 threshold in subdivision 2 votes to advise an agency that the rule should not be adopted as  
27.22 proposed, the agency may not adopt the rule unless the rule is approved by a law enacted  
27.23 after the vote of the committee. Section 14.126, subdivision 2, applies to a vote of a  
27.24 committee under this subdivision.

27.25 **Subd. 4. Severability.** If the agency or an administrative law judge determines that part  
27.26 of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a  
27.27 severable portion of the proposed rule does not meet or exceed that threshold, the agency  
27.28 may proceed to adopt the severable portions of the proposed rule regardless of whether a  
27.29 legislative committee has voted under subdivision 3 to advise an agency that the rule should  
27.30 not be adopted as proposed.

27.31 **EFFECTIVE DATE.** This section is effective August 1, 2019, and applies to  
27.32 administrative rules proposed on or after that date.

28.1 Sec. 12. Minnesota Statutes 2018, section 15A.083, subdivision 6a, is amended to read:

28.2 Subd. 6a. **Administrative law judge; salaries.** The salary of the chief administrative  
28.3 law judge is 98.52 percent of the salary of a chief district court judge. The salaries of the  
28.4 assistant chief administrative law judge and administrative law judge supervisors are ~~93.60~~  
28.5 100 percent of the salary of a chief district court judge. The salary of an administrative law  
28.6 judge employed by the Office of Administrative Hearings is 98.52 percent of the salary of  
28.7 a district court judge as set under section 15A.082, subdivision 3.

28.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

28.9 Sec. 13. Minnesota Statutes 2018, section 16A.103, subdivision 1a, is amended to read:

28.10 Subd. 1a. **Forecast parameters.** (a) Except as provided in paragraph (b), the forecast  
28.11 must assume the continuation of current laws and reasonable estimates of projected growth  
28.12 in the national and state economies and affected populations. Revenue must be estimated  
28.13 for all sources provided for in current law. Expenditures must be estimated for all obligations  
28.14 imposed by law and those projected to occur as a result of variables outside the control of  
28.15 the legislature. Expenditure estimates must not include an allowance for inflation.

28.16 (b) Notwithstanding paragraph (a) and any appropriations established in law, all  
28.17 expenditures for a department, institution, or agency of the executive branch estimated for  
28.18 the November forecast must be zero if the scheduled year under section 16A.111, subdivision  
28.19 3, for the department, institution, or agency coincides with the calendar year of the November  
28.20 forecast. The forecasted expenditures in the February forecast must be zero for a department,  
28.21 institution, or agency of the executive branch if they were zero in the preceding November  
28.22 forecast as a result of the requirements of this paragraph. The commissioner shall not apply  
28.23 this paragraph to forecasted expenditures for the current biennium, but shall apply the  
28.24 requirements of this paragraph to the forecasted expenditures for the next two biennia.

28.25 Sec. 14. Minnesota Statutes 2018, section 16A.11, subdivision 3, is amended to read:

28.26 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget  
28.27 estimates both of expenditures and revenues, must contain any statements on the financial  
28.28 plan which the governor believes desirable or which may be required by the legislature.  
28.29 The detailed estimates shall include the governor's budget arranged in tabular form.

28.30 (b) Tables listing expenditures for the next biennium must show the appropriation base  
28.31 for each year. The appropriation base is the amount appropriated for the second year of the  
28.32 current biennium. The tables must separately show any adjustments to the base required by

29.1 current law or policies of the commissioner of management and budget. For forecasted  
29.2 programs, the tables must also show the amount of the forecast adjustments, based on the  
29.3 most recent forecast prepared by the commissioner of management and budget under section  
29.4 16A.103. For all programs, the tables must show the amount of appropriation changes  
29.5 recommended by the governor, after adjustments to the base and forecast adjustments, and  
29.6 the total recommendation of the governor for that year.

29.7 (c) The detailed estimates must include a separate line listing the total cost of professional  
29.8 and technical service contracts for the prior biennium and the projected costs of those  
29.9 contracts for the current and upcoming biennium. They must also include a summary of the  
29.10 personnel employed by the agency, reflected as full-time equivalent positions.

29.11 (d) The detailed estimates for internal service funds must include the number of full-time  
29.12 equivalents by program; detail on any loans from the general fund, including dollar amounts  
29.13 by program; proposed investments in technology or equipment of \$100,000 or more; an  
29.14 explanation of any operating losses or increases in retained earnings; and a history of the  
29.15 rates that have been charged, with an explanation of any rate changes and the impact of the  
29.16 rate changes on affected agencies.

29.17 (e) Notwithstanding paragraph (b) and any appropriation established in law, for any  
29.18 department, institution, or agency in the executive branch that is in a scheduled year under  
29.19 section 16A.111, subdivision 3, in the year prior to the year in which part two of the budget  
29.20 must be submitted, the appropriation base for any appropriation made to that department,  
29.21 institution, or agency for the next two biennia must be zero. The commissioner must display  
29.22 the appropriation base established under this paragraph in the tables and narrative of part  
29.23 two of the budget.

29.24 Sec. 15. **[16A.111] ZERO-BASED BUDGETING.**

29.25 Subdivision 1. Zero-based budget. (a) By October 15, each department, institution,  
29.26 and agency of the executive branch within a scheduled year must submit to the commissioner  
29.27 a proposed detailed operating budget for the biennium beginning July 1 of the following  
29.28 year using zero-based budgeting, including a zero-based budget plan. The commissioner  
29.29 of management and budget shall provide technical assistance to enable each department,  
29.30 institution, or agency to complete its proposed detailed operating budget as specified by the  
29.31 commissioner of management and budget.

29.32 (b) The commissioner of management and budget shall adopt policies and procedures  
29.33 for each department, institution, and agency to implement the provisions of this section.

30.1 (c) As used in this section, "zero-based budgeting" means a method of determining the  
30.2 budget of a department, institution, or agency for which the budget of the department,  
30.3 institution, or agency:

30.4 (1) is deemed to be zero in the November forecast, the February forecast, and the  
30.5 governor's budget recommendations that precede the establishment of a biennial budget;  
30.6 and

30.7 (2) has justified each proposed expenditure for the biennium covered by the budget as  
30.8 if it were a new expenditure.

30.9 (d) Each department, institution, and agency of the executive branch that is required to  
30.10 prepare a detailed operating budget and a zero-based budget plan under this subdivision  
30.11 must submit the detailed operating budget and zero-based budget plan to the legislature.  
30.12 This information must be submitted to the legislature at the same time that part two of the  
30.13 governor's budget is required to be submitted under section 16A.11, subdivision 3.

30.14 Subd. 2. **Zero-based budget plan.** A zero-based budget plan includes the following  
30.15 information:

30.16 (1) a description of activities that comprise the agency, and a justification for the existence  
30.17 of each activity by reference to statute or other legal authority;

30.18 (2) for each activity, a quantitative estimate of any adverse impacts that could reasonably  
30.19 be expected should the activity be discontinued, together with a full description of the  
30.20 methods by which the adverse impact is estimated;

30.21 (3) a list of quantifiable program outcomes that measure the efficiency and effectiveness  
30.22 of each program;

30.23 (4) for each activity, an itemized account of expenditures that would be required to  
30.24 maintain the activity at the minimum level of service required by statutory authority, together  
30.25 with a concise statement of the quantity and quality of services required at that minimum  
30.26 level;

30.27 (5) for each activity, an itemized account of expenditures required to maintain the quantity  
30.28 and quality of services being provided and the number of personnel required to accomplish  
30.29 each program; and

30.30 (6) a ranking of all activities that shows the relative contribution of each activity to the  
30.31 overall goals and purposes of the agency at current service levels.

31.1 Subd. 3. **Scheduled year.** (a) The scheduled year is 2020 and every ten years thereafter  
 31.2 for the following agencies: Department of Administration, Department of Agriculture,  
 31.3 Department of Commerce, Department of Corrections, Department of Education, Department  
 31.4 of Human Rights, Department of Human Services, Department of Military Affairs,  
 31.5 Department of Natural Resources, Department of Transportation, Minnesota Racing  
 31.6 Commission, Office of Higher Education, and all advisory groups associated with these  
 31.7 agencies.

31.8 (b) The scheduled year is 2022 and every ten years thereafter for the following agencies:  
 31.9 Council for Minnesotans of African Heritage, Department of Employment and Economic  
 31.10 Development, Department of Health, Department of Management and Budget, Department  
 31.11 of Public Safety, Gambling Control Board, Metropolitan Council, Minnesota Council on  
 31.12 Latino Affairs, Pollution Control Agency, Science Museum, the Minnesota State Academies,  
 31.13 University of Minnesota, and all advisory groups associated with these agencies.

31.14 (c) The scheduled year is 2024 and every ten years thereafter for the following agencies:  
 31.15 Agriculture Utilization Research Institute, all health-related boards listed in section 214.01,  
 31.16 Council on Asian-Pacific Minnesotans, Department of Labor and Industry, Department of  
 31.17 Revenue, Explore Minnesota Tourism, Minnesota State Colleges and Universities, Minnesota  
 31.18 Indian Affairs Council, Peace Officer Standards and Training Board, Professional Educator  
 31.19 Licensing and Standards Board, the Minnesota Historical Society, the Perpich Center for  
 31.20 Arts Education, and all advisory groups associated with these agencies.

31.21 (d) The scheduled year is 2026 and every ten years thereafter for the following agencies:  
 31.22 all non-health-related boards listed in section 214.01 except as otherwise provided in this  
 31.23 section, Arts Board, Board of Animal Health, Board of School Administrators, Board of  
 31.24 Soil and Water Resources, Department of Veterans Affairs, Emergency Medical Services  
 31.25 Regulatory Board, Mayo Medical School, Office of Administrative Hearings, Public Utilities  
 31.26 Commission, Uniform Laws Commission, Workers' Compensation Board, and all advisory  
 31.27 groups associated with these agencies.

31.28 (e) The scheduled year is 2028 and every ten years thereafter for the following agencies:  
 31.29 Amateur Sports Commission, Capitol Area Architectural and Planning Board, Board of  
 31.30 Teaching, Bureau of Mediation Services, Campaign Finance and Public Disclosure Board,  
 31.31 Destination Medical Center, Higher Education Facilities Authority, Iron Range Resources  
 31.32 and Rehabilitation Board, Minnesota Conservation Corps, Minnesota Zoo, Private Detectives  
 31.33 Board, and all advisory groups associated with these agencies.

31.34 **EFFECTIVE DATE.** This section is effective July 1, 2019.

32.1 Sec. 16. Minnesota Statutes 2018, section 43A.01, is amended by adding a subdivision to  
32.2 read:

32.3 Subd. 4. **Hiring practices.** The commissioner and all appointing authorities must ensure  
32.4 that all hiring for management positions in agencies is done through a fair and open process  
32.5 where all qualified candidates are given full consideration. Under no circumstances may:

32.6 (1) job requirements be altered to fit a particular candidate prior to the posting of a  
32.7 position; or

32.8 (2) internal documents identify a particular candidate as the future holder of a position  
32.9 prior to their official hiring.

32.10 Sec. 17. Minnesota Statutes 2018, section 43A.15, subdivision 14, is amended to read:

32.11 Subd. 14. **On-the-job demonstration process and appointment.** (a) The commissioner  
32.12 shall establish qualifying procedures for applicants ~~whose disabilities are of such a severe~~  
32.13 ~~nature that the applicants are unable to demonstrate their abilities in the selection process~~  
32.14 with significant disabilities as defined in Minnesota Rules, part 3300.5010, subpart 18. The  
32.15 qualifying procedures must consist of up to 700 hours on-the-job trial work experience ~~for~~  
32.16 ~~which the disabled person has the option of being paid or unpaid. Up to three persons with~~  
32.17 ~~severe disabilities and their job coach may be allowed to demonstrate their job competence~~  
32.18 ~~as a unit through the on-the-job trial work experience selection procedure. This on-the-job~~  
32.19 ~~demonstration process must be limited to applicants for whom there is no reasonable~~  
32.20 ~~accommodation in the selection process.~~

32.21 (b) Up to three persons with significant disabilities and their job coaches may be allowed  
32.22 to demonstrate their job competence as a unit through the on-the-job trial work experience  
32.23 selection procedure as defined in Minnesota Rules, part 3300.5010, subpart 18. This  
32.24 on-the-job demonstration process must be limited to applicants for whom there is no  
32.25 reasonable accommodation in the selection process.

32.26 (c) The commissioner may authorize the probationary appointment of an applicant based  
32.27 on the request of the appointing authority that documents that the applicant has successfully  
32.28 demonstrated qualifications for the position through completion of an on-the-job trial work  
32.29 experience. The implementation of this subdivision may not be deemed a violation of chapter  
32.30 43A or 363A.

33.1 Sec. 18. Minnesota Statutes 2018, section 43A.191, subdivision 2, is amended to read:

33.2 Subd. 2. **Agency affirmative action plans.** (a) The head of each agency in the executive  
33.3 branch shall prepare and implement an agency affirmative action plan consistent with this  
33.4 section and rules issued under section 43A.04, subdivision 3.

33.5 (b) The agency plan must include a plan for the provision of reasonable accommodation  
33.6 in the hiring and promotion of qualified disabled persons. The reasonable accommodation  
33.7 plan must consist of at least the following:

33.8 (1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19,  
33.9 and 363A.28, subdivision 10, and, where appropriate, regulations implementing United  
33.10 States Code, title 29, section 794, as amended through December 31, 1984, which is section  
33.11 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act,  
33.12 United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501  
33.13 to 514;

33.14 (2) methods and procedures for providing reasonable accommodation for disabled job  
33.15 applicants, current employees, and employees seeking promotion; ~~and~~

33.16 (3) provisions for funding reasonable accommodations;

33.17 (4) a plan to ensure that any collective bargaining agreement between the state and  
33.18 agency employees provides equal employment opportunity for job applicants with disabilities  
33.19 and current employees with disabilities seeking promotion; and

33.20 (5) the number of requests made, the number of requests approved, and the number of  
33.21 requests reimbursed from the state accommodation account under section 16B.4805.

33.22 (c) The agency plan must be prepared by the agency head with the assistance of the  
33.23 agency affirmative action officer and the director of diversity and equal employment  
33.24 opportunity. The agency may consult with the Council on Disability shall provide assistance  
33.25 with the agency reasonable accommodation plan, vocational rehabilitation services, state  
33.26 services for the blind, and other disability experts to review and make recommendations on  
33.27 recruitment and retention of people with disabilities.

33.28 (d) The agency plan must identify any positions in the agency that can be used for  
33.29 supported employment as defined in section 268A.01, subdivision 13, of persons with severe  
33.30 disabilities. The agency shall report this information to the commissioner. An agency that  
33.31 hires more than one supported worker in the identified positions must receive recognition  
33.32 for each supported worker toward meeting the agency's affirmative action goals and  
33.33 objectives.

34.1 (e) An agency affirmative action plan may not be implemented without the  
34.2 commissioner's approval.

34.3 Sec. 19. Minnesota Statutes 2018, section 43A.191, subdivision 3, is amended to read:

34.4 Subd. 3. **Audits; sanctions and incentives.** (a) The commissioner shall annually audit  
34.5 the record of each agency to determine the rate of compliance with affirmative action  
34.6 requirements.

34.7 (b) By March 1 of each odd-numbered year, the commissioner shall submit a report on  
34.8 affirmative action progress of each agency and the state as a whole to the governor and to  
34.9 the Finance Committee of the senate, the Ways and Means Committee of the house of  
34.10 representatives, the Governmental Operations Committees of both houses of the legislature,  
34.11 and the Legislative Coordinating Commission. The report must include noncompetitive  
34.12 appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 7,  
34.13 10, and 12, and cover each agency's rate of compliance with affirmative action requirements.

34.14 (c) An agency ~~that does not meet its hiring goals~~ must justify its ~~nonaffirmative action~~  
34.15 hires in competitive and noncompetitive appointments according to criteria issued by the  
34.16 Department of Management and Budget. ~~"Missed opportunity" includes failure to justify a~~  
34.17 ~~nonaffirmative action hire. An agency must have 25 percent or less missed opportunities~~  
34.18 ~~in competitive appointments and 25 percent or less missed opportunities in appointments~~  
34.19 ~~made under sections 43A.08, subdivisions 1, clauses (9), (11), and (16); and 2a; and 43A.15,~~  
34.20 ~~subdivisions 3, 10, 12, and 13.~~ The criteria must include the number of applicants hired  
34.21 through on-the-job trial work experience, the number of applicants who receive authorization  
34.22 for a probationary period, and the number of applicants who are offered an appointment.  
34.23 In addition, an agency shall:

34.24 (1) demonstrate a good faith effort to recruit protected group members by following an  
34.25 active recruitment plan;

34.26 (2) implement a coordinated retention plan; and

34.27 (3) have an established complaint resolution procedure.

34.28 (d) The commissioner shall develop reporting standards and procedures for measuring  
34.29 compliance.

34.30 (e) An agency is encouraged to develop other innovative ways to promote awareness,  
34.31 acceptance, and appreciation for diversity and affirmative action. These innovations will  
34.32 be considered when evaluating an agency's compliance with this section.

35.1 (f) An agency not in compliance with affirmative action requirements of this section  
 35.2 must identify methods and programs to improve performance, to reallocate resources  
 35.3 internally in order to increase support for affirmative action programs, and to submit program  
 35.4 and resource reallocation proposals to the commissioner for approval. An agency must  
 35.5 submit these proposals within 120 days of being notified by the commissioner that it is out  
 35.6 of compliance with affirmative action requirements. The commissioner shall monitor  
 35.7 quarterly the affirmative action programs of an agency found to be out of compliance.

35.8 (g) The commissioner shall establish a program to recognize an agency that has made  
 35.9 significant and measurable progress in implementing an affirmative action plan.

35.10 (h) The commissioner must publish on the Minnesota Management and Budget website  
 35.11 summary data about all appointments including protected class status and job classification  
 35.12 of each.

35.13 Sec. 20. Minnesota Statutes 2018, section 179A.20, is amended by adding a subdivision  
 35.14 to read:

35.15 Subd. 2b. **Limited by appropriation.** The commissioner of management and budget  
 35.16 must not contract to pay more to employees of the state in compensation and benefits in  
 35.17 either year of the biennium than is permitted under the first spending plan submitted by July  
 35.18 31 in an odd-numbered year and approved by the commissioner under section 16A.14,  
 35.19 subdivisions 3 and 4.

35.20 Sec. 21. Minnesota Statutes 2018, section 240A.09, is amended to read:

35.21 **240A.09 PLAN DEVELOPMENT; CRITERIA.**

35.22 The Minnesota Amateur Sports Commission shall develop a plan to promote the  
 35.23 development of proposals for new statewide public ice facilities including proposals for ice  
 35.24 centers and matching grants based on the criteria in this section.

35.25 (a) For ice center proposals, the commission will give priority to proposals that come  
 35.26 from more than one local government unit. Institutions of higher education are not eligible  
 35.27 to receive a grant.

35.28 (b) The commission must give priority to grant applications for indoor air quality  
 35.29 improvements and projects that eliminate R-22. For purposes of this section:

35.30 (1) "indoor air quality improvements" means: (i) renovation or replacement of heating,  
 35.31 ventilating, and air conditioning systems in existing indoor ice arenas whose ice resurfacing  
 35.32 and ice edging equipment are not powered by electricity in order to reduce concentrations

36.1 of carbon monoxide and nitrogen dioxide; and (ii) acquisition of zero-emission ice resurfacing  
36.2 and ice edging equipment. The new or renovated systems may include continuous electronic  
36.3 air monitoring devices to automatically activate the ventilation systems when the  
36.4 concentration of carbon monoxide or nitrogen dioxide reaches a predetermined level; and

36.5 (2) "projects that eliminate R-22," means replacement of ice-making systems in existing  
36.6 public facilities that use R-22 as a refrigerant, with systems that use alternative  
36.7 non-ozone-depleting refrigerants.

36.8 (c) In the metropolitan area as defined in section 473.121, subdivision 2, the commission  
36.9 is encouraged to give priority to the following proposals:

36.10 (1) proposals for construction of two or more ice sheets in a single new facility;

36.11 (2) proposals for construction of an additional sheet of ice at an existing ice center;

36.12 (3) proposals for construction of a new, single sheet of ice as part of a sports complex  
36.13 with multiple sports facilities; and

36.14 (4) proposals for construction of a new, single sheet of ice that will be expanded to a  
36.15 two-sheet facility in the future.

36.16 (d) The commission shall administer a site selection process for the ice centers. The  
36.17 commission shall invite proposals from cities or counties or consortia of cities. A proposal  
36.18 for an ice center must include matching contributions including in-kind contributions of  
36.19 land, access roadways and access roadway improvements, and necessary utility services,  
36.20 landscaping, and parking.

36.21 (e) Proposals for ice centers and matching grants must provide for meeting the demand  
36.22 for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to  
36.23 female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m.  
36.24 to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

36.25 (f) The location for all proposed facilities must be in areas of maximum demonstrated  
36.26 interest and must maximize accessibility to an arterial highway.

36.27 (g) To the extent possible, all proposed facilities must be dispersed equitably, must be  
36.28 located to maximize potential for full utilization and profitable operation, and must  
36.29 accommodate noncompetitive family and community skating for all ages.

36.30 (h) The commission may also use the money to upgrade current facilities, purchase girls'  
36.31 ice time, or conduct amateur women's hockey and other ice sport tournaments.

37.1 (i) To the extent possible, 50 percent of all grants must be awarded to communities in  
37.2 greater Minnesota.

37.3 (j) To the extent possible, technical assistance shall be provided to Minnesota  
37.4 communities by the commission on ice arena planning, design, and operation, including the  
37.5 marketing of ice time and on projects described in paragraph (b).

37.6 (k) A grant for new facilities may not exceed \$250,000.

37.7 (l) The commission may make grants for rehabilitation and renovation. A rehabilitation  
37.8 or renovation grant for air quality may not exceed \$200,000 and a rehabilitation or renovation  
37.9 grant for R-22 elimination may not exceed ~~\$50,000~~ \$250,000 for indirect cooling systems  
37.10 and may not exceed ~~\$400,000~~ \$500,000 for direct cooling systems. Priority must be given  
37.11 to grant applications for indoor air quality improvements, including zero emission ice  
37.12 resurfacing equipment, and for projects that eliminate R-22.

37.13 (m) Grant money may be used for ice centers designed for sports other than hockey.

37.14 (n) Grant money may be used to upgrade existing facilities to comply with the bleacher  
37.15 safety requirements of section 326B.112.

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

37.17 Sec. 22. Minnesota Statutes 2018, section 353.27, subdivision 3c, is amended to read:

37.18 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For  
37.19 the period July 1, ~~2015~~ 2019, through December 31, 2031, the member contributions for  
37.20 former members of the Minneapolis Employees Retirement Fund and by the former  
37.21 Minneapolis Employees Retirement Fund-covered employing units are governed by this  
37.22 subdivision.

37.23 (b) The member contribution for a public employee who was a member of the former  
37.24 Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of  
37.25 the employee.

37.26 (c) The employer regular contribution with respect to a public employee who was a  
37.27 member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75  
37.28 percent of the salary of the employee.

37.29 (d) The annual employer supplemental contribution is the employing unit's share of  
37.30 ~~\$31,000,000. For calendar years 2017 and 2018, the employer supplemental contribution~~  
37.31 ~~is the employing unit's share of \$21,000,000~~ \$37,000,000.

38.1 (e) Each employing unit's share under paragraph (d) is the amount determined from an  
 38.2 allocation between each employing unit in the portion equal to the unit's employer  
 38.3 supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50,  
 38.4 during calendar year 2014.

38.5 (f) The employer supplemental contribution amount under paragraph (d) for calendar  
 38.6 year ~~2015~~ 2019 must be invoiced by the executive director of the Public Employees  
 38.7 Retirement Association by July 1, ~~2015~~ 2019. ~~The calendar year 2015 payment is payable~~  
 38.8 ~~in a single amount on or before September 30, 2015.~~ For subsequent calendar years, the  
 38.9 employer supplemental contribution under paragraph (d) must be invoiced on January 31  
 38.10 of each year ~~and~~. The employer supplemental contribution is payable in two parts, with the  
 38.11 first half payable on or before July 31 and with the second half payable on or before  
 38.12 December 15. Late payments are payable with interest, compounded annually, at the  
 38.13 applicable rate or rates specified in section 356.59, subdivision 3, per month for each month  
 38.14 or portion of a month that has elapsed after the due date.

38.15 (g) The employer supplemental contribution under paragraph (d) terminates on December  
 38.16 31, 2031.

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

38.18 Sec. 23. Minnesota Statutes 2018, section 645.071, is amended to read:

38.19 **645.071 STANDARD OF TIME.**

38.20 Every mention of, or reference to, any hour or time in any law, during any period of the  
 38.21 year, is to be construed with reference to and in accordance with the ~~standard time or~~  
 38.22 advanced standard time provided by federal law. No department of the state government  
 38.23 and no county, city or town shall employ, during any period of the year, any other time, or  
 38.24 adopt any ordinance or order providing for the use, during any period of the year, of any  
 38.25 other time than the federal ~~standard time or~~ advanced standard time.

38.26 **EFFECTIVE DATE.** This section is effective upon the first commencement of advanced  
 38.27 standard time, also known as daylight saving time, following enactment of an amendment  
 38.28 to United States Code, title 15, section 260a, or another applicable law, which authorizes  
 38.29 states to observe advanced standard time year-round.

39.1 Sec. 24. INITIAL APPOINTMENTS.

39.2 (a) Appointing authorities for the Legislative Commission on Housing Affordability  
 39.3 under Minnesota Statutes, section 3.8845, must make initial appointments by June 1, 2019,  
 39.4 to serve a term ending in January 2021.

39.5 (b) The speaker of the house must designate one member of the commission to convene  
 39.6 the first meeting of the commission by June 15, 2019. A member of the house of  
 39.7 representatives shall serve as the first chair of the commission. A member of the senate  
 39.8 shall serve as chair of the commission beginning in January 2021.

39.9 Sec. 25. WORKING GROUP ON STATE EMPLOYMENT AND RETENTION OF  
 39.10 EMPLOYEES WITH DISABILITIES.

39.11 Subdivision 1. Members. (a) A working group on state employment and retention of  
 39.12 employees with disabilities is formed and must consist of the following members:

39.13 (1) a representative of the Commission of the Deaf, Deafblind and Hard of Hearing;

39.14 (2) a representative of the Governor's Council on Developmental Disabilities;

39.15 (3) a representative of Vocational Rehabilitation Services from within the Department  
 39.16 of Employment and Economic Development;

39.17 (4) a representative of State Services for the Blind from within the Department of  
 39.18 Employment and Economic Development;

39.19 (5) a representative of the Minnesota Council on Disability;

39.20 (6) a representative of the Office of the Ombudsman for Mental Health and  
 39.21 Developmental Disabilities;

39.22 (7) a representative of the Olmstead Implementation Office with the Minnesota Housing  
 39.23 Finance Agency;

39.24 (8) a representative of the MN.IT Office of Accessibility;

39.25 (9) a representative of A System of Technology to Achieve Results from within the  
 39.26 Department of Administration; and

39.27 (10) a representative from Minnesota Management and Budget.

39.28 (b) Each of the entities listed in paragraph (a) must appoint its representative to the  
 39.29 working group.

40.1 Subd. 2. **Convening authority; chair.** The Commission of the Deaf, Deafblind and  
40.2 Hard of Hearing is responsible for convening the working group and its representative to  
40.3 the working group shall act as chair for all meetings.

40.4 Subd. 3. **Duties; timing.** The working group must report on strategies for attracting and  
40.5 retaining state employees with disabilities to Minnesota Management and Budget and to  
40.6 the legislative committees with responsibility for state finance and operation. The report  
40.7 must be delivered by January 15, 2020.

40.8 **Sec. 26. FULL-TIME EQUIVALENT FREEZE.**

40.9 (a) The commissioner of management and budget shall determine the number of full-time  
40.10 equivalent positions employed by each agency as of June 30, 2019.

40.11 (b) Appropriations from any funds for fiscal years 2020 and 2021 must not be used to  
40.12 pay salary or benefits to employ more full-time equivalent positions than determined in  
40.13 paragraph (a). This section does not apply to any law enforcement positions that involve  
40.14 the investigation, enforcement, or prosecution of a crime or any position in a correctional  
40.15 facility.

40.16 (c) For purposes of this section, "agency" has the meaning given in Minnesota Statutes,  
40.17 section 16A.011, subdivision 2, and does not include the Minnesota State Colleges and  
40.18 Universities.

40.19 **Sec. 27. REDUCTION IN APPROPRIATIONS FOR UNFILLED POSITIONS.**

40.20 Subdivision 1. **Reduction required.** The general fund and nongeneral fund appropriations  
40.21 to an agency for agency operations for the biennium ending June 30, 2021, are reduced by  
40.22 the amount of salary and benefits savings that result from any positions that have not been  
40.23 filled within 180 days of the posting of the position. This section applies only to positions  
40.24 that are posted in fiscal years 2019, 2020, and 2021. Reductions made under this paragraph  
40.25 must be reflected as reductions in agency base budgets for fiscal years 2022 and 2023. This  
40.26 section does not apply to any law enforcement positions that involve the investigation,  
40.27 enforcement, or prosecution of a crime or any position in a correctional facility.

40.28 Subd. 2. **Reporting.** The commissioner of management and budget must report to the  
40.29 chairs and ranking minority members of the senate and the house of representatives finance  
40.30 committees regarding the amount of reductions in spending by each agency under this  
40.31 section.

41.1 Subd. 3. **Application.** For purposes of this section, "agency" has the meaning given in  
 41.2 Minnesota Statutes, section 16A.011, subdivision 2, and does not include the Minnesota  
 41.3 State Colleges and Universities.

41.4 Sec. 28. **BOARD OF COSMETOLOGIST EXAMINERS RULEMAKING.**

41.5 Rules proposed by the Board of Cosmetologist Examiners after January 1, 2019, shall  
 41.6 not take effect until after adjournment of the regular session of the legislature in 2020.

41.7 Sec. 29. **REPEALER.**

41.8 Minnesota Statutes 2018, sections 3.9735; and 353.505, are repealed.

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

### 41.10 **ARTICLE 3**

#### 41.11 **INFORMATION TECHNOLOGY**

41.12 Section 1. **[3.199] ACCESSIBILITY IN THE LEGISLATURE'S INFORMATION**  
 41.13 **TECHNOLOGY.**

41.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following term has the  
 41.15 meaning given.

41.16 (b) "Responsible authority" means:

41.17 (1) for the house of representatives, the chief clerk of the house;

41.18 (2) for the senate, the secretary of the senate;

41.19 (3) for the Office of the Revisor of Statutes, the revisor of statutes;

41.20 (4) for the Office of the Legislative Auditor, the legislative auditor;

41.21 (5) for the Legislative Reference Library, the library director;

41.22 (6) for the Legislative Budget Office, the director of the Legislative Budget Office; and

41.23 (7) for any entity administered by the legislative branch not listed in clauses (1) to (6),  
 41.24 the director of the Legislative Coordinating Commission.

41.25 Subd. 2. **Accessibility standards; compliance.** The senate, the house of representatives,  
 41.26 and joint legislative offices and commissions must comply with accessibility standards  
 41.27 adopted for state agencies by the chief information officer under section 16E.03, subdivision  
 41.28 9, for technology, software, and hardware procurement, unless the responsible authority for  
 41.29 a legislative body or office has approved an exception for a standard for that body or office.

42.1 Subd. 3. **Not subject to MN.IT authority.** The chief information officer is not authorized  
42.2 to manage or direct compliance of the legislature with accessibility standards.

42.3 **EFFECTIVE DATE.** This section is effective September 1, 2021.

42.4 Sec. 2. **[3.888] LEGISLATIVE COMMISSION ON CYBERSECURITY.**

42.5 Subdivision 1. **Membership.** The Legislative Commission on Cybersecurity consists  
42.6 of the following eight members:

42.7 (1) four senators, including two senators appointed by the senate majority leader and  
42.8 two senators appointed by the senate minority leader; and

42.9 (2) four members of the house of representatives, including two members appointed by  
42.10 the speaker of the house and two members appointed by the minority leader of the house.

42.11 Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term  
42.12 beginning upon appointment and expiring on appointment of a successor after the opening  
42.13 of the next regular session of the legislature in the odd-numbered year. A vacancy in the  
42.14 membership of the commission must be filled for the unexpired term in a manner that will  
42.15 preserve the representation established by this section.

42.16 Subd. 3. **Duties.** The commission shall provide oversight of the state's cybersecurity  
42.17 measures. The commission shall review the policies and practices of state agencies with  
42.18 regard to cybersecurity and may recommend changes in policy to adequately protect the  
42.19 state from cybersecurity threats. The commission may develop recommendations and draft  
42.20 legislation to support and strengthen the state's cybersecurity infrastructure.

42.21 Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members  
42.22 present. The officers shall alternate between a member of the senate and a member of the  
42.23 house of representatives. A chair shall serve a two-year term expiring upon election of a  
42.24 new chair after the opening of the next regular session of the legislature in the odd-numbered  
42.25 year.

42.26 Subd. 5. **Meetings.** The commission must meet at least three times per calendar year.  
42.27 The meetings of the commission are subject to section 3.055, except that the commission  
42.28 may close a meeting when necessary to safeguard the state's cybersecurity. The minutes,  
42.29 recordings, and documents from a closed meeting under this subdivision shall be maintained  
42.30 by the Legislative Coordinating Commission and shall not be made available to the public  
42.31 until eight years after the date of the meeting.

43.1 Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide  
 43.2 administrative services for the commission.

43.3 Subd. 7. **Sunset.** The commission sunsets December 31, 2028.

43.4 Sec. 3. **[3.889] LEGISLATIVE COMMISSION ON INFORMATION**  
 43.5 **TECHNOLOGY.**

43.6 Subdivision 1. **Membership.** (a) The Legislative Commission on Information Technology  
 43.7 consists of the following eight members:

43.8 (1) four senators, including two senators appointed by the senate majority leader and  
 43.9 two senators appointed by the senate minority leader; and

43.10 (2) four members of the house of representatives, including two members appointed by  
 43.11 the speaker of the house and two members appointed by the minority leader of the house.

43.12 (b) To the extent possible, the appointing authorities must appoint members with  
 43.13 knowledge of technical aspects or management of information technology.

43.14 Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term  
 43.15 beginning upon appointment and expiring on appointment of a successor after the opening  
 43.16 of the next regular session of the legislature in the odd-numbered year. A vacancy in the  
 43.17 membership of the commission must be filled for the unexpired term in a manner that will  
 43.18 preserve the representation established by this section.

43.19 Subd. 3. **Duties.** The commission must consider the issues raised in the 2019 evaluation  
 43.20 report of the Office of the Legislative Auditor titled "Office of Minnesota Information  
 43.21 Technology Services (MN.IT)" and other reports and evaluations issued since January 1,  
 43.22 2014, by the Office of the Legislative Auditor on the topics of information technology or  
 43.23 the Office of MN.IT Services. The commission must prepare draft legislation, as appropriate,  
 43.24 and develop plans or advice to implement the recommendations of the legislative auditor.

43.25 Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members  
 43.26 present. The officers shall alternate between a member of the senate and a member of the  
 43.27 house of representatives. A chair shall serve a two-year term expiring upon election of a  
 43.28 new chair after the opening of the next regular session of the legislature in the odd-numbered  
 43.29 year.

43.30 Subd. 5. **Meetings.** The commission must meet at least three times per calendar year.  
 43.31 The meetings of the commission are subject to section 3.055, except that the commission  
 43.32 may close a meeting when necessary to safeguard the state's information technology. The

44.1 minutes, recordings, and documents from a closed meeting under this subdivision shall be  
 44.2 maintained by the Legislative Coordinating Commission and shall not be made available  
 44.3 to the public until eight years after the date of the meeting.

44.4 Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide  
 44.5 administrative services for the commission.

44.6 Subd. 7. **Sunset.** The commission sunsets January 30, 2028.

44.7 Sec. 4. **[15.996] LOCAL GOVERNMENT USER ACCEPTANCE TESTING.**

44.8 Subdivision 1. **Applicability.** "Agency" as used in this section means any state officer,  
 44.9 employee, board, commission, authority, department, entity, or organization of the executive  
 44.10 branch of state government, including the Minnesota State Colleges and Universities.

44.11 Subd. 2. **User acceptance testing.** (a) An agency implementing a new information  
 44.12 technology business software application or new business software application functionality  
 44.13 that significantly impacts the operations of local units of government must provide  
 44.14 opportunities for local government representative involvement in user acceptance testing,  
 44.15 unless the testing is deemed not feasible or necessary by the relevant agency commissioner,  
 44.16 in consultation with representatives of local units of government and the chief information  
 44.17 officer.

44.18 (b) The requirements in paragraph (a) only apply to new software applications and new  
 44.19 software application functionality where local units of government will be primary users,  
 44.20 as determined by the relevant agency head in consultation with representatives of local units  
 44.21 of government and the chief information officer. The requirements in paragraph (a) do not  
 44.22 apply to routine software upgrades or application changes that are primarily intended to  
 44.23 comply with federal law, rules, or regulations.

44.24 Sec. 5. Minnesota Statutes 2018, section 16E.01, subdivision 1a, is amended to read:

44.25 Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and direction  
 44.26 for information and telecommunications technology policy and the management, delivery,  
 44.27 accessibility, and security of information and telecommunications technology systems and  
 44.28 services ~~in Minnesota~~ for agencies in the executive branch. The office shall manage strategic  
 44.29 investments in information and telecommunications technology systems and services ~~to~~  
 44.30 ~~encourage the development of a technically literate society,~~ to ensure sufficient access to  
 44.31 and efficient delivery of accessible government services, and to maximize benefits for the  
 44.32 state government as an enterprise.

45.1 Sec. 6. Minnesota Statutes 2018, section 16E.016, is amended to read:

45.2 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**  
 45.3 **AND EQUIPMENT.**

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

45.7 (1) state data centers;

45.8 (2) mainframes including system software;

45.9 (3) servers including system software;

45.10 ~~(4) desktops including system software;~~

45.11 ~~(5) laptop computers including system software;~~

45.12 ~~(6)~~ (4) a data network including system software;

45.13 ~~(7) database, (5) electronic mail, office systems, reporting, and other standard software~~  
 45.14 ~~tools;~~

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

45.16 ~~(9)~~ (6) help desk for the components listed in clauses (1) to ~~(8)~~ (5);

45.17 ~~(10)~~ (7) maintenance, problem resolution, and break-fix for the components listed in  
 45.18 clauses (1) to ~~(8)~~ (5); and

45.19 ~~(11)~~ (8) regular upgrades and replacement for the components listed in clauses (1) to  
 45.20 ~~(8); and (5).~~

45.21 ~~(12) network-connected output devices.~~

45.22 (b) The chief information officer is responsible for providing or entering into managed  
 45.23 services contracts for the provision, improvement, and development of the following  
 45.24 information technology systems and services to a state agency, at the request of the agency:

45.25 (1) desktops including system software;

45.26 (2) laptop computers including system software;

45.27 (3) database, office systems, reporting, and other standard software tools;

45.28 (4) business application software and related technical support services;

45.29 (5) help desk for the components listed in clauses (1) to (4);

46.1 (6) maintenance, problem resolution, and break-fix for the components listed in clauses  
 46.2 (1) to (4);

46.3 (7) regular upgrades and replacement for the components listed in clauses (1) to (4); and

46.4 (8) network-connected output devices.

46.5 ~~(b)~~ (c) All state agency employees whose work primarily involves functions specified  
 46.6 in paragraph (a) are employees of the Office of MN.IT Services. This includes employees  
 46.7 who directly perform the functions in paragraph (a), as well as employees whose work  
 46.8 primarily involves managing, supervising, or providing administrative services or support  
 46.9 services to employees who directly perform these functions. The chief information officer  
 46.10 may assign employees of the office to perform work exclusively for another state agency.

46.11 ~~(e)~~ (d) Subject to sections 16C.08 and 16C.09, the chief information officer may allow  
 46.12 a state agency to obtain services specified in paragraph (a) through a contract with an outside  
 46.13 vendor when the chief information officer and the agency head agree that a contract would  
 46.14 provide best value, as defined in section 16C.02, under the service-level agreement. The  
 46.15 chief information officer must require that Agency contracts with outside vendors ensure  
 46.16 that systems and services are compatible with standards established by the Office of MN.IT  
 46.17 Services.

46.18 ~~(d)~~ (e) The Minnesota State Retirement System, the Public Employees Retirement  
 46.19 Association, the Teachers Retirement Association, the State Board of Investment, the  
 46.20 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio  
 46.21 Board are not state agencies for purposes of this section.

46.22 **EFFECTIVE DATE.** This section is effective July 1, 2019, and applies to contracts  
 46.23 entered into on or after that date.

46.24 Sec. 7. Minnesota Statutes 2018, section 16E.03, subdivision 1, is amended to read:

46.25 Subdivision 1. **Definitions.** (a) For the purposes of this chapter, the following terms  
 46.26 have the meanings given them.

46.27 (b) "Information and telecommunications technology systems and services" means all  
 46.28 computing and telecommunications hardware and software, the activities undertaken to  
 46.29 secure that hardware and software, and the activities undertaken to acquire, transport, process,  
 46.30 analyze, store, and disseminate information electronically. "Information and  
 46.31 telecommunications technology systems and services" includes all proposed expenditures  
 46.32 for computing and telecommunications hardware and software, security for that hardware  
 46.33 and software, and related consulting or other professional services.

47.1 (c) "Information and telecommunications technology project" means an effort to acquire  
47.2 or produce information and telecommunications technology systems and services.

47.3 (d) "Telecommunications" means voice, video, and data electronic transmissions  
47.4 transported by wire, wireless, fiber-optic, radio, or other available transport technology.

47.5 (e) "Cyber security" means the protection of data and systems in networks connected to  
47.6 the Internet.

47.7 (f) "State agency" means an agency in the executive branch of state government and  
47.8 includes the Minnesota Office of Higher Education, but does not include the Minnesota  
47.9 State Colleges and Universities unless specifically provided elsewhere in this chapter.

47.10 (g) "Total expected project cost" includes direct staff costs, all supplemental contract  
47.11 staff and vendor costs, and costs of hardware and software development or purchase.  
47.12 Breaking a project into several phases does not affect the cost threshold, which must be  
47.13 computed based on the full cost of all phases.

47.14 (h) "Cloud computing" has the meaning described by the National Institute of Standards  
47.15 and Technology of the United States Department of Commerce in special publication  
47.16 800-145, September 2011.

47.17 Sec. 8. Minnesota Statutes 2018, section 16E.03, subdivision 2, is amended to read:

47.18 Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

47.19 (1) design a master plan for information and telecommunications technology systems  
47.20 and services in the state and ~~its political subdivisions~~ and shall report on the plan to the  
47.21 governor and legislature at the beginning of each regular session;

47.22 (2) coordinate, review, and approve all information and telecommunications technology  
47.23 projects and oversee the state's information and telecommunications technology systems  
47.24 and services;

47.25 (3) establish and enforce compliance with standards for information and  
47.26 telecommunications technology systems and services that are cost-effective and support  
47.27 open systems environments and that are compatible with state, national, and international  
47.28 standards, including accessibility standards;

47.29 (4) maintain a library of systems and programs developed by the state ~~and its political~~  
47.30 ~~subdivisions~~ for use by agencies of government;

47.31 (5) direct and manage the shared operations of the state's information and  
47.32 telecommunications technology systems and services; and

48.1 (6) establish and enforce standards and ensure acquisition of hardware and software  
48.2 necessary to protect data and systems in state agency networks connected to the Internet.

48.3 Sec. 9. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to  
48.4 read:

48.5 Subd. 4a. **Cloud computing services.** (a) The project evaluation procedure required by  
48.6 subdivision 4 must include a review of cloud computing service options, including any  
48.7 security benefits and cost savings associated with purchasing those service options from a  
48.8 cloud computing service provider.

48.9 (b) No later than October 1, 2019, and by October 1 of each even-numbered year  
48.10 thereafter, the chief information officer must submit a report to the governor and to the  
48.11 legislative committees with primary jurisdiction over state information technology issues  
48.12 on the consideration of cloud computing service options in the information and  
48.13 communications projects proposed by state agencies. The report must provide examples of  
48.14 projects that produce cost savings and other benefits, including security enhancements, from  
48.15 the use of cloud computing services.

48.16 Sec. 10. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to  
48.17 read:

48.18 Subd. 11. **Technical support to the legislature.** The chief information officer, or a  
48.19 designee, must provide technical support to assist the legislature to comply with accessibility  
48.20 standards under section 3.199, subdivision 2. Support under this subdivision must include:

48.21 (1) clarifying the requirements of the accessibility standards;

48.22 (2) providing templates for common software applications used in developing documents  
48.23 used by the legislature;

48.24 (3) assisting the development of training for staff to comply with the accessibility  
48.25 standards and assisting in providing the training; and

48.26 (4) assisting the development of technical applications that enable legislative documents  
48.27 to be fully accessible.

48.28 The chief information officer must provide these services at no cost to the legislature.

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

49.1 Sec. 11. Minnesota Statutes 2018, section 16E.035, is amended to read:

49.2 **16E.035 TECHNOLOGY INFRASTRUCTURE INVENTORY; SECURITY RISK**  
 49.3 **ASSESSMENT.**

49.4 Subdivision 1. Inventory required. The chief information officer must prepare ~~a financial~~  
 49.5 an inventory of technology infrastructure owned or leased by MN.IT Services or a state  
 49.6 agency. The inventory must include:

49.7 (1) each agency's information technology security program;

49.8 (2) an inventory of servers, mainframes, cloud services, and other information technology  
 49.9 systems and services, itemized by agency;

49.10 (3) identification of vendors that operate or manage information technology systems or  
 49.11 services within each agency;

49.12 (4) information on how the technology each system or service fits into the state's  
 49.13 information technology architecture; and

49.14 ~~(2)~~ (5) a projected replacement schedule for each system or service.

49.15 ~~The chief information officer must report the inventory to the legislative committees~~  
 49.16 ~~with primary jurisdiction over state technology issues by July 1 of each even-numbered~~  
 49.17 ~~year.~~

49.18 Subd. 2. Risk assessment. (a) The chief information officer must conduct a risk  
 49.19 assessment of the information technology systems and services contained in the inventory  
 49.20 required by subdivision 1. The risk assessment must include:

49.21 (1) an analysis and assessment of each state agency's security and operational risks; and

49.22 (2) for a state agency found to be at higher security and operational risks, a detailed  
 49.23 analysis of, and an estimate of the costs to implement:

49.24 (i) the requirements for the agency to address the risks and related vulnerabilities; and

49.25 (ii) agency efforts to address the risks through the modernization of information  
 49.26 technology systems and services, the use of cloud computing services, and use of a statewide  
 49.27 data center.

49.28 (b) This section does not require disclosure of security information classified under  
 49.29 section 13.37.

49.30 Subd. 3. Reports required. The chief information officer must submit a report containing  
 49.31 the inventory and risk assessments required by this section to the governor and the chairs

50.1 and ranking minority members of the legislative committees with primary jurisdiction over  
50.2 state information technology issues no later than October 1, 2019, and by October 1 of each  
50.3 even-numbered year thereafter.

50.4 **Sec. 12. [16E.046] PROJECT MANAGEMENT FOR AGENCY INFORMATION**  
50.5 **TECHNOLOGY PROJECTS.**

50.6 Subdivision 1. **Process for information technology project management.** When an  
50.7 executive branch state agency seeks to have a new information technology project developed  
50.8 for the agency, the commissioner or head of the agency must follow the following steps:

50.9 (1) establish business rules for the information technology project;

50.10 (2) develop a statement of work that defines project-specific activities, deliverables, and  
50.11 timelines for completion of the project. Where appropriate, as determined by the  
50.12 commissioner of the agency, the project should be divided into phases, with activities,  
50.13 deliverables, and timelines specified for each phase; and

50.14 (3) obtain a bid for the project based on the statement of work from the chief information  
50.15 officer for the office to perform the specified work on the specified timeline. If the office  
50.16 is not able to perform the specified work on the schedule described, the chief information  
50.17 officer must notify the commissioner of the agency. The commissioner may also obtain a  
50.18 bid for the project from private vendors or may have the work performed by employees  
50.19 within the agency. The commissioner may contract with the office to oversee aspects of the  
50.20 project to be performed by a private vendor.

50.21 Subd. 2. **Certification before deployment; project performed by MN.IT.** For an  
50.22 information technology project performed by the office, or a project for which MN.IT has  
50.23 oversight responsibility on behalf of an executive branch state agency, the chief information  
50.24 officer and the commissioner of the agency must share responsibility for decisions regarding  
50.25 deployment of the project as follows:

50.26 (1) no information technology project may be deployed without written certification by  
50.27 both the commissioner of the agency and the chief information officer that the project  
50.28 satisfies all requirements in the statement of work and adheres to business rules specified  
50.29 by the commissioner of the agency; and

50.30 (2) when a project or phase of a project fails to meet deadlines established in a statement  
50.31 of work, the commissioner or head of the agency and the chief information officer shall  
50.32 report within one week of the unmet deadline to the chairs and ranking minority members

51.1 of the committees in the house of representatives and the senate with jurisdiction over the  
51.2 Office of MN.IT Services and over the agency.

51.3 Subd. 3. **Certification before deployment; project performed by private vendor.** For  
51.4 an information technology project performed by a private vendor without MN.IT  
51.5 involvement, the commissioner or head of the agency must certify that the project satisfied  
51.6 all requirements in the statement of work and adheres to business rules for the project. When  
51.7 the project or phase of a project fails to meet deadlines established in a statement of work,  
51.8 the commissioner or head of the agency must report within one week of the unmet deadline  
51.9 to the chairs and ranking minority members of the committees in the house of representatives  
51.10 and the senate with jurisdiction over the agency.

51.11 Subd. 4. **Standards and procedures.** The chief information officer shall work with the  
51.12 head of each agency supported by the office to establish standards and procedures governing  
51.13 information technology project development.

51.14 Sec. 13. Minnesota Statutes 2018, section 16E.0466, subdivision 1, is amended to read:

51.15 Subdivision 1. **Consultation required.** (a) Every state agency with an information or  
51.16 telecommunications project must consult with the Office of MN.IT Services to determine  
51.17 the information technology cost of the project if the Office of MN.IT Services is selected  
51.18 by an agency to perform the project. Upon agreement between the commissioner of a  
51.19 particular agency and the chief information officer, the agency must transfer the information  
51.20 technology cost portion of the project to the Office of MN.IT Services. Service level  
51.21 agreements must document all project-related transfers under this section. Those agencies  
51.22 specified in section 16E.016, paragraph ~~(d)~~ (e), are exempt from the requirements of this  
51.23 section.

51.24 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance  
51.25 appropriated to a state agency may be transferred to the information and telecommunications  
51.26 technology systems and services account for the information technology cost of a specific  
51.27 project, subject to the review of the Legislative Advisory Commission, under section 16E.21,  
51.28 subdivision 3.

51.29 Sec. 14. Minnesota Statutes 2018, section 16E.05, subdivision 3, is amended to read:

51.30 Subd. 3. **Capital investment.** No state agency may propose or implement a capital  
51.31 investment plan for a state office building unless:

52.1 (1) the agency has developed a plan for increasing telecommuting by employees who  
52.2 would normally work in the building, or the agency has prepared a statement describing  
52.3 why such a plan is not practicable; and

52.4 (2) the plan or statement has been reviewed by the office for technical feasibility and  
52.5 cost.

52.6 Sec. 15. Minnesota Statutes 2018, section 16E.14, subdivision 3, is amended to read:

52.7 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each  
52.8 agency shall reimburse the MN.IT services revolving fund for the cost of all services,  
52.9 supplies, materials, labor, and depreciation of equipment, including reasonable overhead  
52.10 costs, which the chief information officer is authorized and directed to furnish an agency.  
52.11 The chief information officer shall report the rates to be charged for the revolving fund no  
52.12 later than ~~July 1 each~~ June 1 each even-numbered calendar year to the chair of the committee  
52.13 or division in the senate and house of representatives with primary jurisdiction over the  
52.14 budget of the Office of MN.IT Services. These rates shall apply for the biennium beginning  
52.15 July 1 of the following calendar year.

52.16 Sec. 16. Minnesota Statutes 2018, section 16E.18, subdivision 6, is amended to read:

52.17 Subd. 6. **Rates.** (a) The chief information officer shall establish reimbursement rates in  
52.18 cooperation with the commissioner of management and budget to be billed to participating  
52.19 agencies and educational institutions sufficient to cover the operating, maintenance, and  
52.20 administrative costs of the system.

52.21 (b) An invoice or statement to an agency from the chief information officer must include  
52.22 clear descriptions of the services the Office of MN.IT Services has provided. The invoice  
52.23 or statement must categorize or code services in a manner prescribed by the agency, or the  
52.24 chief information officer must provide supplemental information with an invoice or statement  
52.25 that categorizes or codes all services reflected on the invoice or statement in a manner  
52.26 prescribed by the agency.

52.27 (c) Except as otherwise provided in subdivision 4, a direct appropriation made to an  
52.28 educational institution for usage costs associated with the state information infrastructure  
52.29 must only be used by the educational institution for payment of usage costs of the network  
52.30 as billed by the chief information officer.

53.1       Sec. 17. LEGISLATIVE EMPLOYEE WORKING GROUP ON THE  
53.2 LEGISLATURE'S ACCESSIBILITY MEASURES.

53.3       Subdivision 1. **Membership.** The legislative employee working group on the legislature's  
53.4 accessibility measures consists of 12 members. The senate majority leader and the speaker  
53.5 of the house must each appoint four employees from among the following offices that serve  
53.6 the respective bodies: media offices, information technology offices, legal and fiscal analysis  
53.7 offices, the secretary of the senate, the chief clerk of the house of representatives, and other  
53.8 offices considered appropriate. The chair of the Legislative Coordinating Commission must  
53.9 appoint four members from among the employees who serve in the Office of the Revisor  
53.10 of Statutes, the Legislative Reference Library, the Legislative Coordinating Commission,  
53.11 and the Office of the Legislative Auditor. In conducting its work, the working group may  
53.12 consult with the MN.IT Office of Accessibility; the Commission of Deaf, Deafblind and  
53.13 Hard of Hearing; the Minnesota Council on Disability; State Services for the Blind; and  
53.14 other groups that may be of assistance. Appointments to the working group must be made  
53.15 by June 1, 2019.

53.16       Subd. 2. **Duties; report.** (a) The employee working group must submit a report to the  
53.17 chairs and ranking minority members of the legislative committees with jurisdiction over  
53.18 rules and to the chair and vice-chair of the Legislative Coordinating Commission by January  
53.19 15, 2020. The report must:

53.20       (1) identify ways the legislature's accessibility measures do not meet accessibility  
53.21 standards applicable to state agencies under Minnesota Statutes, section 16E.03, subdivision  
53.22 9;

53.23       (2) identify issues and technologies that may present barriers to compliance;

53.24       (3) suggest a compliance exception process;

53.25       (4) describe a plan to update the legislature's accessibility measures to be comparable  
53.26 to those required of state agencies under Minnesota Statutes, section 16E.03, subdivision  
53.27 9; and

53.28       (5) estimate the costs for updates to the legislature's accessibility measures.

53.29       (b) For purposes of this report, the employee working group does not need to consider  
53.30 making archived documents, recordings, or publications accessible.

53.31       Subd. 3. **First meeting; chair.** The executive director of the Legislative Coordinating  
53.32 Commission must convene the first meeting of the working group by July 15, 2019. At the  
53.33 first meeting, the members must elect a chair.

54.1 Subd. 4. **Compensation; reimbursement.** Members serve without compensation but  
 54.2 may be reimbursed for expenses.

54.3 Subd. 5. **Administrative support.** The Legislative Coordinating Commission must  
 54.4 provide administrative support to the working group.

54.5 Subd. 6. **Expiration.** The working group expires January 15, 2020, or a later date selected  
 54.6 by agreement of the appointing authorities in subdivision 1, but not later than January 15,  
 54.7 2025.

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

54.9 Sec. 18. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE**  
 54.10 **COMMISSION ON CYBERSECURITY.**

54.11 Subdivision 1. **First appointments.** Appointing authorities must make initial  
 54.12 appointments to the Legislative Commission on Cybersecurity by July 1, 2019.

54.13 Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate  
 54.14 member of the Legislative Commission on Cybersecurity under Minnesota Statutes, section  
 54.15 3.888, to convene the first meeting by August 15, 2019. The commission must select a chair  
 54.16 from among the senate members at the first meeting.

54.17 Subd. 3. **Meetings in 2019.** Notwithstanding Minnesota Statutes, section 3.888,  
 54.18 subdivision 5, the commission must meet at least twice in 2019.

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

54.20 Sec. 19. **COMPLETION OF INFORMATION TECHNOLOGY CONSOLIDATION;**  
 54.21 **SURCHARGE AND SUSPENSION OF SERVICES FOR NONCOMPLIANT**  
 54.22 **AGENCIES; STRATEGIC WORKPLAN.**

54.23 Subdivision 1. **Consolidation required; state agency surcharge.** (a) No later than  
 54.24 December 31, 2020, the state chief information officer must complete the executive branch  
 54.25 information technology consolidation required by Laws 2011, First Special Session chapter  
 54.26 10, article 4, section 7, as amended by Laws 2013, chapter 134, section 29. The head of any  
 54.27 state agency subject to consolidation must assist the state chief information officer as  
 54.28 necessary to implement the requirements of this subdivision.

54.29 (b) Beginning July 1, 2020, the state chief information officer must impose a technology  
 54.30 consolidation surcharge of two percent on billings, and must suspend ongoing work on any  
 54.31 new projects or system upgrades, for an agency with information technology systems that

55.1 have not fully integrated into the statewide consolidated system despite the requirements  
55.2 of law. Amounts received from the surcharge must be deposited into the general fund and  
55.3 used to support information technology projects within agencies that have completed the  
55.4 consolidation or for other purposes directed by law.

55.5 Subd. 2. **Strategic workplan.** No later than August 1, 2019, the state chief information  
55.6 officer must prepare a strategic workplan detailing the steps necessary to complete the  
55.7 information technology consolidation required by subdivision 1. The plan must include  
55.8 benchmark goals that can be reasonably measured and documented and have specific  
55.9 deadlines to be met within each quarter. The benchmark goals must include but are not  
55.10 limited to strategies for implementing the cloud computing services review required by  
55.11 Minnesota Statutes, section 16E.03, subdivision 4a, and other tools to provide secure and  
55.12 cost-effective services to executive branch agencies and other end-users.

55.13 Subd. 3. **Progress reports.** (a) No later than September 1, 2019, the state chief  
55.14 information officer must submit a copy of the workplan required by subdivision 2 to the  
55.15 chairs and ranking minority members of the legislative committees with primary jurisdiction  
55.16 over state government finance and state information technology services.

55.17 (b) No later than October 1, 2019, and quarterly thereafter, the state chief information  
55.18 officer must submit a progress report to the committees receiving the workplan required by  
55.19 paragraph (a). At a minimum, the progress reports must include:

55.20 (1) information sufficient to determine whether deadlines for each benchmark goal have  
55.21 been met and an explanation of the circumstances for any deadline that has not been met;

55.22 (2) details on the progress toward achieving each benchmark goal; and

55.23 (3) information on any new or unexpected costs or other barriers that impact progress  
55.24 toward achieving a benchmark goal, including a detailed explanation of efforts by the state  
55.25 chief information officer to reduce or eliminate those costs or barriers to ensure achievement  
55.26 of that goal.

55.27 The report must also identify any agencies subject to the surcharge required under subdivision  
55.28 1, paragraph (b).

55.29 (c) The state chief information officer must appear at public hearings convened by the  
55.30 chairs of the committees identified in paragraph (a) and respond to questions from committee  
55.31 members regarding the progress update.

56.1 Sec. 20. FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE  
 56.2 COMMISSION ON INFORMATION TECHNOLOGY.

56.3 Subdivision 1. First appointments. Appointing authorities must make initial  
 56.4 appointments to the Legislative Commission on Information Technology by July 1, 2019.

56.5 Subd. 2. First meeting. The majority leader of the senate shall designate one senate  
 56.6 member of the Legislative Commission on Information Technology under Minnesota  
 56.7 Statutes, section 3.888, to convene the first meeting by August 15, 2019. The commission  
 56.8 must select a chair from among the senate members at the first meeting.

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

56.10 Sec. 21. REVISOR INSTRUCTION.

56.11 The chief information officer is required to work with the revisor of statutes to prepare  
 56.12 draft legislation to eliminate all references in law to the "North Star" service and replace it  
 56.13 with "state web portal."

56.14 **ARTICLE 4**

56.15 **RACING COMMISSION**

56.16 Section 1. Minnesota Statutes 2018, section 240.01, is amended by adding a subdivision  
 56.17 to read:

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

56.23 EFFECTIVE DATE. This section is effective July 1, 2019.

56.24 Sec. 2. Minnesota Statutes 2018, section 240.02, subdivision 2, is amended to read:

56.25 Subd. 2. **Qualifications.** A member of the commission must have been a resident of  
 56.26 Minnesota for at least five years before appointment, and must have a background and  
 56.27 experience as would qualify for membership on the commission. ~~A member must, before~~  
 56.28 ~~taking a place on the commission, file a bond in the principal sum of \$100,000 payable to~~  
 56.29 ~~the state, conditioned upon the faithful performance of duties.~~ No commissioner, nor any  
 56.30 member of the commissioner's immediate family residing in the same household, may hold

57.1 a license issued by the commission or have a direct or indirect financial interest in a  
57.2 corporation, partnership, or association which holds a license issued by the commission.

57.3 Sec. 3. Minnesota Statutes 2018, section 240.02, subdivision 6, is amended to read:

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

57.8 Sec. 4. Minnesota Statutes 2018, section 240.08, subdivision 5, is amended to read:

57.9 Subd. 5. **Revocation and suspension.** (a) After providing a licensee with notice and an  
57.10 opportunity to be heard, the commission may:

57.11 (1) revoke a class C license for a violation of law or rule which in the commission's  
57.12 opinion adversely affects the integrity of horse racing in Minnesota, the public health,  
57.13 welfare, or safety, or for an intentional false statement made in a license application; or

57.14 ~~The commission may~~ (2) suspend a class C license for up to ~~one year~~ five years for a  
57.15 violation of law, order or rule. If the license expires during the term of suspension, the  
57.16 licensee shall be ineligible to apply for another license from the commission until the  
57.17 expiration of the term of suspension.

57.18 (b) The commission may delegate to its designated agents the authority to impose  
57.19 suspensions of class C licenses, ~~and.~~

57.20 (c) Except as provided in paragraph (d), the revocation or suspension of a class C license  
57.21 may be appealed to the commission according to its rules.

57.22 ~~(b) A license revocation or suspension for more than 90 days is a contested case under~~  
57.23 ~~sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal~~  
57.24 ~~penalties imposed for a violation of law or rule.~~

57.25 (d) If the commission revokes or suspends a class C license for more than one year, the  
57.26 licensee has the right to appeal by requesting a contested case hearing under chapter 14.  
57.27 The request must be made in writing and sent to the commission by certified mail or personal  
57.28 service. A request sent by certified mail must be postmarked within ten days after the licensee  
57.29 receives the order of revocation or suspension from the commission. A request sent by  
57.30 personal service must be received by the commission within ten days after the licensee  
57.31 receives the order of revocation or suspension from the commission.

58.1 (e) The commission may summarily suspend a license for more than up to 90 days prior  
 58.2 to a contested case hearing where it is necessary to ensure the integrity of racing or to protect  
 58.3 the public health, welfare, or safety. A contested case hearing must be held within 30 days  
 58.4 of the summary suspension and the administrative law judge's report must be issued within  
 58.5 30 days from the close of the hearing record. In all cases involving summary suspension  
 58.6 the commission must issue its final decision within 30 days from receipt of the report of  
 58.7 the administrative law judge and subsequent exceptions and argument under section 14.61.  
 58.8 The licensee has the right to appeal a summary suspension to the commission according to  
 58.9 its rules.

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

58.11 Sec. 5. Minnesota Statutes 2018, section 240.10, is amended to read:

58.12 **240.10 LICENSE FEES.**

58.13 (a) The fee for a class A license is \$253,000 per year and must be remitted on July 1.  
 58.14 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day on  
 58.15 which simulcasting is authorized and must be remitted on July 1. The fee for a class D  
 58.16 license is \$50 for each assigned racing day on which racing is actually conducted. Fees  
 58.17 imposed on class D licenses must be paid to the commission at a time and in a manner as  
 58.18 provided by rule of the commission.

58.19 (b) The commission shall by rule establish an annual license fee for each occupation it  
 58.20 licenses under section 240.08.

58.21 (c) The initial annual license application fee for a class C license to provide advance  
 58.22 deposit wagering on horse racing under this chapter is \$10,000 and an annual license fee  
 58.23 of \$2,500 applies thereafter.

58.24 (d) Notwithstanding section 16A.1283, the commission shall by rule establish an annual  
 58.25 license fee for each type of racing or gaming-related vendor it licenses, not to exceed \$2,500.

58.26 **EFFECTIVE DATE.** This section is effective July 1, 2019.

58.27 Sec. 6. Minnesota Statutes 2018, section 240.12, is amended to read:

58.28 **240.12 LICENSE AGREEMENTS.**

58.29 The commission may enter into agreements or compacts with comparable bodies in  
 58.30 other racing jurisdictions for the mutual recognition of occupational licenses issued by each  
 58.31 body. The commission may by rule provide for and may charge a fee for the registration of  
 58.32 each license issued in another jurisdiction.

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

59.2 Sec. 7. Minnesota Statutes 2018, section 240.13, subdivision 5, is amended to read:

59.3 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a licensee,  
59.4 including breakage, an amount equal to not less than the following percentages of all money  
59.5 in all pools must be set aside by the licensee and used for purses for races conducted by the  
59.6 licensee, provided that a licensee may agree by contract with an organization representing  
59.7 a majority of the horsepersons racing the breed involved to set aside amounts in addition  
59.8 to the following percentages, if the contract is in writing and ~~filed with~~ reviewed by the  
59.9 commission for compliance with this subdivision:

59.10 (1) for live races conducted at a class A facility, 8.4 percent of handle;

59.11 (2) for simulcasts conducted any day a class A facility is licensed, not less than 37 percent  
59.12 of the ~~takeout~~ amount remaining after deduction for the state pari-mutuel tax, payment to  
59.13 the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal.

59.14 The commission may by rule provide for the administration and enforcement of this  
59.15 subdivision. The deductions for payment to the sending out-of-state racetrack must be actual,  
59.16 except that when there exists any overlap of ownership, control, or interest between the  
59.17 sending out-of-state racetrack and the receiving licensee, the deduction must not be greater  
59.18 than three percent unless agreed to between the licensee and the horsepersons' organization  
59.19 representing the majority of horsepersons racing the breed racing the majority of races  
59.20 during the existing racing meeting or, if outside of the racing season, during the most recent  
59.21 racing meeting.

59.22 The licensee shall pay to the commission for deposit in the Minnesota breeders fund  
59.23 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's  
59.24 facility on simulcasts of races not conducted in this state.

59.25 (b) ~~From the money set aside for purses,~~ The licensee shall pay to the horseperson's  
59.26 organization representing the majority of the horsepersons racing the breed involved and  
59.27 contracting with the licensee with respect to purses and the conduct of the racing meetings  
59.28 and providing representation to its members, an amount as may be determined by agreement  
59.29 by the licensee and the horsepersons' organization sufficient to provide benevolent programs,  
59.30 benefits, and services for horsepersons and their on-track employees. The amount paid may  
59.31 be deducted ~~only~~ from the money set aside for purses to be paid in races for the breed  
59.32 represented by the horseperson's organization or may be paid from breakage retained by  
59.33 the licensee from live or simulcast wagering as agreed between the licensee and horsepersons'

60.1 organization. With respect to racing meetings where more than one breed is racing, the  
60.2 licensee may contract independently with the horseperson's organization representing each  
60.3 breed racing. The contract must be in writing and reviewed by the commission for compliance  
60.4 with this subdivision.

60.5 (c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization  
60.6 representing the majority of the horsepersons racing a breed at a meeting, and the members  
60.7 thereof, may agree to withhold horses during a meeting.

60.8 (d) Money set aside for purses from wagering on simulcasts must be used for purses for  
60.9 live races involving the same breed involved in the simulcast except that money set aside  
60.10 for purses and payments to the breeders fund from wagering on simulcasts of races not  
60.11 conducted in this state, occurring during a live mixed meet, must be allotted to the purses  
60.12 and breeders fund for each breed participating in the mixed meet as agreed upon by the  
60.13 breed organizations participating in the live mixed meet. The agreement shall be in writing  
60.14 and ~~filed with~~ reviewed by the commission for compliance with this subdivision prior to  
60.15 the first day of the live mixed meet. In the absence of a written agreement ~~filed with~~ reviewed  
60.16 by the commission, the money set aside for purses and payments to the breeders fund from  
60.17 wagering on simulcasts, occurring during a live mixed meet, shall be allotted to each breed  
60.18 participating in the live mixed meet in the same proportion that the number of live races  
60.19 run by each breed bears to the total number of live races conducted during the period of the  
60.20 mixed meet.

60.21 (e) The allocation of money set aside for purses to particular racing meets may be  
60.22 adjusted, relative to overpayments and underpayments, by contract between the licensee  
60.23 and the horsepersons' organization representing the majority of horsepersons racing the  
60.24 breed involved at the licensee's facility. The contract must be in writing and reviewed by  
60.25 the commission for compliance with this subdivision.

60.26 (f) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for  
60.27 purses must be for the breed involved in the race that generated the pool, except that if the  
60.28 breed involved in the race generating the pari-mutuel pool is not racing in the current racing  
60.29 meeting, or has not raced within the preceding 12 months at the licensee's class A facility,  
60.30 money set aside for purses may be distributed proportionately to those breeds that have run  
60.31 during the preceding 12 months or paid to the commission and used for purses or to promote  
60.32 racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner  
60.33 prescribed by the commission.

60.34 (g) This subdivision does not apply to a class D licensee.

61.1 **EFFECTIVE DATE.** This section is effective July 1, 2019.

61.2 Sec. 8. Minnesota Statutes 2018, section 240.131, subdivision 7, is amended to read:

61.3 Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent  
61.4 of all amounts wagered by Minnesota residents with an authorized advance deposit wagering  
61.5 provider. The fee shall be declared on a form prescribed by the commission. The ADW  
61.6 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of  
61.7 the month in which the wager was made. Fees collected under this paragraph must be  
61.8 deposited in the state treasury and credited to a racing and card-playing regulation account  
61.9 in the special revenue fund and are appropriated to the commission to offset the costs  
61.10 associated with regulating horse racing and pari-mutuel wagering in Minnesota.

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

61.19 **EFFECTIVE DATE.** This section is effective July 1, 2019.

61.20 Sec. 9. Minnesota Statutes 2018, section 240.135, is amended to read:

61.21 **240.135 CARD CLUB REVENUE.**

61.22 (a) From the amounts received from charges authorized under section 240.30, subdivision  
61.23 4, the licensee shall set aside the amounts specified in this section to be used for purse  
61.24 payments. These amounts are in addition to the breeders fund and purse requirements set  
61.25 forth elsewhere in this chapter.

61.26 (1) For amounts between zero and \$6,000,000, the licensee shall set aside not less than  
61.27 ten percent to be used as purses.

61.28 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than 14  
61.29 percent to be used as purses.

61.30 (b) From all amounts set aside under paragraph (a), the licensee shall set aside ten percent  
61.31 to be deposited in the breeders fund.

62.1 (c) It is the intent of the legislature that the proceeds of the card playing activities  
 62.2 authorized by this chapter be used to improve the horse racing industry by improving purses.  
 62.3 The licensee and the horseperson's organization representing the majority of horsepersons  
 62.4 who have raced at the racetrack during the preceding 12 months may negotiate percentages  
 62.5 that exceed those stated in this section if the agreement is in writing and ~~filed with~~ reviewed  
 62.6 by the commission for compliance with this section. The commission shall annually review  
 62.7 the financial details of card playing activities and determine if the present use of card playing  
 62.8 proceeds is consistent with the policy established by this paragraph. If the commission  
 62.9 determines that the use of the proceeds does not comply with the policy set forth herein,  
 62.10 then the commission shall direct the parties to make the changes necessary to ensure  
 62.11 compliance. If these changes require legislation, the commission shall make the appropriate  
 62.12 recommendations to the legislature.

62.13 **EFFECTIVE DATE.** This section is effective July 1, 2019.

62.14 Sec. 10. Minnesota Statutes 2018, section 240.16, subdivision 1, is amended to read:

62.15 Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must be  
 62.16 presided over by a board of three stewards, who must be appointees of the commission or  
 62.17 persons approved by it. The commission shall designate one steward as chair. At least two  
 62.18 stewards for all races either shall be employees of the commission who shall serve in the  
 62.19 unclassified service, or shall be under contract with the commission to serve as stewards.  
 62.20 The commission may delegate the following duties and powers to a board of stewards:

62.21 (1) to ensure that races are run in accordance with the commission's rules;

62.22 (2) to supervise the conduct of racing to ensure the integrity of the sport;

62.23 (3) to settle disputes arising from the running of horse races, and to certify official results;

62.24 (4) to impose on licensees, for violation of law or commission rules, ~~fin~~ not exceeding  
 62.25 \$5,000 and license suspensions not exceeding 90 days of up to \$10,000, suspensions of up  
 62.26 to one year, and other sanctions as delegated by the commission or permitted under its rules;

62.27 (5) to recommend to the commission where warranted penalties in excess of those in  
 62.28 clause (4);

62.29 (6) to otherwise enforce the laws and rules of racing; and

62.30 (7) to perform other duties and have other powers assigned by the commission.

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

63.1 Sec. 11. Minnesota Statutes 2018, section 240.16, subdivision 2, is amended to read:

63.2 Subd. 2. **Appeals; hearings.** Except as provided by section 240.08, subdivision 5, a  
 63.3 ruling of a board of stewards may be appealed to the commission or be reviewed by it. The  
 63.4 commission may review any ruling by the board of stewards on its own initiative. The  
 63.5 commission may provide for appeals to be heard by less than a quorum of the commission.  
 63.6 A hearing on a penalty imposed by a board of stewards must be granted on request.

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

63.8 Sec. 12. Minnesota Statutes 2018, section 240.18, subdivision 2, is amended to read:

63.9 Subd. 2. **Thoroughbred and quarterhorse categories.** (a) With respect to available  
 63.10 money apportioned in the thoroughbred and quarterhorse categories, 20 percent must be  
 63.11 expended as follows:

63.12 (1) at least one-half in the form of grants, contracts, or expenditures for equine research  
 63.13 and related education at ~~the University of Minnesota School of Veterinary Medicine~~ public  
 63.14 institutions of postsecondary learning in the state; and

63.15 (2) the balance in the form of grants, contracts, or expenditures for one or more of the  
 63.16 following:

63.17 (i) additional equine research and related education;

63.18 (ii) substance abuse programs for licensed personnel at racetracks in this state; and

63.19 (iii) promotion and public information regarding industry and commission activities;  
 63.20 racehorse breeding, ownership, and management; and development and expansion of  
 63.21 economic benefits from racing.

63.22 (b) As a condition of a grant, contract, or expenditure under paragraph (a), the commission  
 63.23 shall require an annual report from the recipient on the use of the funds ~~to the commission,~~  
 63.24 ~~the chair of the house of representatives Committee on General Legislation, Veterans Affairs,~~  
 63.25 ~~and Gaming, and the chair of the senate committee on Gaming Regulation.~~

63.26 (c) The commission shall include in its ~~annual~~ biennial report a summary of each grant,  
 63.27 contract, or expenditure under paragraph (a), clause (2), and a description of how the  
 63.28 commission has coordinated activities among recipients to ensure the most efficient and  
 63.29 effective use of funds.

63.30 (d) After deducting the amount for paragraph (a), the balance of the available proceeds  
 63.31 in each category may be expended by the commission to:

64.1 (1) supplement purses for races held exclusively for Minnesota-bred or Minnesota-foaled  
 64.2 horses, and supplement purses for Minnesota-bred or Minnesota-foaled horses racing in  
 64.3 nonrestricted races in that category;

64.4 (2) pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses  
 64.5 in that category which win money at ~~licensed~~ pari-mutuel racetracks ~~in the state~~ licensed  
 64.6 by any state or province; and

64.7 (3) provide other financial incentives to encourage the horse breeding industry in  
 64.8 Minnesota.

64.9 Sec. 13. Minnesota Statutes 2018, section 240.18, subdivision 3, is amended to read:

64.10 Subd. 3. **Standardbred category.** (a) With respect to the available money apportioned  
 64.11 in the standardbred category, 20 percent must be expended as follows:

64.12 (1) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel  
 64.13 racetracks in the state; and

64.14 ~~(2) one-fourth of that amount for the development of non-pari-mutuel standardbred~~  
 64.15 ~~tracks in the state; and~~

64.16 ~~(3) one-fourth~~ (2) one-half of that amount as grants for equine research and related  
 64.17 education at public institutions of postsecondary learning in the state.

64.18 (b) After deducting the amount for paragraph (a), the balance of the available proceeds  
 64.19 in the standardbred category must be expended by the commission to:

64.20 (1) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled  
 64.21 standardbreds;

64.22 (2) pay breeders or owners awards to the breeders or owners of Minnesota-bred  
 64.23 standardbreds which win money at licensed racetracks in the state; and

64.24 (3) provide other financial incentives to encourage the horse breeding industry in  
 64.25 Minnesota.

64.26 Sec. 14. Minnesota Statutes 2018, section 240.22, is amended to read:

64.27 **240.22 FINES.**

64.28 (a) The commission shall by rule establish a schedule of civil fines of up to \$50,000 for  
 64.29 a class C licensee and up to \$200,000 for a class A, B, or D licensee for violations of laws  
 64.30 related to horse racing or of the commission's rules. The schedule must be based on and

65.1 reflect the culpability, frequency and severity of the violator's actions. The commission may  
 65.2 impose a fine from this schedule on a licensee for a violation of those rules or laws relating  
 65.3 to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.  
 65.4 Except as provided in paragraph (b), fines may be appealed to the commission according  
 65.5 to its rules. Fines imposed by the commission must be paid to the commission and except  
 65.6 as provided in paragraph (c), forwarded to the commissioner of management and budget  
 65.7 for deposit in the state treasury and credited to a racing and card-playing regulation account  
 65.8 in the special revenue fund and appropriated to the commission to distribute in the form of  
 65.9 grants, contracts, or expenditures to support racehorse adoption, retirement, and repurposing.

65.10 (b) If the commission issues a fine in excess of ~~\$5,000~~ \$10,000, the license holder has  
 65.11 the right to request a contested case hearing under chapter 14, to be held as set forth in  
 65.12 Minnesota Rules, chapter 1400. The appeal of a fine must be made in writing to the  
 65.13 commission by certified mail or personal service. An appeal sent by certified mail must be  
 65.14 postmarked within ten days after the license holder receives the fine order from the  
 65.15 commission. An appeal sent by personal service must be received by the commission within  
 65.16 ten days after the license holder receives the fine order from the commission.

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

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

65.21 Sec. 15. Minnesota Statutes 2018, section 240.27, is amended to read:

65.22 **240.27 EXCLUSION OF CERTAIN PERSONS.**

65.23 Subdivision 1. **Persons excluded.** The commission may exclude from any and all licensed  
 65.24 racetracks in the state a person who:

65.25 (1) has been convicted of a felony under the laws of any state or the United States;

65.26 (2) has had a license suspended, revoked, or denied by the commission or by the racing  
 65.27 authority of any other jurisdiction; or

65.28 (3) is determined by the commission, on the basis of evidence presented to it, to be a  
 65.29 threat to the public safety or the integrity of racing or card playing in Minnesota.

65.30 Subd. 2. **Hearing; appeal.** An order to exclude ~~a~~ an unlicensed person from any or all  
 65.31 licensed racetracks in the state must be made by the commission ~~at~~ following a public  
 65.32 hearing of which the person to be excluded must have had at least five days' notice. If present

66.1 at the hearing, the person must be permitted to show cause why the exclusion should not  
 66.2 be ordered. An appeal of the order may be made in the same manner as other appeals under  
 66.3 section 240.20.

66.4 Subd. 3. **Notice to racetracks.** Upon issuing an order excluding a person from any or  
 66.5 all licensed racetracks, the commission shall send a copy of the order to the excluded person  
 66.6 and to all racetracks or telercing facilities named in it, along with other information as it  
 66.7 deems necessary to permit compliance with the order.

66.8 Subd. 4. **Prohibitions.** It is a gross misdemeanor for a person named in an exclusion  
 66.9 order to enter, attempt to enter, or be on the premises of a racetrack named in the order  
 66.10 while it is in effect, and for a person licensed to conduct racing or operate a racetrack  
 66.11 knowingly to permit an excluded person to enter or be on the premises.

66.12 Subd. 5. **Exclusions by racetrack.** ~~The holder of a license to conduct racing may eject~~  
 66.13 ~~and exclude from its premises any licensee or any other person who is in violation of any~~  
 66.14 ~~state law or commission rule or order or who is a threat to racing integrity or the public~~  
 66.15 ~~safety. A person so excluded from racetrack premises may appeal the exclusion to the~~  
 66.16 ~~commission and must be given a public hearing on the appeal upon request. At the hearing~~  
 66.17 ~~the person must be given the opportunity to show cause why the exclusion should not have~~  
 66.18 ~~been ordered. If the commission after the hearing finds that the integrity of racing and the~~  
 66.19 ~~public safety do not justify the exclusion, it shall order the racetrack making the exclusion~~  
 66.20 ~~to reinstate or readmit the person. An appeal of a commission order upholding the exclusion~~  
 66.21 ~~is governed by section 240.20. A licensed racetrack may eject and exclude from its premises~~  
 66.22 any person for any lawful reason. If a licensed racetrack excludes a person for a suspected  
 66.23 or potential violation of law or rule, or if a licensed racetrack excludes any person for more  
 66.24 than five days, the licensed racetrack shall provide the person's name and reason for the  
 66.25 exclusion to the commission within 72 hours.

## 66.26 ARTICLE 5

### 66.27 GAMBLING CONTROL BOARD

66.28 Section 1. Minnesota Statutes 2018, section 349.12, subdivision 2, is amended to read:

66.29 Subd. 2. **Active member.** "Active member" means a member:

66.30 (1) who has paid all dues to the organization;

66.31 (2) who is 18 years of age or older;

66.32 (3) who has equal voting rights with all other members;

67.1 (4) who has equal opportunity to be an elected officer;<sub>2</sub>

67.2 (5) who has equal right and responsibilities of attendance at the regularly scheduled  
67.3 meetings of the organization;<sub>2</sub>

67.4 (6) whose name and membership origination date appear with the member's knowledge  
67.5 and consent on a list of members of the organization;<sub>2</sub> and

67.6 (7) who has been a member of the organization for at least ~~six months~~ the most recent  
67.7 90 days.

67.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

67.9 Sec. 2. Minnesota Statutes 2018, section 349.17, subdivision 6, is amended to read:

67.10 Subd. 6. **Conduct of bingo.** The price of a face played on an electronic bingo device  
67.11 may not be less than the price of a face on a bingo paper sheet sold for the same game at  
67.12 the same occasion. Bingo gift certificates must only be sold for face value. A game of bingo  
67.13 begins with the first letter and number called or displayed. Each player must cover, mark,  
67.14 or activate the numbers when bingo numbers are randomly selected and announced or  
67.15 displayed to the players. The game is won when a player, using bingo paper, bingo hard  
67.16 card, or a facsimile of a bingo paper sheet, has completed, as described in the bingo program,  
67.17 a previously designated pattern or previously determined requirements of the game and  
67.18 declared bingo. A bingo pattern or bingo game requirement may not be completed with  
67.19 fewer than three bingo numbers having been drawn, unless the game being played is a  
67.20 cover-none game. The game is completed when a winning card, sheet, or facsimile is verified  
67.21 and a prize awarded pursuant to subdivision 3.

67.22 **EFFECTIVE DATE.** This section is effective July 1, 2019.

67.23 Sec. 3. Minnesota Statutes 2018, section 349.181, subdivision 5, is amended to read:

67.24 Subd. 5. **Lessor's immediate family.** The lessor's immediate family may not participate  
67.25 directly or indirectly as a player in a pull-tab, a tipboard, or a paddlewheel, or an electronic  
67.26 linked bingo game conducted at that premises.

67.27 **EFFECTIVE DATE.** This section is effective July 1, 2019.

67.28 Sec. 4. Minnesota Statutes 2018, section 349.19, subdivision 1, is amended to read:

67.29 Subdivision 1. **Required record of receipts.** (a) A licensed organization must keep a  
67.30 record of each occasion on which it conducts gambling, including each bingo occasion and  
67.31 each day on which other forms of lawful gambling are conducted. The record must include

68.1 gross receipts, quantities of free plays if any, expenses, prizes, and gross profit. The board  
68.2 may by rule provide for the methods by which expenses are documented.

68.3 (b) In the case of bingo;

68.4 (1) gross receipts must be compared to the checkers' records for the occasion by a person  
68.5 who did not sell cards for the occasion; and

68.6 (2) the organization must keep a bingo gift certificate log showing each bingo gift  
68.7 certificate number, the face value, the date sold, and the date redeemed.

68.8 (c) Separate records must be kept for bingo and all other forms of lawful gambling.

68.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

68.10 Sec. 5. Minnesota Statutes 2018, section 349.19, subdivision 2, is amended to read:

68.11 Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization must  
68.12 be segregated from all other revenues of the conducting organization and placed in a separate  
68.13 gambling bank account.

68.14 (b) All expenditures for allowable expenses, taxes, and lawful purposes must be made  
68.15 from the separate account except (1) in the case of expenditures previously approved by  
68.16 the organization's membership for emergencies as defined by board rule, or (2) when  
68.17 restricted to one electronic fund transaction for the payment of taxes for the organization  
68.18 as a whole, the organization may transfer the amount of taxes related to the conduct of  
68.19 gambling to the general account at the time when due and payable.

68.20 (c) The name and address of the bank, the account number for the separate account, and  
68.21 the names of organization members authorized as signatories on the separate account must  
68.22 be provided to the board when the application is submitted. Changes in the information  
68.23 must be submitted to the board at least ten days before the change is made.

68.24 (d) Except as provided in paragraph (e), gambling receipts must be deposited into the  
68.25 gambling bank account within four business days of completion of the bingo occasion, deal,  
68.26 or game from which they are received.

68.27 (1) A deal of paper pull-tabs is considered complete when either the last pull-tab of the  
68.28 deal is sold or the organization does not continue the play of the deal during the next  
68.29 scheduled period of time in which the organization will conduct pull-tabs.

68.30 (2) A tipboard game is considered complete when the seal on the game flare is uncovered  
68.31 or the organization does not continue the play of the deal during the next scheduled period  
68.32 of time in which the organization will conduct tipboards.

69.1 (e) Gambling receipts from electronic gambling must be recorded on a daily basis and  
69.2 deposited into the gambling bank account:

69.3 (1) when the total net receipts from all electronic games at the premises reach the sum  
69.4 of \$2,000 or on or before; and

69.5 (2) within four business days of the first day of the month immediately following the  
69.6 month during which the receipts were generated, ~~whichever occurs first.~~

69.7 (f) Deposit records must be sufficient to allow determination of deposits made from  
69.8 each bingo occasion, deal, or game at each permitted premises.

69.9 (g) The person who accounts for gambling gross receipts and profits may not be the  
69.10 same person who accounts for other revenues of the organization.

69.11 **EFFECTIVE DATE.** This section is effective July 1, 2019.

## 69.12 ARTICLE 6

### 69.13 STATE BOARD OF ACCOUNTANCY

69.14 Section 1. Minnesota Statutes 2018, section 326A.01, subdivision 2, is amended to read:

69.15 Subd. 2. **Attest.** "Attest" means providing any of the following services:

69.16 (1) an audit or other engagement performed in accordance with the Statements on  
69.17 Auditing Standards (SAS);

69.18 (2) an audit or other engagement performed in accordance with the Generally Accepted  
69.19 Government Auditing Standards (GAGAS);

69.20 (3) a review of a financial statement performed in accordance with the Statements on  
69.21 Standards for Accounting and Review Services (SSARS);

69.22 ~~(3)~~ (4) an examination of prospective financial information performed in accordance  
69.23 with the Statements on Standards for Attestation Engagements (SSAE);

69.24 ~~(4)~~ (5) an engagement performed in accordance with the standards of the Public Company  
69.25 Accounting Oversight Board (PCAOB); and

69.26 ~~(5)~~ (6) an examination, review, or agreed-upon procedures engagement performed in  
69.27 accordance with SSAE, other than an examination described in clause (3).

69.28 Sec. 2. Minnesota Statutes 2018, section 326A.04, subdivision 4, is amended to read:

69.29 Subd. 4. **Program of learning.** Each licensee shall participate in a program of learning  
69.30 designed to maintain professional competency. The program of learning must comply with

70.1 rules adopted by the board. The board may by rule create an exception to this requirement  
 70.2 for licensees who do not perform or offer to perform for the public one or more kinds of  
 70.3 services involving the use of ~~accounting or~~ auditing skills, including issuance of reports on  
 70.4 ~~financial statements or of one or more kinds of:~~ attest or compilation engagements,  
 70.5 management advisory services, financial advisory services, or consulting services, ~~or the~~  
 70.6 ~~preparation of tax returns or the furnishing of advice on tax matters.~~ A licensee granted such  
 70.7 an exception by the board must place the word "inactive" or "retired," if applicable, adjacent  
 70.8 to the CPA title on any business card, letterhead, or any other document or device, with the  
 70.9 exception of the licensee's certificate on which the CPA title appears.

70.10 Sec. 3. Minnesota Statutes 2018, section 326A.04, subdivision 5, is amended to read:

70.11 Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial issuance  
 70.12 or renewal of a certificate or temporary military certificate under this section as provided  
 70.13 in paragraph (b). ~~The fee for the temporary military certificate is \$100.~~

70.14 (b) The board shall charge the following fees:

70.15 (1) initial issuance of certificate, \$150;

70.16 (2) renewal of certificate with an active status, \$100 per year;

70.17 (3) initial CPA firm permits, except for sole practitioners, \$100;

70.18 (4) renewal of CPA firm permits, except for sole practitioners and those firms specified  
 70.19 in clause ~~(17)~~ (16), \$35 per year;

70.20 (5) initial issuance and renewal of CPA firm permits for sole practitioners, except for  
 70.21 those firms specified in clause ~~(17)~~ (16), \$35 per year;

70.22 (6) annual late processing delinquency fee for permit, certificate, or registration renewal  
 70.23 applications not received prior to expiration date, \$50;

70.24 (7) copies of records, per page, 25 cents;

70.25 (8) registration of noncertificate holders, nonlicensees, and nonregistrants in connection  
 70.26 with renewal of firm permits, \$45 per year;

70.27 (9) applications for reinstatement, \$20;

70.28 (10) initial registration of a registered accounting practitioner, \$50;

70.29 (11) initial registered accounting practitioner firm permits, \$100;

70.30 (12) renewal of registered accounting practitioner firm permits, except for sole  
 70.31 practitioners, \$100 per year;

- 71.1 (13) renewal of registered accounting practitioner firm permits for sole practitioners,  
 71.2 \$35 per year;
- 71.3 ~~(14) CPA examination application, \$40;~~
- 71.4 ~~(15)~~ (14) CPA examination, fee determined by third-party examination administrator;
- 71.5 ~~(16)~~ (15) renewal of certificates with an inactive status, \$25 per year; ~~and~~
- 71.6 ~~(17)~~ (16) renewal of CPA firm permits for firms that have one or more offices located  
 71.7 in another state, \$68 per year; and
- 71.8 (17) temporary military certificate, \$100.

71.9 Sec. 4. [326A.045] RETIRED STATUS.

71.10 Subdivision 1. Retired status requirements. The board shall grant retired status to a  
 71.11 person who meets the following criteria:

- 71.12 (1) is age 55 or older;
- 71.13 (2) holds a current active license to practice public accounting under this chapter with  
 71.14 a license status of active, inactive, or exempt under Minnesota Rules, part 1105.3700;
- 71.15 (3) declares that he or she is not practicing public accounting in any jurisdiction;
- 71.16 (4) was in good standing with the board at the time the person last held a license under  
 71.17 this chapter; and
- 71.18 (5) submits an application for retired status on a form provided by the board.

71.19 Subd. 2. Retired status effect. Retired status is an honorific status. Retired status is not  
 71.20 a license to engage in the practice of public accounting. A person granted retired status shall  
 71.21 not perform or offer to perform services for which a license under this chapter is required.

71.22 Subd. 3. Documentation of status. The board shall provide to a person granted retired  
 71.23 status a document stating that retired status has been granted.

71.24 Subd. 4. Representation to the public. A person granted retired status may represent  
 71.25 themselves as "Certified Public Accountant - Retired," "CPA - Retired," "Retired Certified  
 71.26 Public Accountant," or "Retired CPA," but shall not represent themselves or allow themselves  
 71.27 to be represented to the public as a current licensee of the board.

71.28 Subd. 5. Continuing education not required. A person is not required to comply with  
 71.29 continuing education requirements in section 326A.04, subdivision 4, to acquire or maintain  
 71.30 retired status.

72.1 Subd. 6. **Renewal not required.** A person granted retired status is not required to renew  
 72.2 their registration or pay renewal fees to maintain retired status.

72.3 Subd. 7. **Change to active or inactive status.** The board shall change a license status  
 72.4 from retired to active or inactive, if a person with retired status requests a status change and  
 72.5 meets requirements for reactivation prescribed by rule.

72.6 Sec. 5. Minnesota Statutes 2018, section 326A.08, subdivision 4, is amended to read:

72.7 Subd. 4. **Cease and desist orders.** (a) The board, or the complaint committee if  
 72.8 authorized by the board, may issue and have served upon a certificate holder, a permit  
 72.9 holder, a registration holder, a person with practice privileges granted under section 326A.14,  
 72.10 a person who has previously been subject to a disciplinary order by the board, or an  
 72.11 unlicensed firm or person an order requiring the person or firm to cease and desist from the  
 72.12 act or practice constituting a violation of the statute, rule, or order. The order must be  
 72.13 calculated to give reasonable notice of the rights of the person or firm to request a hearing  
 72.14 and must state the reasons for the entry of the order. No order may be issued until an  
 72.15 investigation of the facts has been conducted pursuant to section 214.10.

72.16 (b) Service of the order ~~is effective when the order is served on the person, firm, or~~  
 72.17 ~~counsel of record personally, or by certified mail to the most recent address provided to the~~  
 72.18 ~~board for the person, firm, or counsel of record.~~ may be by first class United States mail,  
 72.19 including certified United States mail, or overnight express mail service, postage prepaid  
 72.20 and addressed to the party at the party's last known address. Service by United States mail,  
 72.21 including certified mail, is complete upon placing the order in the mail or otherwise delivering  
 72.22 the order to the United States mail service. Service by overnight express mail service is  
 72.23 complete upon delivering the order to an authorized agent of the express mail service.

72.24 (c) Unless otherwise agreed by the board, or the complaint committee if authorized by  
 72.25 the board, and the person or firm requesting the hearing, the hearing must be held no later  
 72.26 than 30 days after the request for the hearing is received by the board.

72.27 (d) The administrative law judge shall issue a report within 30 days of the close of the  
 72.28 contested case hearing record, notwithstanding Minnesota Rules, part 1400.8100, subpart  
 72.29 3. Within 30 days after receiving the report and any exceptions to it, the board shall issue  
 72.30 a further order vacating, modifying, or making permanent the cease and desist orders as the  
 72.31 facts require.

72.32 (e) If no hearing is requested within 30 days of service of the order, the order becomes  
 72.33 final and remains in effect until it is modified or vacated by the board.

73.1 (f) If the person or firm to whom a cease and desist order is issued fails to appear at the  
73.2 hearing after being duly notified, the person or firm is in default and the proceeding may  
73.3 be determined against that person or firm upon consideration of the cease and desist order,  
73.4 the allegations of which may be considered to be true.

73.5 (g) In lieu of or in addition to the order provided in paragraph (a), the board may require  
73.6 the person or firm to provide to the board a true and complete list of the person's or firm's  
73.7 clientele so that they can, if deemed necessary, be notified of the board's action. Failure to  
73.8 do so, or to provide an incomplete or inaccurate list, is an act discreditable.

73.9 Sec. 6. Minnesota Statutes 2018, section 326A.08, subdivision 5, is amended to read:

73.10 Subd. 5. **Actions against persons or firms.** (a) The board may, by order, deny, refuse  
73.11 to renew, suspend, temporarily suspend, or revoke the application, or practice privileges,  
73.12 registration or certificate of a person or firm; censure or reprimand the person or firm;  
73.13 prohibit the person or firm from preparing tax returns or reporting on financial statements;  
73.14 limit the scope of practice of any licensee; limit privileges under section 326A.14; refuse  
73.15 to permit a person to sit for examination; or refuse to release the person's examination grades  
73.16 if the board finds that the order is in the public interest and that, based on a preponderance  
73.17 of the evidence presented, the person or firm:

73.18 (1) has violated a statute, rule, or order that the board has issued or is empowered to  
73.19 enforce;

73.20 (2) has engaged in conduct or acts that are fraudulent, deceptive, or dishonest whether  
73.21 or not the conduct or acts relate to performing or offering to perform professional services,  
73.22 providing that the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on  
73.23 the person's or firm's ability or fitness to provide professional services;

73.24 (3) has engaged in conduct or acts that are negligent or otherwise in violation of the  
73.25 standards established by board rule, where the conduct or acts relate to providing professional  
73.26 services, including in the filing or failure to file the licensee's income tax returns;

73.27 (4) has been convicted of, has pled guilty or nolo contendere to, or has been sentenced  
73.28 as a result of the commission of a felony or crime, an element of which is dishonesty or  
73.29 fraud; has been shown to have or admitted to having engaged in acts or practices tending  
73.30 to show that the person or firm is incompetent; or has engaged in conduct reflecting adversely  
73.31 on the person's or firm's ability or fitness to provide professional services, whether or not  
73.32 a conviction was obtained or a plea was entered or withheld and whether or not dishonesty  
73.33 or fraud was an element of the conduct;

74.1 (5) employed fraud or deception in obtaining a certificate, permit, registration, practice  
74.2 privileges, renewal, or reinstatement or in passing all or a portion of the examination;

74.3 (6) has had the person's or firm's permit, registration, practice privileges, certificate,  
74.4 right to examine, or other similar authority revoked, suspended, canceled, limited, or not  
74.5 renewed for cause, or has committed unprofessional acts for which the person or firm was  
74.6 otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing  
74.7 to cease and desist from prescribed conduct, in any state or any foreign country;

74.8 (7) has had the person's or firm's right to practice before any federal, state, other  
74.9 government agency, or Public Company Accounting Oversight Board revoked, suspended,  
74.10 canceled, limited, or not renewed for cause, or has committed unprofessional acts for which  
74.11 the person or firm was otherwise disciplined or sanctioned, including, but not limited to,  
74.12 being ordered to or agreeing to cease and desist from prescribed conduct;

74.13 (8) failed to meet any requirement for the issuance or renewal of the person's or firm's  
74.14 certificate, registration or permit, or for practice privileges;

74.15 (9) with respect to temporary suspension orders, has committed an act, engaged in  
74.16 conduct, or committed practices that may result or may have resulted, in the opinion of the  
74.17 board or the complaint committee if authorized by the board, in an immediate threat to the  
74.18 public;

74.19 (10) has engaged in any conduct reflecting adversely upon the person's or firm's fitness  
74.20 to perform services while a licensee, individual granted privileges under section 326A.14,  
74.21 or a person registered under section 326A.06, paragraph (b); or

74.22 (11) has, prior to a voluntary surrender of a certificate or permit to the board, engaged  
74.23 in conduct which at any time resulted in the discipline or sanction described in clause (6)  
74.24 or (7).

74.25 (b) In lieu of or in addition to any remedy provided in paragraph (a), the board, or the  
74.26 complaint committee if authorized by the board, may require, as a condition of continued  
74.27 possession of a certificate, a registration, or practice privileges, termination of suspension,  
74.28 reinstatement of permit, registration of a person or firm or of practice privileges under  
74.29 section 326A.14, a certificate, an examination, or release of examination grades, that the  
74.30 person or firm:

74.31 (1) submit to a peer review of the person's or firm's ability, skills, or quality of work,  
74.32 conducted in a fashion and by persons, entity, or entities as required by the board; and

75.1 (2) complete to the satisfaction of the board continuing professional education courses  
75.2 specified by the board.

75.3 (c) Service of the order ~~is effective if the order is served on the person, firm, or counsel~~  
75.4 ~~of record personally or by certified mail to the most recent address provided to the board~~  
75.5 ~~for the person, firm, or counsel of record.~~ may be by first class United States mail, including  
75.6 certified United States mail, or overnight express mail service, postage prepaid and addressed  
75.7 to the party at the party's last known address. Service by United States mail, including  
75.8 certified mail, is complete upon placing the order in the mail or otherwise delivering the  
75.9 order to the United States mail service. Service by overnight express mail service is complete  
75.10 upon delivering the order to an authorized agent of the express mail service. The order shall  
75.11 state the reasons for the entry of the order.

75.12 (d) All hearings required by this subdivision must be conducted in accordance with  
75.13 chapter 14 except with respect to temporary suspension orders as provided for in subdivision  
75.14 6.

75.15 (e) In addition to the remedies authorized by this subdivision, the board, or the complaint  
75.16 committee if authorized by the board, may enter into an agreement with the person or firm  
75.17 for corrective action and may unilaterally issue a warning to a person or firm.

75.18 (f) The board shall not use agreements for corrective action or warnings in any situation  
75.19 where the person or firm has been convicted of or pled guilty or nolo contendere to a felony  
75.20 or crime and the felony or crime is the basis of the board's action against the person or firm,  
75.21 where the conduct of the person or firm indicates a pattern of related violations of paragraph  
75.22 (a) or the rules of the board, or where the board concludes that the conduct of the person or  
75.23 firm will not be deterred other than by disciplinary action under this subdivision or  
75.24 subdivision 4 or 6.

75.25 (g) Agreements for corrective action may be used by the board, or the complaint  
75.26 committee if authorized by the board, where the violation committed by the person or firm  
75.27 does not warrant disciplinary action pursuant to this subdivision or subdivision 4 or 6, but  
75.28 where the board, or the complaint committee if authorized by the board, determines that  
75.29 corrective action is required to prevent further such violations and to otherwise protect the  
75.30 public. Warnings may be used by the board, or the complaint committee if authorized by  
75.31 the board, where the violation of the person or firm is de minimus, does not warrant  
75.32 disciplinary action under this subdivision or subdivision 4 or 6, and does not require  
75.33 corrective action to protect the public.

76.1 (h) Agreements for corrective action must not be considered disciplinary action against  
 76.2 the person's or firm's application, permit, registration or certificate, or practice privileges  
 76.3 under section 326A.14. However, agreements for corrective action are public data. Warnings  
 76.4 must not be considered disciplinary action against the person's or firm's application, permit,  
 76.5 registration, or certificate or person's practice privileges and are private data.

76.6 Sec. 7. Minnesota Statutes 2018, section 326A.08, is amended by adding a subdivision to  
 76.7 read:

76.8 Subd. 10. **Actions against lapsed license, certificate, or permit.** If a person's or firm's  
 76.9 permit, registration, practice privileges, license, certificate, or other similar authority lapses,  
 76.10 expires, is surrendered, withdrawn, terminated, canceled, limited, not renewed, or otherwise  
 76.11 becomes invalid, the board may institute a proceeding under this subdivision within two  
 76.12 years after the date the license, certificate, or permit was last effective and enter a revocation  
 76.13 or suspension order as of the last date on which the license, certificate, or permit was in  
 76.14 effect, or impose a civil penalty as provided for in subdivision 7.

76.15 Sec. 8. Minnesota Statutes 2018, section 326A.10, is amended to read:

76.16 **326A.10 UNLAWFUL ACTS.**

76.17 (a) Only a licensee and individuals who have been granted practice privileges under  
 76.18 section 326A.14 may issue a report on financial statements of any person, firm, organization,  
 76.19 or governmental unit that results from providing attest services, or offer to render or render  
 76.20 any attest service. Only a certified public accountant, an individual who has been granted  
 76.21 practice privileges under section 326A.14, a CPA firm, or, to the extent permitted by board  
 76.22 rule, a person registered under section 326A.06, paragraph (b), may issue a report on financial  
 76.23 statements of any person, firm, organization, or governmental unit that results from providing  
 76.24 compilation services or offer to render or render any compilation service. These restrictions  
 76.25 do not prohibit any act of a public official or public employee in the performance of that  
 76.26 person's duties or prohibit the performance by any nonlicensee of other services involving  
 76.27 the use of accounting skills, including the preparation of tax returns, management advisory  
 76.28 services, and the preparation of financial statements without the issuance of reports on them.  
 76.29 Nonlicensees may prepare financial statements and issue nonattest transmittals or information  
 76.30 on them which do not purport to be in compliance with the Statements on Standards for  
 76.31 Accounting and Review Services (SSARS). Nonlicensees registered under section 326A.06,  
 76.32 paragraph (b), may, to the extent permitted by board rule, prepare financial statements and  
 76.33 issue nonattest transmittals or information on them.

77.1 (b) Licensees and individuals who have been granted practice privileges under section  
77.2 326A.14 performing attest or compilation services must provide those services in accordance  
77.3 with professional standards. To the extent permitted by board rule, registered accounting  
77.4 practitioners performing compilation services must provide those services in accordance  
77.5 with standards specified in board rule.

77.6 (c) A person who does not hold a valid certificate issued under section 326A.04 or a  
77.7 practice privilege granted under section 326A.14 shall not use or assume the title "certified  
77.8 public accountant," the abbreviation "CPA," or any other title, designation, words, letters,  
77.9 abbreviation, sign, card, or device tending to indicate that the person is a certified public  
77.10 accountant.

77.11 (d) A firm shall not provide attest services or assume or use the title "certified public  
77.12 accountants," the abbreviation "CPA's," or any other title, designation, words, letters,  
77.13 abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless (1)  
77.14 the firm has complied with section 326A.05, and (2) ownership of the firm is in accordance  
77.15 with this chapter and rules adopted by the board.

77.16 (e) A person or firm that does not hold a valid certificate or permit issued under section  
77.17 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as  
77.18 required in this chapter shall not assume or use the title "certified accountant," "chartered  
77.19 accountant," "enrolled accountant," "licensed accountant," "registered accountant,"  
77.20 "accredited accountant," "accounting practitioner," "public accountant," "licensed public  
77.21 accountant," or any other title or designation likely to be confused with the title "certified  
77.22 public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," "PA," "AP,"  
77.23 "LPA," or similar abbreviation likely to be confused with the abbreviation "CPA." The title  
77.24 "enrolled agent" or "EA" may only be used by individuals so designated by the Internal  
77.25 Revenue Service.

77.26 (f) Persons registered under section 326A.06, paragraph (b), may use the title "registered  
77.27 accounting practitioner" or the abbreviation "RAP." A person who does not hold a valid  
77.28 registration under section 326A.06, paragraph (b), shall not assume or use such title or  
77.29 abbreviation.

77.30 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use language  
77.31 in any statement relating to the financial affairs of a person or entity that is conventionally  
77.32 used by licensees in reports on financial statements or on an attest service. In this regard,  
77.33 the board shall issue by rule safe harbor language that nonlicensees may use in connection  
77.34 with such financial information. A person or firm that does not hold a valid certificate or

78.1 permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph (b),  
78.2 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter  
78.3 shall not assume or use any title or designation that includes the word "accountant" or  
78.4 "accounting" in connection with any other language, including the language of a report, that  
78.5 implies that the person or firm holds such a certificate, permit, or registration or has special  
78.6 competence as an accountant. A person or firm that does not hold a valid certificate or  
78.7 permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section  
78.8 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation  
78.9 that includes the word "auditor" in connection with any other language, including the  
78.10 language of a report, that implies that the person or firm holds such a certificate or permit  
78.11 or has special competence as an auditor. However, this paragraph does not prohibit any  
78.12 officer, partner, member, manager, or employee of any firm or organization from affixing  
78.13 that person's own signature to any statement in reference to the financial affairs of such firm  
78.14 or organization with any wording designating the position, title, or office that the person  
78.15 holds, nor prohibit any act of a public official or employee in the performance of the person's  
78.16 duties as such.

78.17 (h)(1) No person holding a certificate or registration or firm holding a permit under this  
78.18 chapter shall use a professional or firm name or designation that is misleading about the  
78.19 legal form of the firm, or about the persons who are partners, officers, members, managers,  
78.20 or shareholders of the firm, or about any other matter. However, names of one or more  
78.21 former partners, members, managers, or shareholders may be included in the name of a firm  
78.22 or its successor.

78.23 (2) A common brand name or network name part, including common initials, used by  
78.24 a CPA firm in its name, is not misleading if the firm is a network firm as defined in the  
78.25 American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct  
78.26 ~~in effect July 1, 2011~~ incorporated by reference in Minnesota Rules, part 1105.0250, and  
78.27 when offering or rendering services that require independence under AICPA standards, the  
78.28 firm must comply with the AICPA code's applicable standards on independence.

78.29 (i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification,  
78.30 designation, degree, or license granted in a foreign country entitling the holder to engage  
78.31 in the practice of public accountancy or its equivalent in that country, if:

78.32 (1) the activities of the person or firm in this state are limited to the provision of  
78.33 professional services to persons or firms who are residents of, governments of, or business  
78.34 entities of the country in which the person holds the entitlement;

79.1 (2) the person or firm performs no attest or compilation services and issues no reports  
79.2 with respect to the information of any other persons, firms, or governmental units in this  
79.3 state; and

79.4 (3) the person or firm does not use in this state any title or designation other than the  
79.5 one under which the person practices in the foreign country, followed by a translation of  
79.6 the title or designation into English, if it is in a different language, and by the name of the  
79.7 country.

79.8 (j) No holder of a certificate issued under section 326A.04 may perform attest services  
79.9 through any business form that does not hold a valid permit issued under section 326A.05.

79.10 (k) No individual licensee may issue a report ~~in standard form~~ upon a compilation of  
79.11 financial information through any form of business that does not hold a valid permit issued  
79.12 under section 326A.05, unless the report discloses the name of the business through which  
79.13 the individual is issuing the report, and the individual:

79.14 (1) signs the compilation report identifying the individual as a certified public accountant;

79.15 (2) meets the competency requirement provided in applicable standards; and

79.16 (3) undergoes no less frequently than once every three years, a peer review conducted  
79.17 in a manner specified by the board in rule, and the review includes verification that the  
79.18 individual has met the competency requirements set out in professional standards for such  
79.19 services.

79.20 (l) No person registered under section 326A.06, paragraph (b), may issue a report ~~in~~  
79.21 ~~standard form~~ upon a compilation of financial information unless the board by rule permits  
79.22 the report and the person:

79.23 (1) signs the compilation report identifying the individual as a registered accounting  
79.24 practitioner;

79.25 (2) meets the competency requirements in board rule; and

79.26 (3) undergoes no less frequently than once every three years a peer review conducted  
79.27 in a manner specified by the board in rule, and the review includes verification that the  
79.28 individual has met the competency requirements in board rule.

79.29 (m) Nothing in this section prohibits a practicing attorney or firm of attorneys from  
79.30 preparing or presenting records or documents customarily prepared by an attorney or firm  
79.31 of attorneys in connection with the attorney's professional work in the practice of law.

80.1 (n) The board shall adopt rules that place limitations on receipt by a licensee or a person  
80.2 who holds a registration under section 326A.06, paragraph (b), of:

80.3 (1) contingent fees for professional services performed; and

80.4 (2) commissions or referral fees for recommending or referring to a client any product  
80.5 or service.

80.6 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation  
80.7 of this section for a firm not holding a valid permit under section 326A.05 and not having  
80.8 an office in this state to provide its professional services in this state so long as it complies  
80.9 with the applicable requirements of section 326A.05, subdivision 1.

## 80.10 ARTICLE 7

### 80.11 VETERANS AND MILITARY AFFAIRS POLICY

80.12 Section 1. **[10.576] POW AND MIA RECOGNITION DAY.**

80.13 The third Friday in September of each year is designated as Prisoners of War (POW)  
80.14 and Missing in Action (MIA) Recognition Day to honor and recognize the courage and  
80.15 sacrifices of individuals from Minnesota who have been prisoners of war or who are missing  
80.16 in action. Each year, the governor shall issue a proclamation honoring this observance.

80.17 Sec. 2. **[10.578] VETERANS SUICIDE AWARENESS DAY.**

80.18 The first Saturday of every October is designated Veterans Suicide Awareness Day.  
80.19 Each year, the governor shall issue a proclamation honoring this observance.

80.20 Sec. 3. **[10.5805] HMONG SPECIAL GUERRILLA UNITS MEMORIAL DAY;**  
80.21 **STATEMENT OF PURPOSE.**

80.22 May 14 of each year is designated as Hmong Special Guerilla Units Memorial Day in  
80.23 honor of Southeast Asians, Americans, and their allies who served, suffered, sacrificed, or  
80.24 died in the Secret War in Laos during the Vietnam War in the years 1961 to 1975 in support  
80.25 of the armed forces of the United States, and in recognition of the significance of May 14,  
80.26 1975, the last day that the overall American-trained Hmong command structure over the  
80.27 Special Guerrilla Units in Laos was operational. At least 35,000 Hmong Special Guerrilla  
80.28 soldiers lost their lives protecting trapped, lost, or captured American soldiers and pilots in  
80.29 Laos and Vietnam. One-half of the Hmong population in Laos perished as a result of the  
80.30 American Secret War in Laos. Ethnic Hmong men, women, and children in Laos faced  
80.31 persecution and forced reeducation in seminar camps after their American support ended.

81.1 Despite the tremendous cost and sacrifices in the war, the Hmong remain proud to stand by  
81.2 the values of freedom and justice that America symbolizes. Those who survived escaped  
81.3 to western countries to start a new life. Each year, the governor shall issue a proclamation  
81.4 honoring the observance.

81.5 Sec. 4. [10.597] AMERICAN ALLIES DAY.

81.6 (a) June 30 of each year is designated American Allies Day for the purpose of honoring  
81.7 foreign-born persons who fought in conflicts around the world on behalf of and alongside  
81.8 the United States armed forces.

81.9 (b) Each year the governor shall issue a proclamation honoring this observance.

81.10 (c) Schools are encouraged to offer instruction on the role of America's allies during its  
81.11 military conflicts, including but not limited to sharing the stories of those who fought for  
81.12 freedom and democracy against tyranny and despotism with special emphasis on those who  
81.13 fought on behalf of American allies or alongside American armed forces and later emigrated  
81.14 to Minnesota.

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

81.16 Sec. 5. Minnesota Statutes 2018, section 196.05, subdivision 1, is amended to read:

81.17 Subdivision 1. **General duties.** The commissioner shall:

81.18 (1) act as the agent of a resident of the state having a claim against the United States for  
81.19 benefits arising out of or by reason of service in the armed forces and prosecute the claim  
81.20 without charge;

81.21 (2) act as custodian of veterans' bonus records;

81.22 (3) administer the laws relating to the providing of bronze flag holders at veterans' graves  
81.23 for memorial purposes;

81.24 (4) administer the laws relating to recreational or rest camps for veterans so far as  
81.25 applicable to state agencies;

81.26 (5) administer the state soldiers' assistance fund and veterans' relief fund and other funds  
81.27 appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation  
81.28 of veterans;

81.29 (6) cooperate with national, state, county, municipal, and private social agencies in  
81.30 securing to veterans and their dependents the benefits provided by national, state, and county  
81.31 laws, municipal ordinances, or public and private social agencies;

82.1 (7) provide necessary assistance where other adequate aid is not available to the dependent  
 82.2 family of a veteran while the veteran is hospitalized and after the veteran is released for as  
 82.3 long a period as is necessary as determined by the commissioner;

82.4 (8) cooperate with United States governmental agencies providing compensation,  
 82.5 pensions, insurance, or other benefits provided by federal law, by supplementing the benefits  
 82.6 prescribed therein, when conditions in an individual case make it necessary;

82.7 (9) assist dependent family members of military personnel who are called from reserve  
 82.8 status to extended federal active duty during a time of war or national emergency through  
 82.9 the state soldiers' assistance fund provided by section 197.03;

82.10 (10) exercise other powers as ~~may be~~ authorized and necessary to carry out ~~the provisions~~  
 82.11 ~~of this chapter and chapter~~ chapters 197, consistent with that chapter and 198;

82.12 (11) provide information, referral, and counseling services to those veterans who may  
 82.13 have suffered adverse health conditions as a result of possible exposure to chemical agents;  
 82.14 and

82.15 (12) in coordination with the Minnesota Association of County Veterans Service Officers,  
 82.16 develop a written disclosure statement for use by private providers of veterans benefits  
 82.17 services as required under section 197.6091. At a minimum, the written disclosure statement  
 82.18 shall include a signature line, contact information for the department, and a statement that  
 82.19 veterans benefits services are offered at no cost by federally chartered veterans service  
 82.20 organizations and by county veterans service officers.

82.21 Sec. 6. Laws 2016, chapter 189, article 13, section 64, is amended to read:

82.22 Sec. 64. **MEMORIAL COMMEMORATING RECIPIENTS OF THE MEDAL OF**  
 82.23 **HONOR.**

82.24 Subdivision 1. **Medal of Honor Memorial on the State Capitol grounds.** Subject to  
 82.25 approval by the Capitol Area Architectural and Planning Board, the commissioner of  
 82.26 administration shall place a memorial on the State Capitol grounds to honor Minnesotans  
 82.27 awarded the Medal of Honor.

82.28 Subd. 2. **Gifts and grants.** The commissioner of veterans affairs may solicit gifts, grants,  
 82.29 or donations of any kind from any private or public source to carry out the purposes of this  
 82.30 section. A Medal of Honor Memorial account is created in the special revenue fund. The  
 82.31 account consists of money transferred by law to the account and any other money donated,  
 82.32 gifted, granted, allotted, or otherwise provided to the account. All gifts, grants, or donations

83.1 received by the commissioner shall be deposited in a Medal of Honor Memorial account in  
 83.2 the special revenue fund. Money in the account is annually appropriated to the commissioner  
 83.3 of administration for predesign, design, construction, and ongoing maintenance of the  
 83.4 memorial.

83.5 ~~Subd. 3. **Restrictions.** Money deposited in the Medal of Honor Memorial account is not~~  
 83.6 ~~available until the commissioner of management and budget has determined an amount~~  
 83.7 ~~sufficient to complete predesign of the memorial has been committed to the project from~~  
 83.8 ~~nonstate sources. The commissioner of administration shall not begin construction on this~~  
 83.9 ~~project until money in the account is sufficient to pay for all costs related to construction~~  
 83.10 ~~and ongoing maintenance of the memorial.~~

83.11 **Sec. 7. PLAQUE.**

83.12 Subdivision 1. **Purpose.** The state wishes to honor all Minnesota veterans who have  
 83.13 honorably and bravely served in the United States armed forces, both at home and abroad,  
 83.14 during World War I.

83.15 Subd. 2. **Plaque authorized.** The commissioner of administration shall place a memorial  
 83.16 plaque in the court of honor on the Capitol grounds to recognize the valiant service of  
 83.17 Minnesota veterans who have honorably and bravely served in the United States armed  
 83.18 forces, both at home and abroad, during World War I. This plaque will replace the current  
 83.19 plaque honoring veterans who served abroad during World War I. The Capitol Area  
 83.20 Architectural and Planning Board shall solicit design submissions from the public. Each  
 83.21 design submission must include a commitment to furnish the plaque at no cost to the state.  
 83.22 The Capitol Area Architectural and Planning Board shall select a design from those submitted  
 83.23 to use as a basis for final production. The selected design must be approved by the  
 83.24 commissioner of veterans affairs and must be furnished by the person or group who submitted  
 83.25 the design at no cost to the state.

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

83.27 **Sec. 8. USS MINNEAPOLIS-ST. PAUL ACCOUNT.**

83.28 Subdivision 1. **Account established.** The USS Minneapolis-St. Paul account is established  
 83.29 in the special revenue fund. Money in the account is appropriated to the commissioner of  
 83.30 military affairs for the commissioning and preservation of the USS Minneapolis-St. Paul.

83.31 Subd. 2. **Gifts and grants.** The commissioner of military affairs may solicit gifts, grants,  
 83.32 or donations of any kind from any private or public source for the commissioning and

- 84.1 preservation of the USS Minneapolis-St. Paul. All gifts, grants, or donations received by  
84.2 the commissioner shall be deposited in the USS Minneapolis-St. Paul account under  
84.3 subdivision 1.

### **3.9735 EVALUATION OF ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS.**

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

(a) "General incentive" means a state program, statutory provision, or tax expenditure, including tax credits, tax exemptions, tax deductions, grants, or loans, that is intended to encourage businesses to locate, expand, invest, or remain in Minnesota or to hire or retain employees in Minnesota. To be a general incentive, a state program, statutory provision, or tax expenditure must be funded by an appropriation from the general fund, and be available to multiple entities, projects, or associated projects or include eligibility criteria with the intent that it will be available to multiple entities, projects, or associated projects.

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

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

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

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

### **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

(a) On September 15, 2019, and annually thereafter, the state shall pay to the general employees retirement plan of the Public Employees Retirement Association, with respect to the former MERF division, \$6,000,000.

(b) On September 15, 2017, and September 15, 2018, the state shall pay to the general employees retirement plan of the Public Employees Retirement Association, with respect to the former MERF division, \$16,000,000.

(c) State contributions under this section end on September 15, 2031.