

1.1 Senator ..... moves to amend S.F. No. 605 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 STATE GOVERNMENT APPROPRIATIONS

1.5 Section 1. APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
1.7 and for the purposes specified in this article. The appropriations are from the general fund,  
1.8 or another named fund, and are available for the fiscal years indicated for each purpose.

1.9 The figures "2018" and "2019" used in this article mean that the appropriations listed under  
1.10 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.  
1.11 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"  
1.12 is fiscal years 2018 and 2019.

1.13		<b><u>APPROPRIATIONS</u></b>	
1.14		<b><u>Available for the Year</u></b>	
1.15		<b><u>Ending June 30</u></b>	
1.16		<b><u>2018</u></b>	<b><u>2019</u></b>

1.17 Sec. 2. LEGISLATURE

1.18 Subdivision 1. Total Appropriation \$ 83,057,000 \$ 82,123,000

1.19 Appropriations by Fund

1.20		<u>2018</u>	<u>2019</u>
1.21	<u>General</u>	<u>82,929,000</u>	<u>81,995,000</u>
1.22	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

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

1.26	<u>Subd. 2. Senate</u>	<u>32,299,000</u>	<u>32,105,000</u>
1.27	<u>Subd. 3. House of Representatives</u>	<u>32,383,000</u>	<u>32,383,000</u>
1.28	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>18,375,000</u>	<u>17,635,000</u>

1.29 Appropriations by Fund

1.30	<u>General</u>	<u>18,247,000</u>	<u>17,507,000</u>
1.31	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

1.32 Appropriations provided by this subdivision  
1.33 may be used for designated staff to support

2.1 the following offices and commissions: Office  
2.2 of the Legislative Auditor; Office of the  
2.3 Revisor of Statutes; Legislative Reference  
2.4 Library; Geographic Information Services;  
2.5 Legislative Budget Office; Legislative-Citizen  
2.6 Commission on Minnesota Resources;  
2.7 Legislative Commission on Pensions and  
2.8 Retirement; Legislative Energy Commission;  
2.9 and the Lessard-Sams Outdoor Heritage  
2.10 Council. The operation of all other joint  
2.11 offices and commissions must be supported  
2.12 by the central administrative staff of the  
2.13 Legislative Coordinating Commission. This  
2.14 appropriation may additionally be used for  
2.15 central administrative staff to support the work  
2.16 of the Economic Status of Women Advisory  
2.17 Committee.

2.18 From its funds, \$10,000 each year is for  
2.19 purposes of the legislators' forum, through  
2.20 which Minnesota legislators meet with  
2.21 counterparts from South Dakota, North  
2.22 Dakota, and Manitoba to discuss issues of  
2.23 mutual concern.

2.24 **Legislative Auditor.** \$6,744,000 the first year  
2.25 and \$6,564,000 the second year are for the  
2.26 Office of the Legislative Auditor.

2.27 Of these amounts, \$130,000 the first year is  
2.28 for the transit financial activity reviews  
2.29 required by Minnesota Statutes, section 3.972,  
2.30 subdivision 4.

2.31 No later than January 15, 2018, the legislative  
2.32 auditor must complete a review of the small  
2.33 business investment tax credit incentive  
2.34 established in Minnesota Statutes, section  
2.35 116J.8737. The review must follow the

3.1 evaluation plan established for review of a  
 3.2 general incentive program under Minnesota  
 3.3 Statutes, section 3.9735, subdivision 4.

3.4 No later than January 15, 2018, the legislative  
 3.5 auditor must complete an assessment of the  
 3.6 adequacy of the county audits performed by  
 3.7 the state auditor in calendar year 2016. The  
 3.8 standards for conducting the assessment must  
 3.9 be identical to those described in the report of  
 3.10 the state auditor dated March 2017, titled  
 3.11 "Assessing the Adequacy of 2015 County  
 3.12 Audits Performed by Private CPA Firms."

3.13 **Revisor of Statutes.** \$6,430,000 the first year  
 3.14 and \$6,093,000 the second year are for the  
 3.15 Office of the Revisor of Statutes.

3.16 Of these amounts, \$250,000 in the first year  
 3.17 is for upgrades and repairs to the information  
 3.18 technology data center located in the State  
 3.19 Office Building.

3.20 **Legislative Budget Office.** \$864,000 the first  
 3.21 year and \$818,000 the second year are for the  
 3.22 Legislative Budget Office established in  
 3.23 section 3.8853.

3.24 **Legislative Reference Library.** \$1,622,000  
 3.25 the first year and \$1,445,000 the second year  
 3.26 are for the Legislative Reference Library.

3.27 Of these amounts, \$177,000 the first year is  
 3.28 for the digital preservation of audio recordings  
 3.29 documenting committee hearings and floor  
 3.30 sessions of the legislature.

3.31 **Sec. 3. GOVERNOR AND LIEUTENANT**  
 3.32 **GOVERNOR**

**\$ 4,403,000 \$ 4,403,000**

4.1 (a) This appropriation is to fund the Office of  
 4.2 the Governor and Lieutenant Governor.

4.3 (b) Up to \$19,000 the first year and up to  
 4.4 \$19,000 the second year are for necessary  
 4.5 expenses in the normal performance of the  
 4.6 Governor's and Lieutenant Governor's duties  
 4.7 for which no other reimbursement is provided.

4.8 (c) The following amounts that are  
 4.9 appropriated from the general fund in fiscal  
 4.10 years 2018 and 2019 to the specified agency  
 4.11 and are budgeted to be transferred to the  
 4.12 governor for personnel costs incurred by the  
 4.13 Offices of the Governor and the Lieutenant  
 4.14 Governor to support the agencies are canceled  
 4.15 to the general fund and the base for each  
 4.16 agency is reduced by the specified amount for  
 4.17 fiscal years 2020 and 2021.

4.18 <u>Agency</u>	<u>2018</u>	<u>2019</u>
4.19 <u>Commerce</u>	<u>67,000</u>	<u>67,000</u>
4.20 <u>Employment and</u> 4.21 <u>Economic Development</u>	<u>109,000</u>	<u>109,000</u>
4.22 <u>Education</u>	<u>58,000</u>	<u>58,000</u>
4.23 <u>Office of Higher</u> 4.24 <u>Education</u>	<u>25,000</u>	<u>25,000</u>
4.25 <u>Administration</u>	<u>25,000</u>	<u>25,000</u>
4.26 <u>Management and</u> 4.27 <u>Budget</u>	<u>21,000</u>	<u>21,000</u>
4.28 <u>MN.IT Services</u>	<u>25,000</u>	<u>25,000</u>
4.29 <u>Revenue</u>	<u>41,000</u>	<u>41,000</u>
4.30 <u>Health</u>	<u>58,000</u>	<u>58,000</u>
4.31 <u>Human Services</u>	<u>247,000</u>	<u>247,000</u>
4.32 <u>Veterans Affairs</u>	<u>16,000</u>	<u>16,000</u>
4.33 <u>Military Affairs</u>	<u>17,000</u>	<u>17,000</u>
4.34 <u>Corrections</u>	<u>58,000</u>	<u>58,000</u>
4.35 <u>Transportation</u>	<u>20,000</u>	<u>20,000</u>

4.36 (d) Appropriations provided by this section  
 4.37 may not be used to support the hiring of



6.1 Remediation 250,000 250,000

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

6.5 Subd. 2. Government Legal Services 3,652,000 3,652,000

6.6 Subd. 3. Regulatory Law and Professions 5,002,000 5,002,000

6.7 Appropriations by Fund

6.8 2018 2019

6.9 General 2,223,000 2,223,000

6.10 State Government  
 6.11 Special Revenue 2,384,000 2,384,000

6.12 Environmental 250,000 250,000

6.13 Remediation 145,000 145,000

6.14 Subd. 4. State Government Services 6,157,000 6,157,000

6.15 Appropriations by Fund

6.16 2018 2019

6.17 General 6,136,000 6,136,000

6.18 State Government  
 6.19 Special Revenue 21,000 21,000

6.20 Subd. 5. Civil Law Section 3,010,000 3,010,000

6.21 Subd. 6. Civil Litigation 1,495,000 1,495,000

6.22 Subd. 7. Administrative Operations 3,949,000 3,949,000

6.23 Sec. 6. SECRETARY OF STATE

6.24 Subdivision 1. Total Appropriation \$ 5,419,000 \$ 5,530,000

6.25 The base for fiscal year 2020 is \$5,419,000  
 6.26 and the base for fiscal year 2021 is  
 6.27 \$5,419,000.

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

6.31 Subd. 2. Administration 512,000 525,000

6.32 Subd. 3. Safe at Home 659,000 676,000

6.33 Subd. 4. Business Services 1,422,000 1,174,000

7.1	<b><u>Subd. 5. Elections</u></b>		<u>2,826,000</u>	<u>3,155,000</u>
7.2	<b><u>Sec. 7. CAMPAIGN FINANCE AND PUBLIC</u></b>			
7.3	<b><u>DISCLOSURE BOARD</u></b>	\$	<u>924,000</u>	<u>924,000</u>
7.4	<b><u>Sec. 8. STATE BOARD OF INVESTMENT</u></b>	\$	<u>139,000</u>	<u>139,000</u>
7.5	<b><u>Sec. 9. ADMINISTRATIVE HEARINGS</u></b>			
7.6	<b><u>Subdivision 1. Total Appropriation</u></b>	\$	<u>8,170,000</u>	<u>8,170,000</u>
7.7	<u>Appropriations by Fund</u>			
7.8		<u>2018</u>	<u>2019</u>	
7.9	<u>General</u>	<u>383,000</u>	<u>383,000</u>	
7.10	<u>Workers'</u>			
7.11	<u>Compensation</u>	<u>7,787,000</u>	<u>7,787,000</u>	
7.12	<u>The amounts that may be spent for each</u>			
7.13	<u>purpose are specified in the following</u>			
7.14	<u>subdivisions.</u>			
7.15	<b><u>Subd. 2. Campaign Violations</u></b>		<u>115,000</u>	<u>115,000</u>
7.16	<u>These amounts are for the cost of considering</u>			
7.17	<u>complaints filed under Minnesota Statutes,</u>			
7.18	<u>section 211B.32. These amounts may be used</u>			
7.19	<u>in either year of the biennium.</u>			
7.20	<b><u>Subd. 3. Data Practices</u></b>		<u>6,000</u>	<u>6,000</u>
7.21	<u>These amounts are for the cost of considering</u>			
7.22	<u>data practices complaints filed under</u>			
7.23	<u>Minnesota Statutes, section 13.085. These</u>			
7.24	<u>amounts may be used in either year of the</u>			
7.25	<u>biennium.</u>			
7.26	<b><u>Subd. 4. Municipal Boundary Adjustments</u></b>		<u>262,000</u>	<u>262,000</u>
7.27	<b><u>Sec. 10. OFFICE OF MN.IT SERVICES</u></b>			
7.28	<b><u>Subdivision 1. Total Appropriation</u></b>	\$	<u>2,622,000</u>	<u>2,622,000</u>
7.29	<u>The amounts that may be spent for each</u>			
7.30	<u>purpose are specified in the following</u>			
7.31	<u>subdivisions.</u>			

8.1 The state chief information officer must  
 8.2 prioritize use of appropriations provided by  
 8.3 this section to enhance cybersecurity across  
 8.4 state government.

8.5 **Subd. 2. State Chief Information Officer** 1,316,000 1,316,000

8.6 The commissioner of management and budget  
 8.7 is authorized to provide cash flow assistance  
 8.8 of up to \$110,000,000 from the special  
 8.9 revenue fund or other statutory general funds  
 8.10 as defined in Minnesota Statutes, section  
 8.11 16A.671, subdivision 3, paragraph (a), to the  
 8.12 Office of MN.IT Services for the purpose of  
 8.13 managing revenue and expenditure  
 8.14 differences. These funds shall be repaid with  
 8.15 interest by the end of the fiscal year 2019  
 8.16 closing period.

8.17 During the biennium ending June 30, 2019,  
 8.18 the Office of MN.IT Services must not charge  
 8.19 fees to a public noncommercial educational  
 8.20 television broadcast station eligible for funding  
 8.21 under Minnesota Statutes, chapter 129D, for  
 8.22 access to the state broadcast infrastructure. If  
 8.23 the access fees not charged to public  
 8.24 noncommercial educational television  
 8.25 broadcast stations total more than \$400,000  
 8.26 for the biennium, the office may charge for  
 8.27 access fees in excess of these amounts.

8.28 **Subd. 3. Geospatial Information Office** 871,000 871,000

8.29 **Subd. 4. Enterprise IT Security** 435,000 435,000

8.30 **Sec. 11. ADMINISTRATION**

8.31 **Subdivision 1. Total Appropriation** **\$ 19,984,000** **\$ 19,584,000**

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

- 9.1 Subd. 2. **Government and Citizen Services** 7,013,000 7,013,000
- 9.2 This appropriation includes funds for
- 9.3 information technology project services and
- 9.4 support subject to the provisions of Minnesota
- 9.5 Statutes, section 16E.0466. Any ongoing
- 9.6 information technology costs must be
- 9.7 incorporated into the service level agreement
- 9.8 and must be paid to the Office of MN.IT
- 9.9 Services by the commissioner of
- 9.10 administration under the rates and mechanism
- 9.11 specified in that agreement.
- 9.12 Appropriations provided by this section may
- 9.13 not be used to fund continuous improvement
- 9.14 initiatives, including the Office of Continuous
- 9.15 Improvement (LEAN).
- 9.16 **Council on Developmental Disabilities.**
- 9.17 \$74,000 the first year and \$74,000 the second
- 9.18 year are for the Council on Developmental
- 9.19 Disabilities.
- 9.20 **Olmstead Plan.** \$148,000 each year is for the
- 9.21 Olmstead plan.
- 9.22 **Materials Management.** \$2,139,000 each
- 9.23 year is for materials management.
- 9.24 **Plant Management.** \$390,000 each year is
- 9.25 for plant management.
- 9.26 \$7,500,000 the first year of the balance in the
- 9.27 facility repair and replacement account in the
- 9.28 special revenue fund is canceled to the general
- 9.29 fund. These amounts are in addition to
- 9.30 amounts transferred under Minnesota Statutes,
- 9.31 section 16B.24, subdivision 5, paragraph (d).

10.1 **Real Estate and Construction Services.**

10.2 \$2,198,000 each year is for real estate and  
10.3 construction services.

10.4 **Enterprise Real Property.** \$601,000 each  
10.5 year is for enterprise real property.

10.6 **State Agency Accommodation**

10.7 **Reimbursement.** \$200,000 the first year and  
10.8 \$200,000 the second year are credited to the  
10.9 accommodation account established in  
10.10 Minnesota Statutes, section 16B.4805.

10.11 **Community Services.** \$1,263,000 each year  
10.12 is for community services.

10.13 (a) \$192,000 the first year and \$192,000 the  
10.14 second year are for the state archaeologist.

10.15 (b) \$468,000 the first year and \$468,000 the  
10.16 second year are for information policy  
10.17 analysis.

10.18 (c) \$487,000 the first year and \$487,000 the  
10.19 second year are for the state demographer.

10.20 (d) \$116,000 the first year and \$116,000 the  
10.21 second year are for the Office of Grants  
10.22 Management.

10.23 **Subd. 3. Strategic Management Services** 1,794,000 1,794,000

10.24 **Executive Leadership/Partnerships.**

10.25 \$528,000 each year is for executive  
10.26 leadership/partnerships.

10.27 **School Trust Lands Director.** \$185,000 each  
10.28 year is for school trust lands director.

10.29 **Financial Management and Reporting.**

10.30 \$706,000 each year is for financial  
10.31 management and reporting.

11.1 **Human Resources.** \$375,000 each year is for  
11.2 human resources.

11.3 **Subd. 4. Fiscal Agent** 11,177,000 10,777,000

11.4 **In-Lieu of Rent.** \$8,158,000 the first year and  
11.5 \$8,158,000 the second year are for space costs  
11.6 of the legislature and veterans organizations,  
11.7 ceremonial space, and statutorily free space.

11.8 **Public Television.** (a) \$1,550,000 the first  
11.9 year and \$1,550,000 the second year are for  
11.10 matching grants for public television.

11.11 (b) \$250,000 the first year and \$250,000 the  
11.12 second year are for public television  
11.13 equipment grants under Minnesota Statutes,  
11.14 section 129D.13.

11.15 (c) The commissioner of administration must  
11.16 consider the recommendations of the  
11.17 Minnesota Public Television Association  
11.18 before allocating the amounts appropriated in  
11.19 paragraphs (a) and (b) for equipment or  
11.20 matching grants.

11.21 **Public Radio.** (a) \$392,000 the first year and  
11.22 \$392,000 the second year are for community  
11.23 service grants to public educational radio  
11.24 stations. This appropriation may be used to  
11.25 disseminate emergency information in foreign  
11.26 languages.

11.27 (b) \$117,000 the first year and \$117,000 the  
11.28 second year are for equipment grants to public  
11.29 educational radio stations. This appropriation  
11.30 may be used for the repair, rental, and  
11.31 purchase of equipment including equipment  
11.32 under \$500.

11.33 (c) \$310,000 the first year and \$310,000 the  
11.34 second year are for equipment grants to

12.1 Minnesota Public Radio, Inc., including  
 12.2 upgrades to Minnesota's Emergency Alert and  
 12.3 AMBER Alert Systems.

12.4 (d) \$400,000 the first year is for a grant to  
 12.5 Minnesota Public Radio, Inc. for upgrades to  
 12.6 Minnesota's Emergency Alert and AMBER  
 12.7 Alert Systems.

12.8 (e) The appropriations in paragraphs (a) to (d)  
 12.9 may not be used for indirect costs claimed by  
 12.10 an institution or governing body.

12.11 (f) The commissioner of administration must  
 12.12 consider the recommendations of the  
 12.13 Association of Minnesota Public Educational  
 12.14 Radio Stations before awarding grants under  
 12.15 Minnesota Statutes, section 129D.14, using  
 12.16 the appropriations in paragraphs (a) and (b).  
 12.17 No grantee is eligible for a grant unless they  
 12.18 are a member of the Association of Minnesota  
 12.19 Public Educational Radio Stations on or before  
 12.20 July 1, 2017.

12.21 (g) Any unencumbered balance remaining the  
 12.22 first year for grants to public television or  
 12.23 public radio stations does not cancel and is  
 12.24 available for the second year.

12.25	<b><u>Sec. 12. CAPITOL AREA ARCHITECTURAL</u></b>			
12.26	<b><u>AND PLANNING BOARD</u></b>	<b><u>\$</u></b>	<b><u>345,000</u></b>	<b><u>\$</u></b>
				<b><u>345,000</u></b>

12.27	<b><u>Sec. 13. MINNESOTA MANAGEMENT AND</u></b>			
12.28	<b><u>BUDGET</u></b>	<b><u>\$</u></b>	<b><u>17,920,000</u></b>	<b><u>\$</u></b>
				<b><u>18,320,000</u></b>

12.29 **Subdivision 1. Appropriations**

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

13.1	<u>This appropriation includes funds for</u>		
13.2	<u>information technology project services and</u>		
13.3	<u>support subject to the provisions of Minnesota</u>		
13.4	<u>Statutes, section 16E.0466. Any ongoing</u>		
13.5	<u>information technology costs must be</u>		
13.6	<u>incorporated into the service level agreement</u>		
13.7	<u>and must be paid to the Office of MN.IT</u>		
13.8	<u>Services by the commissioner of management</u>		
13.9	<u>and budget under the rates and mechanism</u>		
13.10	<u>specified in that agreement.</u>		
13.11	<b><u>Subd. 2. Accounting Services</u></b>	<u>3,758,000</u>	<u>3,958,000</u>
13.12	<b><u>Subd. 3. Budget Services</u></b>	<u>2,416,000</u>	<u>2,616,000</u>
13.13	<b><u>Subd. 4. Economic Analysis</u></b>	<u>424,000</u>	<u>424,000</u>
13.14	<b><u>Subd. 5. Debt Management</u></b>	<u>367,000</u>	<u>367,000</u>
13.15	<b><u>Subd. 6. Enterprise Communications and</u></b>		
13.16	<b><u>Planning</u></b>	<u>830,000</u>	<u>830,000</u>
13.17	<b><u>Subd. 7. Enterprise Human Resources</u></b>	<u>2,681,000</u>	<u>2,681,000</u>
13.18	<u>Appropriations provided by this section or</u>		
13.19	<u>transferred to the commissioner from another</u>		
13.20	<u>agency may not be used to support a statewide</u>		
13.21	<u>executive recruiting program.</u>		
13.22	<b><u>Subd. 8. Labor Relations</u></b>	<u>868,000</u>	<u>868,000</u>
13.23	<b><u>Subd. 9. Agency Administration</u></b>	<u>6,576,000</u>	<u>6,576,000</u>
13.24	<u>No later than June 30, 2018, the commissioner</u>		
13.25	<u>must credit at least \$1,000,000 to the general</u>		
13.26	<u>fund based on savings realized through</u>		
13.27	<u>implementation of the employee gainsharing</u>		
13.28	<u>program required by Minnesota Statutes,</u>		
13.29	<u>section 16A.90. If a credit of at least this</u>		
13.30	<u>amount has not been made to the general fund</u>		
13.31	<u>as of that date, the appropriation provided in</u>		
13.32	<u>this subdivision for fiscal year 2019 is reduced</u>		
13.33	<u>in an amount equal to the difference between</u>		
13.34	<u>the amount actually credited to the general</u>		



15.1	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>	
15.2	<u>Highway User Tax</u>			
15.3	<u>Distribution</u>	<u>2,184,000</u>	<u>2,184,000</u>	
15.4	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>	
15.5	<b><u>(a) Operations Support</u></b>			
15.6	<u>General</u>			<u>9,356,000</u> <u>9,356,000</u>
15.7	<u>Health Care Access</u>			<u>126,000</u> <u>126,000</u>
15.8	<b><u>(b) Appeals, Legal Services, and Tax Research</u></b>			
15.9	<u>General</u>			<u>6,932,000</u> <u>6,932,000</u>
15.10	<u>Health Care Access</u>			<u>113,000</u> <u>113,000</u>
15.11	<b><u>(c) Payment and Return Processing</u></b>			
15.12	<u>General</u>			<u>12,927,000</u> <u>12,927,000</u>
15.13	<u>Health Care Access</u>			<u>51,000</u> <u>51,000</u>
15.14	<u>Highway User Tax</u>			
15.15	<u>Distribution</u>			<u>343,000</u> <u>343,000</u>
15.16	<b><u>(d) Administration of State Taxes</u></b>			
15.17	<u>General</u>			<u>54,904,000</u> <u>54,729,000</u>
15.18	<u>Health Care Access</u>			<u>1,407,000</u> <u>1,407,000</u>
15.19	<u>Highway User Tax</u>			
15.20	<u>Distribution</u>			<u>1,621,000</u> <u>1,621,000</u>
15.21	<u>Environmental</u>			<u>303,000</u> <u>303,000</u>
15.22	<u>(1) \$15,000 from the general fund in the first</u>			
15.23	<u>year is for preparing and submitting a</u>			
15.24	<u>supplemental 2017 tax incidence report</u>			
15.25	<u>meeting the requirements of Minnesota</u>			
15.26	<u>Statutes, section 270C.13, subdivision 1, as</u>			
15.27	<u>amended by this act. The supplemental report</u>			
15.28	<u>must be completed and submitted no later than</u>			
15.29	<u>January 2, 2018.</u>			
15.30	<u>(2) \$160,000 from the general fund in the first</u>			
15.31	<u>year is for administration of a first-time home</u>			
15.32	<u>buyer savings account program. This</u>			
15.33	<u>appropriation is canceled to the general fund</u>			
15.34	<u>if income tax provisions related to first-time</u>			
15.35	<u>home buyer savings accounts are not enacted</u>			

16.1	<u>by law at the 2017 regular or special</u>			
16.2	<u>legislative session.</u>			
16.3	<b><u>(e) Technology Development, Implementation,</u></b>			
16.4	<b><u>and Support</u></b>			
16.5	<u>General</u>		<u>21,781,000</u>	<u>21,781,000</u>
16.6	<u>Health Care Access</u>		<u>52,000</u>	<u>52,000</u>
16.7	<u>Highway User Tax</u>			
16.8	<u>Distribution</u>		<u>220,000</u>	<u>220,000</u>
16.9	<b><u>(f) Property Tax Administration and State Aid</u></b>			
16.10	<u>General</u>		<u>3,992,000</u>	<u>3,992,000</u>
16.11	<u>Subd. 3. Debt Collection Management</u>		<u>27,357,000</u>	<u>27,357,000</u>
16.12	Sec. 15. <u>HUMAN RIGHTS</u>	\$	<u>3,954,000</u>	\$ <u>3,954,000</u>
16.13	Sec. 16. <u>GAMBLING CONTROL</u>	\$	<u>3,422,000</u>	\$ <u>3,457,000</u>
16.14	<u>These appropriations are from the lawful</u>			
16.15	<u>gambling regulation account in the special</u>			
16.16	<u>revenue fund.</u>			
16.17	Sec. 17. <u>RACING COMMISSION</u>	\$	<u>845,000</u>	\$ <u>908,000</u>
16.18	<u>These appropriations are from the racing and</u>			
16.19	<u>card playing regulation accounts in the special</u>			
16.20	<u>revenue fund.</u>			
16.21	Sec. 18. <u>STATE LOTTERY</u>			
16.22	<u>Notwithstanding Minnesota Statutes, section</u>			
16.23	<u>349A.10, subdivision 3, the State Lottery's</u>			
16.24	<u>operating budget must not exceed \$32,500,000</u>			
16.25	<u>in fiscal year 2018 and \$33,000,000 in fiscal</u>			
16.26	<u>year 2019.</u>			
16.27	Sec. 19. <u>AMATEUR SPORTS COMMISSION</u>	\$	<u>300,000</u>	\$ <u>300,000</u>
16.28	Sec. 20. <u>COUNCIL ON MINNESOTANS OF</u>			
16.29	<u>AFRICAN HERITAGE</u>	\$	<u>401,000</u>	\$ <u>401,000</u>
16.30	Sec. 21. <u>COUNCIL ON LATINO AFFAIRS</u>	\$	<u>386,000</u>	\$ <u>386,000</u>

17.1	<b>Sec. 22. <u>COUNCIL ON ASIAN-PACIFIC</u></b>			
17.2	<b><u>MINNESOTANS</u></b>	<b>\$</b>	<b><u>364,000</u></b>	<b>\$ <u>364,000</u></b>
17.3	<b>Sec. 23. <u>INDIAN AFFAIRS COUNCIL</u></b>	<b>\$</b>	<b><u>576,000</u></b>	<b>\$ <u>576,000</u></b>
17.4	<b>Sec. 24. <u>MINNESOTA HISTORICAL</u></b>			
17.5	<b><u>SOCIETY</u></b>			
17.6	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b>\$</b>	<b><u>22,893,000</u></b>	<b>\$ <u>22,893,000</u></b>
17.7	<u>The amounts that may be spent for each</u>			
17.8	<u>purpose are specified in the following</u>			
17.9	<u>subdivisions.</u>			
17.10	<b>Subd. 2. <u>Operations and Programs</u></b>		<u>22,572,000</u>	<u>22,572,000</u>
17.11	<u>\$750,000 the first year and \$750,000 the</u>			
17.12	<u>second year are for digital preservation and</u>			
17.13	<u>access, including planning and implementation</u>			
17.14	<u>of a program to preserve and make available</u>			
17.15	<u>resources related to Minnesota history. These</u>			
17.16	<u>are onetime appropriations.</u>			
17.17	<b>Subd. 3. <u>Fiscal Agent</u></b>			
17.18	<u>(a) Global Minnesota</u>		<u>39,000</u>	<u>39,000</u>
17.19	<u>(b) Minnesota Air National Guard Museum</u>		<u>17,000</u>	<u>17,000</u>
17.20	<u>(c) Minnesota Military Museum</u>		<u>50,000</u>	<u>50,000</u>
17.21	<u>(d) Farmamerica</u>		<u>115,000</u>	<u>115,000</u>
17.22	<u>(e) Hockey Hall of Fame</u>		<u>100,000</u>	<u>100,000</u>
17.23	<u>Any unencumbered balance remaining in this</u>			
17.24	<u>subdivision the first year does not cancel but</u>			
17.25	<u>is available for the second year of the</u>			
17.26	<u>biennium.</u>			
17.27	<b>Sec. 25. <u>BOARD OF THE ARTS</u></b>			
17.28	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b>\$</b>	<b><u>7,530,000</u></b>	<b>\$ <u>7,530,000</u></b>
17.29	<u>The amounts that may be spent for each</u>			
17.30	<u>purpose are specified in the following</u>			
17.31	<u>subdivisions.</u>			

18.1	<u>Subd. 2. <b>Operations and Services</b></u>		<u>591,000</u>	<u>591,000</u>
18.2	<u>Subd. 3. <b>Grants Program</b></u>		<u>4,800,000</u>	<u>4,800,000</u>
18.3	<u>Subd. 4. <b>Regional Arts Councils</b></u>		<u>2,139,000</u>	<u>2,139,000</u>
18.4	<u>Any unencumbered balance remaining in this</u>			
18.5	<u>section the first year does not cancel, but is</u>			
18.6	<u>available for the second year.</u>			
18.7	<u>Money appropriated in this section and</u>			
18.8	<u>distributed as grants may only be spent on</u>			
18.9	<u>projects located in Minnesota. A recipient of</u>			
18.10	<u>a grant funded by an appropriation in this</u>			
18.11	<u>section must not use more than five percent</u>			
18.12	<u>of the total grant for costs related to travel</u>			
18.13	<u>outside the state of Minnesota.</u>			
18.14	<u>Sec. 26. <b>MINNESOTA HUMANITIES CENTER</b></u>	<u>\$</u>	<u>950,000</u>	<u>\$ 950,000</u>
18.15	<u>(a) \$325,000 each year is for the Healthy</u>			
18.16	<u>Eating, Here at Home program under</u>			
18.17	<u>Minnesota Statutes, section 138.912. No more</u>			
18.18	<u>than three percent of the appropriation may</u>			
18.19	<u>be used for the nonprofit administration of this</u>			
18.20	<u>program.</u>			
18.21	<u>(b) \$250,000 each year is for grants to the</u>			
18.22	<u>Veterans Defense Project. Grants must be used</u>			
18.23	<u>to support, through education and outreach,</u>			
18.24	<u>military veterans who are involved with the</u>			
18.25	<u>criminal justice system. These are onetime</u>			
18.26	<u>appropriations.</u>			
18.27	<u>Sec. 27. <b>BOARD OF ACCOUNTANCY</b></u>	<u>\$</u>	<u>641,000</u>	<u>\$ 641,000</u>
18.28	<u>Sec. 28. <b>BOARD OF ARCHITECTURE</b></u>			
18.29	<u><b>ENGINEERING, LAND SURVEYING,</b></u>			
18.30	<u><b>LANDSCAPE ARCHITECTURE,</b></u>			
18.31	<u><b>GEOSCIENCE, AND INTERIOR DESIGN</b></u>	<u>\$</u>	<u>794,000</u>	<u>\$ 794,000</u>
18.32	<u>Sec. 29. <b>BOARD OF COSMETOLOGIST</b></u>			
18.33	<u><b>EXAMINERS</b></u>	<u>\$</u>	<u>1,346,000</u>	<u>\$ 1,346,000</u>

19.1 The executive director must report quarterly  
 19.2 to the chairs and ranking minority members  
 19.3 of the committees in the house of  
 19.4 representatives and senate with jurisdiction  
 19.5 over state government finance on the number  
 19.6 of inspections conducted by license type in  
 19.7 the past quarter, number and percent of total  
 19.8 salons and schools inspected within the last  
 19.9 year, total number of licensees by type, and  
 19.10 the number of inspectors employed by the  
 19.11 board. The first report must be submitted by  
 19.12 July 15, 2017.

19.13 Sec. 30. **BOARD OF BARBER EXAMINERS** \$ **325,000** \$ **325,000**

19.14 Sec. 31. **GENERAL CONTINGENT**  
 19.15 **ACCOUNTS** \$ **750,000** \$ **500,000**

<u>Appropriations by Fund</u>			
	<u>2018</u>	<u>2019</u>	
19.18 <u>General</u>	<u>250,000</u>	<u>-0-</u>	
19.19 <u>State Government</u>			
19.20 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>	
19.21 <u>Workers'</u>			
19.22 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>	

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

19.28 (b) If an appropriation in this section for either  
 19.29 year is insufficient, the appropriation for the  
 19.30 other year is available for it.

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

19.34 Sec. 32. **TORT CLAIMS** \$ **161,000** \$ **161,000**



21.1 General employees retirement plan of the  
 21.2 Public Employees Retirement Association  
 21.3 relating to the merged former MERF division.

21.4 State payments from the general fund to the  
 21.5 Public Employees Retirement Association on  
 21.6 behalf of the former MERF division account  
 21.7 are \$6,000,000 on September 15, 2017, and  
 21.8 \$6,000,000 on September 15, 2018.

21.9 These amounts are estimated to be needed  
 21.10 under Minnesota Statutes, section 353.505.

21.11 **Sec. 35. TEACHERS RETIREMENT**  
 21.12 **ASSOCIATION**

**\$ 29,831,000 \$ 29,831,000**

21.13 The amounts estimated to be needed are as  
 21.14 follows:

21.15 **Special Direct State Aid.** \$27,331,000 the  
 21.16 first year and \$27,331,000 the second year are  
 21.17 for special direct state aid authorized under  
 21.18 Minnesota Statutes, section 354.436.

21.19 **Special Direct State Matching Aid.**  
 21.20 \$2,500,000 the first year and \$2,500,000 the  
 21.21 second year are for special direct state  
 21.22 matching aid authorized under Minnesota  
 21.23 Statutes, section 354.435.

21.24 **Sec. 36. ST. PAUL TEACHERS RETIREMENT**  
 21.25 **FUND**

**\$ 9,827,000 \$ 9,827,000**

21.26 The amounts estimated to be needed for  
 21.27 special direct state aid to the first class city  
 21.28 teachers retirement fund association authorized  
 21.29 under Minnesota Statutes, section 354A.12,  
 21.30 subdivisions 3a and 3c.

21.31 **Sec. 37. MILITARY AFFAIRS**

21.32 **Subdivision 1. Total Appropriation**

**\$ 25,616,000 \$ 19,616,000**

22.1	<u>The amounts that may be spent for each</u>		
22.2	<u>purpose are specified in the following</u>		
22.3	<u>subdivisions.</u>		
22.4	<b><u>Subd. 2. Maintenance of Training Facilities</u></b>	<u>9,661,000</u>	<u>9,661,000</u>
22.5	<u>Of the funds transferred to maintenance of</u>		
22.6	<u>training facilities in Laws 2015, chapter 77,</u>		
22.7	<u>article 1, section 36, subdivision 4, \$2,000,000</u>		
22.8	<u>in fiscal year 2017 may be transferred to the</u>		
22.9	<u>enlistment incentives appropriation to address</u>		
22.10	<u>a projected fiscal year 2017 deficit in the</u>		
22.11	<u>enlistment incentives program.</u>		
22.12	<b><u>Subd. 3. General Support</u></b>	<u>3,067,000</u>	<u>3,067,000</u>
22.13	<b><u>Subd. 4. Enlistment Incentives</u></b>	<u>12,888,000</u>	<u>6,888,000</u>
22.14	<u>The appropriations in this subdivision are</u>		
22.15	<u>available until expended, except that any</u>		
22.16	<u>unspent amounts allocated to a program</u>		
22.17	<u>otherwise supported by this appropriation are</u>		
22.18	<u>canceled to the general fund upon receipt of</u>		
22.19	<u>federal funds in the same amount to support</u>		
22.20	<u>administration of that program.</u>		
22.21	<u>If appropriations for either year of the</u>		
22.22	<u>biennium are insufficient, the appropriation</u>		
22.23	<u>from the other year is available. The</u>		
22.24	<u>appropriations for enlistment incentives are</u>		
22.25	<u>available until June 30, 2021.</u>		
22.26	<b><u>Sec. 38. VETERANS AFFAIRS</u></b>		
22.27	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 84,029,000</u></b>	<b><u>\$ 74,029,000</u></b>
22.28	<u>The amounts that may be spent for each</u>		
22.29	<u>purpose are specified in the following</u>		
22.30	<u>subdivisions.</u>		
22.31	<b><u>Subd. 2. Veterans Programs and Services</u></b>	<u>16,811,000</u>	<u>16,811,000</u>
22.32	<b><u>Veterans Service Organizations. \$353,000</u></b>		
22.33	<u>each year is for grants to the following</u>		

23.1 congressionally chartered veterans service  
23.2 organizations as designated by the  
23.3 commissioner: Disabled American Veterans,  
23.4 Military Order of the Purple Heart, the  
23.5 American Legion, Veterans of Foreign Wars,  
23.6 Vietnam Veterans of America, AMVETS, and  
23.7 Paralyzed Veterans of America. This funding  
23.8 must be allocated in direct proportion to the  
23.9 funding currently being provided by the  
23.10 commissioner to these organizations.

23.11 **Minnesota Assistance Council for Veterans.**  
23.12 \$750,000 each year is for a grant to the  
23.13 Minnesota Assistance Council for Veterans  
23.14 to provide assistance throughout Minnesota  
23.15 to veterans and their families who are  
23.16 homeless or in danger of homelessness,  
23.17 including assistance with the following:

23.18 (1) utilities;  
23.19 (2) employment; and  
23.20 (3) legal issues.

23.21 The assistance authorized under this paragraph  
23.22 must be made only to veterans who have  
23.23 resided in Minnesota for 30 days prior to  
23.24 application for assistance and according to  
23.25 other guidelines established by the  
23.26 commissioner. In order to avoid duplication  
23.27 of services, the commissioner must ensure that  
23.28 this assistance is coordinated with all other  
23.29 available programs for veterans.

23.30 **Honor Guards.** \$200,000 each year is for  
23.31 compensation for honor guards at the funerals  
23.32 of veterans under Minnesota Statutes, section  
23.33 197.231.

24.1 **Minnesota GI Bill.** \$200,000 each year is for  
 24.2 the costs of administering the Minnesota GI  
 24.3 Bill postsecondary educational benefits,  
 24.4 on-the-job training, and apprenticeship  
 24.5 program under Minnesota Statutes, section  
 24.6 197.791.

24.7 **Gold Star Program.** \$100,000 each year is  
 24.8 for administering the Gold Star Program for  
 24.9 surviving family members of deceased  
 24.10 veterans.

24.11 **County Veterans Service Office.** \$1,100,000  
 24.12 each year is for funding the County Veterans  
 24.13 Service Office grant program under Minnesota  
 24.14 Statutes, section 197.608.

24.15 **Veterans Journey Home.** \$350,000 each year  
 24.16 is for grants to the veterans Journey Home  
 24.17 program. Grants must support the development  
 24.18 of new or rehabilitated affordable housing  
 24.19 dedicated for low-to-moderate income  
 24.20 veterans and their families. These are onetime  
 24.21 appropriations.

24.22 **Subd. 3. Veterans Health Care** 67,218,000 57,218,000

24.23 The general fund appropriations made to the  
 24.24 department may be transferred to a veterans  
 24.25 homes special revenue account in the special  
 24.26 revenue fund in the same manner as other  
 24.27 receipts are deposited according to Minnesota  
 24.28 Statutes, section 198.34, and are appropriated  
 24.29 to the department for the operation of veterans  
 24.30 homes facilities and programs.

24.31 No later than January 15, 2018, the  
 24.32 commissioner must submit a report to the  
 24.33 legislative committees with jurisdiction over  
 24.34 veterans affairs and state government finance

25.1 on reserve amounts maintained in the veterans  
25.2 homes special revenue account. The report  
25.3 must detail current and historical amounts  
25.4 maintained as a reserve, and uses of those  
25.5 amounts. The report must also include data on  
25.6 the utilization of existing veterans homes,  
25.7 including current and historical bed capacity  
25.8 and usage, staffing levels and staff vacancy  
25.9 rates, and staff-to-resident ratios.

25.10 **New Veterans Homes.** \$10,000,000 in the  
25.11 first year is for planning, design, construction,  
25.12 and operation of new veterans homes, and any  
25.13 other requirements necessary for federal  
25.14 approval of those homes. The commissioner  
25.15 must select locations for construction of new  
25.16 homes based on geographic need, consistent  
25.17 with any guidance or requirements provided  
25.18 by federal law. This is a onetime appropriation  
25.19 and is available until spent.

25.20 **Maximize Federal Reimbursements.** The  
25.21 department will seek opportunities to  
25.22 maximize federal reimbursements of  
25.23 Medicare-eligible expenses and will provide  
25.24 annual reports to the commissioner of  
25.25 management and budget on the federal  
25.26 Medicare reimbursements received.

25.27 Contingent upon future federal Medicare  
25.28 receipts, reductions to the homes' general fund  
25.29 appropriation may be made.

25.30 **Sec. 39. PRESERVATION OF PROGRAMS AND SERVICES.**

25.31 To the extent that appropriations provided by this article are less than the amounts  
25.32 appropriated for fiscal year 2017, the affected constitutional office, agency, board, or  
25.33 commission must prioritize reductions to its central administration and general operations  
25.34 in absorbing those reductions. Costs for programs or services that are not provided a specific

26.1 appropriation in this act must be funded through appropriations to the constitutional office,  
26.2 agency, board, or commission that are not designated for another purpose. Unless otherwise  
26.3 specified, reductions must not be made to programs or services of the constitutional office,  
26.4 agency, board, or commission that are provided directly to members of the public.

26.5 Sec. 40. **APPROPRIATION CANCELLATIONS.**

26.6 All unspent funds estimated to be \$7,166,000, as provided in Minnesota Statutes, section  
26.7 240A.085, under Laws 2016, chapter 189, article 13, section 56, are canceled to the general  
26.8 fund on June 30, 2017.

26.9 Sec. 41. **SAVINGS FROM INSURANCE OPT OUT; APPROPRIATION**  
26.10 **REDUCTION FOR EXECUTIVE AGENCIES.**

26.11 The commissioner of management and budget must reduce general fund appropriations  
26.12 to executive agencies, including constitutional offices, for agency operations for the biennium  
26.13 ending June 30, 2019, by \$4,394,000 due to savings from permitting employees to opt out  
26.14 of insurance coverage under the state employee group insurance coverage.

26.15 If savings obtained through permitting employees to opt out of insurance coverage under  
26.16 the state employee group insurance coverage yield savings in nongeneral funds other than  
26.17 those established in the state constitution or protected by federal law, the commissioner of  
26.18 management and budget may transfer the amount of savings to the general fund. The amount  
26.19 transferred to the general fund from other funds reduces the required general fund reduction  
26.20 in this section. Reductions made in 2019 must be reflected as reductions in agency base  
26.21 budgets for fiscal years 2020 and 2021. The commissioner of management and budget must  
26.22 report to the chairs and ranking minority members of the committees in the senate Finance  
26.23 Committee and the house of representatives Ways and Means Committee regarding the  
26.24 amount of reductions in spending by each agency under this section.

26.25 Sec. 42. **SAVINGS; APPROPRIATION REDUCTIONS FOR INFORMATION**  
26.26 **TECHNOLOGY CONSOLIDATION.**

26.27 (a) The commissioner of management and budget must reduce general fund appropriations  
26.28 to agencies subject to the executive branch information technology consolidation required  
26.29 by Laws 2011, First Special Session chapter 10, article 4, by at least \$3,000,000 for the  
26.30 biennium ending June 30, 2019, to reflect savings on enterprise services personnel costs  
26.31 resulting from the consolidation.

27.1 (b) If savings obtained through the completion of information technology consolidation  
 27.2 yield savings in nongeneral funds other than those established in the state constitution or  
 27.3 protected by federal law, the commissioner may transfer the amount of savings to the general  
 27.4 fund. The amount transferred to the general fund from other funds reduces the required  
 27.5 general fund reduction in this section. Reductions made in 2019 must be reflected as  
 27.6 reductions in agency base budgets for fiscal years 2020 and 2021.

27.7 Sec. 43. **REDUCTION IN PROFESSIONAL AND TECHNICAL SERVICES**  
 27.8 **CONTRACT EXPENDITURES.**

27.9 During the biennium ending June 30, 2019, the commissioner of management and budget  
 27.10 must reduce planned general fund expenditures by executive branch state agencies on  
 27.11 contracts for professional or technical services by at least \$2,255,000. The commissioner  
 27.12 must allocate this reduction among each executive branch state agency. For purposes of  
 27.13 this section, "professional or technical services" has the meaning given in Minnesota Statutes,  
 27.14 section 16C.08, subdivision 1, and "executive branch state agency" has the meaning given  
 27.15 in Minnesota Statutes, section 16A.011, subdivision 12a, and includes the Minnesota State  
 27.16 Colleges and Universities.

27.17 Sec. 44. **BASE BUDGET REPORT.**

27.18 No later than October 15, 2017, the commissioners of management and budget, revenue,  
 27.19 and veterans affairs must each submit a report to the chairs and ranking minority members  
 27.20 of the legislative committees with jurisdiction over state government finance that detail the  
 27.21 agency's base budget, by fiscal year. At a minimum, the report must include:

27.22 (1) a description of each appropriation rider enacted for the agency, and the year the  
 27.23 rider was first enacted in a substantially similar form;

27.24 (2) a description of the agency's use of appropriated funds that are not directed by a  
 27.25 rider, including an itemization of programs that appeared in a rider in a prior biennium and  
 27.26 continue to receive funding despite no longer appearing in a rider; and

27.27 (3) an itemization of any appropriations provided to the agency under a provision of  
 27.28 statute or the state constitution.

27.29 **ARTICLE 2**

27.30 **STATE GOVERNMENT OPERATIONS**

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

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

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

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

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

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

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

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

28.21 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting  
28.22 strength is contrary to the laws of the United States and the state of Minnesota. These  
28.23 principles must not be construed to supersede any provision of the Voting Rights Act of  
28.24 1965, as amended.

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

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

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

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

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

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

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

29.11 Subd. 9. **Incumbents.** The districts must not be drawn for the purpose of protecting or  
29.12 defeating an incumbent.

29.13 Subd. 10. **Data to be used.** (a) The geographic areas and population counts used in  
29.14 maps, tables, and legal descriptions of the districts must be those used by the Geographic  
29.15 Information Systems Office of the Legislative Coordinating Commission. The population  
29.16 counts shall be the block population counts provided to the state under Public Law 94-171  
29.17 after each decennial census, subject to correction of any errors acknowledged by the United  
29.18 States Census Bureau.

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

29.21 Subd. 11. **Consideration of plans.** A redistricting plan must not be considered for  
29.22 adoption by the senate or house of representatives until a block equivalency file showing  
29.23 the district to which each census block has been assigned, in a form prescribed by the director  
29.24 of the Geographic Information Systems Office, has been filed with the director.

29.25 Subd. 12. **Priority of principles.** Where it is not possible to fully comply with the  
29.26 principles contained in subdivisions 2 to 9, a redistricting plan must give priority to those  
29.27 principles in the order in which they are listed, except to the extent that doing so would  
29.28 violate federal or state law.

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

30.1 Sec. 2. Minnesota Statutes 2016, section 3.305, subdivision 1, is amended to read:

30.2 Subdivision 1. **Definitions.** (a) "Legislative commission" means a joint commission,  
30.3 committee, or other entity in the legislative branch composed exclusively of members of  
30.4 the senate and the house of representatives.

30.5 (b) "Joint offices" means the Revisor of Statutes, Legislative Reference Library, the  
30.6 Office of Legislative Auditor, the Legislative Budget Office, and any other joint legislative  
30.7 service office.

30.8 Sec. 3. Minnesota Statutes 2016, section 3.855, subdivision 2, is amended to read:

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

30.15 (b) The commissioner shall submit to the chair of the commission any negotiated  
30.16 collective bargaining agreements, arbitration awards, compensation plans, or salaries for  
30.17 legislative approval or disapproval. Negotiated agreements shall be submitted within five  
30.18 days of the date of approval by the commissioner or the date of approval by the affected  
30.19 state employees, whichever occurs later. Arbitration awards shall be submitted within five  
30.20 days of their receipt by the commissioner. If the commission disapproves a collective  
30.21 bargaining agreement, award, compensation plan, or salary, the commission shall specify  
30.22 in writing to the parties those portions with which it disagrees and its reasons. If the  
30.23 commission approves a collective bargaining agreement, award, compensation plan, or  
30.24 salary, it shall submit the matter to the legislature to be accepted or rejected under this  
30.25 section.

30.26 (c) When the legislature is not in session, the commission may give interim approval to  
30.27 a negotiated collective bargaining agreement, salary, compensation plan, or arbitration  
30.28 award. ~~When the legislature is not in session, failure of the commission to disapprove a~~  
30.29 ~~collective bargaining agreement or arbitration award within 30 days constitutes approval.~~  
30.30 The commission shall submit the negotiated collective bargaining agreements, salaries,  
30.31 compensation plans, or arbitration awards for which it has provided approval to the entire  
30.32 legislature for ratification at a special legislative session called to consider them or at its  
30.33 next regular legislative session as provided in this section. Approval or disapproval by the  
30.34 commission is not binding on the legislature.

31.1 (d) When the legislature is not in session, the proposed collective bargaining agreement,  
 31.2 arbitration decision, salary, or compensation plan must be implemented upon its approval  
 31.3 by the commission, and state employees covered by the proposed agreement or arbitration  
 31.4 decision do not have the right to strike while the interim approval is in effect. Wages and  
 31.5 economic fringe benefit increases provided for in the agreement or arbitration decision paid  
 31.6 in accordance with the interim approval by the commission are not affected, but the wages  
 31.7 or benefit increases must cease to be paid or provided effective upon the rejection of the  
 31.8 agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the  
 31.9 legislature without acting on it.

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

31.11 Sec. 4. Minnesota Statutes 2016, section 3.8843, subdivision 7, is amended to read:

31.12 Subd. 7. **Expiration.** This section expires June 30, ~~2017~~ 2019.

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

31.14 Sec. 5. **[3.8853] LEGISLATIVE BUDGET OFFICE.**

31.15 The Legislative Budget Office is established under control of the Legislative Coordinating  
 31.16 Commission to provide the house of representatives and the senate with nonpartisan, accurate,  
 31.17 and timely information on the fiscal impact of proposed legislation, without regard to political  
 31.18 factors. The Legislative Coordinating Commission shall appoint a director who may hire  
 31.19 staff necessary to do the work of the office. The director serves a term of six years and may  
 31.20 not be removed during a term except for cause after a public hearing.

31.21 Sec. 6. Minnesota Statutes 2016, section 3.971, subdivision 2, is amended to read:

31.22 Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial  
 31.23 Audits Division and a Program Evaluation Division to fulfill the duties prescribed in this  
 31.24 section.

31.25 (b) Each division may be supervised by a deputy auditor, appointed by the legislative  
 31.26 auditor, with the approval of the commission, for a term coterminous with the legislative  
 31.27 auditor's term. The deputy auditors may be removed before the expiration of their terms  
 31.28 only for cause. The legislative auditor and deputy auditors may each appoint a confidential  
 31.29 secretary to serve at pleasure. The salaries and benefits of the legislative auditor, deputy  
 31.30 auditors and confidential secretaries shall be determined by the compensation plan approved  
 31.31 by the Legislative Coordinating Commission. The deputy auditors may perform and exercise

32.1 the powers, duties and responsibilities imposed by law on the legislative auditor when  
32.2 authorized by the legislative auditor.

32.3 (c) The legislative auditor must appoint a fiscal oversight officer with duties that include  
32.4 performing the review under section 3.972, subdivision 4.

32.5 (d) The deputy auditors and the confidential secretaries serve in the unclassified civil  
32.6 service, but the fiscal oversight officer and all other employees of the legislative auditor are  
32.7 in the classified civil service. Compensation for employees of the legislative auditor in the  
32.8 classified service shall be governed by a plan prepared by the legislative auditor and approved  
32.9 by the Legislative Coordinating Commission and the legislature under section 3.855,  
32.10 subdivision 3.

32.11 (e) While in office, a person appointed deputy for the Financial Audit Division must  
32.12 hold an active license as a certified public accountant.

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

32.14 Sec. 7. Minnesota Statutes 2016, section 3.971, subdivision 6, is amended to read:

32.15 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements  
32.16 of the state of Minnesota required by section 16A.50 and, as resources permit, Minnesota  
32.17 State Colleges and Universities, the University of Minnesota, state agencies, departments,  
32.18 boards, commissions, offices, courts, and other organizations subject to audit by the  
32.19 legislative auditor, including, but not limited to, the State Agricultural Society, Agricultural  
32.20 Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society,  
32.21 ClearWay Minnesota, Minnesota Sports Facilities Authority, Metropolitan Council,  
32.22 Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial  
32.23 audits must be conducted according to generally accepted government auditing standards.  
32.24 The legislative auditor shall see that all provisions of law respecting the appropriate and  
32.25 economic use of public funds and other public resources are complied with and may, as  
32.26 part of a financial audit or separately, investigate allegations of noncompliance.

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

32.28 Sec. 8. Minnesota Statutes 2016, section 3.972, is amended by adding a subdivision to  
32.29 read:

32.30 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must  
32.31 perform a transit financial activity review of financial information for the Metropolitan  
32.32 Council's Transportation Division and the joint powers board under section 297A.992.

33.1 Within 14 days of the end of each fiscal quarter, the legislative auditor must submit the  
 33.2 review to the Legislative Audit Commission and the chairs and ranking minority members  
 33.3 of the legislative committees with jurisdiction over transportation policy and finance, finance,  
 33.4 and ways and means.

33.5 (b) At a minimum, each transit financial activity review must include:

33.6 (1) a summary of monthly financial statements, including balance sheets and operating  
 33.7 statements, that shows income, expenditures, and fund balance;

33.8 (2) a list of any obligations and agreements entered into related to transit purposes,  
 33.9 whether for capital or operating, including but not limited to bonds, notes, grants, and future  
 33.10 funding commitments;

33.11 (3) the amount of funds in clause (2) that has been committed;

33.12 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues  
 33.13 and fund balance compared to expenditures, taking into account:

33.14 (i) all expenditure commitments;

33.15 (ii) cash flow;

33.16 (iii) sufficiency of estimated funds; and

33.17 (iv) financial solvency of anticipated transit projects; and

33.18 (5) a notification concerning whether the requirements under paragraph (c) have been  
 33.19 met.

33.20 (c) The Metropolitan Council and the joint powers board under section 297A.992 must  
 33.21 produce monthly financial statements as necessary for the review under paragraph (b),  
 33.22 clause (1), and provide timely information as requested by the legislative auditor.

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

33.24 Sec. 9. Minnesota Statutes 2016, section 3.98, subdivision 1, is amended to read:

33.25 Subdivision 1. **Preparation.** (a) The head or chief administrative officer of each  
 33.26 department or agency of the state government, including the Supreme Court, Legislative  
 33.27 Budget Office shall prepare a fiscal note at the request of the chair of the standing committee  
 33.28 to which a bill has been referred, or the chair of the house of representatives Ways and  
 33.29 Means Committee, or the chair of the senate Committee on Finance.

33.30 (b) The head or chief administrative officer of each department or agency of state  
 33.31 government, including the Supreme Court, shall supply information for fiscal notes upon

34.1 request of the director of the Legislative Budget Office. The Legislative Budget Office may  
 34.2 adopt standards and guidelines governing timing of responses to requests for information  
 34.3 and governing access to data, consistent with laws governing access to data. Agencies must  
 34.4 comply with these standards and guidelines.

34.5 (c) For purposes of this subdivision, "Supreme Court" includes all agencies, committees,  
 34.6 and commissions supervised or appointed by the state Supreme Court or the state court  
 34.7 administrator.

34.8 Sec. 10. Minnesota Statutes 2016, section 3.98, subdivision 4, is amended to read:

34.9 Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~ Legislative  
 34.10 Budget Office shall prescribe a uniform procedure to govern the departments and agencies  
 34.11 of the state in complying with the requirements of this section.

34.12 Sec. 11. Minnesota Statutes 2016, section 3.987, subdivision 1, is amended to read:

34.13 Subdivision 1. **Local impact notes.** ~~The commissioner of management and budget~~  
 34.14 Legislative Budget Office shall coordinate the development of a local impact note for any  
 34.15 proposed legislation ~~introduced after June 30, 1997,~~ upon request of the chair or the ranking  
 34.16 minority member of either legislative Tax, Finance, or Ways and Means Committee. Upon  
 34.17 receipt of a request to prepare a local impact note, the ~~commissioner~~ office must notify the  
 34.18 authors of the proposed legislation that the request has been made. The local impact note  
 34.19 must be made available to the public upon request. If the action is among the exceptions  
 34.20 listed in section 3.988, a local impact note need not be requested nor prepared. The  
 34.21 ~~commissioner~~ office shall make a reasonable and timely estimate of the local fiscal impact  
 34.22 on each type of political subdivision that would result from the proposed legislation. The  
 34.23 ~~commissioner of management and budget~~ office may require any political subdivision or  
 34.24 the commissioner of an administrative agency of the state to supply in a timely manner any  
 34.25 information determined to be necessary to determine local fiscal impact. The political  
 34.26 subdivision, its representative association, or commissioner shall convey the requested  
 34.27 information to the ~~commissioner of management and budget~~ office with a signed statement  
 34.28 to the effect that the information is accurate and complete to the best of its ability. The  
 34.29 political subdivision, its representative association, or commissioner, when requested, shall  
 34.30 update its determination of local fiscal impact based on actual cost or revenue figures,  
 34.31 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ office must  
 34.32 provide a copy to the authors of the proposed legislation and to the chair and ranking minority  
 34.33 member of each committee to which the proposed legislation is referred.

35.1 Sec. 12. Minnesota Statutes 2016, section 6.481, subdivision 3, is amended to read:

35.2 Subd. 3. **CPA firm audit.** A county audit performed by a CPA firm must meet the  
35.3 standards and be in ~~the a form required by the state auditor~~ meeting recognized industry  
35.4 auditing standards. The state auditor may require additional information from the CPA firm  
35.5 if the state auditor determines that is in the public interest, but the state auditor must accept  
35.6 the audit unless the state auditor determines ~~it the audit or its form~~ does not meet recognized  
35.7 industry auditing standards ~~or is not in the form required by the state auditor~~. The state  
35.8 auditor may make additional examinations as the auditor determines to be in the public  
35.9 interest.

35.10 Sec. 13. Minnesota Statutes 2016, section 6.481, subdivision 6, is amended to read:

35.11 Subd. 6. **Payments to state auditor.** A county audited by the state auditor must pay the  
35.12 state auditor for the costs and expenses of the audit. If the state auditor makes additional  
35.13 examinations of a county whose audit is performed by a CPA firm, the county must pay the  
35.14 auditor for the cost of these examinations. Payments must be deposited in the ~~state auditor~~  
35.15 enterprise general fund.

35.16 Sec. 14. Minnesota Statutes 2016, section 6.56, subdivision 2, is amended to read:

35.17 Subd. 2. **Billings by state auditor.** Upon the examination of the books, records, accounts,  
35.18 and affairs of any political subdivision, as provided by law, such political subdivision shall  
35.19 be liable to the state for the total cost and expenses of such examination, including the  
35.20 salaries paid to the examiners while actually engaged in making such examination. The  
35.21 state auditor may bill such political subdivision periodically for service rendered and the  
35.22 officials responsible for approving and paying claims are authorized to pay said bill promptly.  
35.23 Said payments shall be without prejudice to any defense against said claims that may exist  
35.24 or be asserted. ~~The state auditor enterprise~~ general fund shall be credited with all collections  
35.25 made for any such examinations, including interest payments made pursuant to subdivision  
35.26 3.

35.27 Sec. 15. Minnesota Statutes 2016, section 6.581, subdivision 4, is amended to read:

35.28 Subd. 4. **Reports to legislature.** At least 30 days before implementing increased charges  
35.29 for examinations, the state auditor must report the proposed increases to the chairs and  
35.30 ranking minority members of the committees in the house of representatives and the senate  
35.31 with jurisdiction over the budget of the state auditor. By January 15 of each odd-numbered  
35.32 year, the state auditor must report to the chairs and ranking minority members of the

36.1 legislative committees and divisions with primary jurisdiction over the budget of the state  
36.2 auditor a summary of ~~the state auditor enterprise fund~~ anticipated revenues, and expenditures  
36.3 related to examinations for the biennium ending June 30 of that year. The report must also  
36.4 include for the biennium the number of full-time equivalents ~~paid by the fund~~, by division,  
36.5 employed by the Office of the State Auditor, any audit rate changes stated as a percentage,  
36.6 the number of audit reports issued, and the number of counties audited.

36.7 Sec. 16. **[6.92] LITIGATION EXPENSES.**

36.8 (a) Unless funds are otherwise expressly provided by law for this purpose, all costs  
36.9 incurred by the state auditor in preparing and asserting a civil claim or appeal, or in defending  
36.10 against a civil claim or appeal, related to the proper exercise of the auditor's constitutionally  
36.11 authorized core functions must be paid by the auditor's constitutional office division. Only  
36.12 allocations made to the constitutional office division may be used to pay these costs. The  
36.13 state auditor must report to the chairs and ranking minority members of the committees in  
36.14 the house of representatives and the senate with jurisdiction over the Office of the State  
36.15 Auditor by May 1, 2017, and January 1, 2018, and each January 1 thereafter, on the state  
36.16 auditor's litigation expenses. The report must list each lawsuit the state auditor has brought  
36.17 or is defending, the grounds for each suit, the litigation expenses incurred since the previous  
36.18 report under this section, and the projected expenses to complete the suit.

36.19 (b) In complying with paragraph (a), the state auditor may not, directly or indirectly,  
36.20 decrease allocations previously made to, transfer funds from, or otherwise reduce services  
36.21 provided by any other division of the office.

36.22 Sec. 17. **[15.0395] INTERAGENCY AGREEMENTS AND INTRA-AGENCY**  
36.23 **TRANSFERS.**

36.24 (a) The head of each agency must provide quarterly reports to the chairs and ranking  
36.25 minority members of the legislative committees with jurisdiction over the department or  
36.26 agency's budget on:

36.27 (1) interagency agreements or service-level agreements and any renewals or extensions  
36.28 of existing interagency or service-level agreements with another agency if the cumulative  
36.29 value of those agreements is more than \$50,000 in a single fiscal year; and

36.30 (2) transfers of appropriations between accounts within or between agencies, if the  
36.31 cumulative value of the transfers is more than \$50,000 in a single fiscal year.

37.1 The report must include the statutory citation authorizing the agreement, transfer or dollar  
37.2 amount, purpose, and effective date of the agreement, the duration of the agreement, and a  
37.3 copy of the agreement.

37.4 (b) As used in this section, "agency" includes the departments of the state listed in section  
37.5 15.01, a multimember state agency in the executive branch described in section 15.012,  
37.6 paragraph (a), the Office of MN.IT Services, and the Office of Higher Education.

37.7 **Sec. 18. [16A.1282] TRANSFERS TO THE GOVERNOR.**

37.8 An agency shall not transfer money to the governor for services provided by the governor  
37.9 or to reimburse expenses incurred by the governor.

37.10 Sec. 19. Minnesota Statutes 2016, section 16A.90, is amended to read:

37.11 **16A.90 EMPLOYEE GAINSHARING SYSTEM.**

37.12 Subdivision 1. Commissioner must establish program. (a) The commissioner shall  
37.13 establish a program to provide onetime bonus compensation to state employees for efforts  
37.14 made to reduce the costs of operating state government or for ways of providing better or  
37.15 more efficient state services. The commissioner may authorize an executive branch appointing  
37.16 authority to make a onetime award to an employee or group of employees whose suggestion  
37.17 or involvement in a project is determined by the commissioner to have resulted in documented  
37.18 cost-savings to the state. Before authorizing awards under this section, the commissioner  
37.19 shall establish guidelines for the program including but not limited to:

37.20 (1) the maximum award is ten percent of the documented savings in the first fiscal year  
37.21 in which the savings are realized up to \$50,000;

37.22 (2) the award must be paid from the appropriation to which the savings accrued; and

37.23 (3) employees whose primary job responsibility is to identify cost savings or ways of  
37.24 providing better or more efficient state services are generally not eligible for bonus  
37.25 compensation under this section except in extraordinary circumstances as defined by the  
37.26 commissioner.

37.27 (b) The program required by this section must be in addition to any existing monetary  
37.28 or nonmonetary performance-based recognition programs for state employees, including  
37.29 achievement awards, continuous improvement awards, and general employee recognitions.

37.30 Subd. 2. Biannual legislative report. No later than August 1, 2017, and biannually  
37.31 thereafter, the commissioner must report to the chairs and ranking minority members of the

38.1 house of representatives and senate committees with jurisdiction over Minnesota Management  
38.2 and Budget on the status of the program required by this section. The report must detail:

38.3 (1) the specific program guidelines established by the commissioner as required by  
38.4 subdivision 1, if the guidelines have not been described in a previous report;

38.5 (2) any proposed modifications to the established guidelines under consideration by the  
38.6 commissioner, including the reason for the proposed modifications;

38.7 (3) the methods used by the commissioner to promote the program to state employees,  
38.8 if the methods have not been described in a previous report;

38.9 (4) a summary of the results of the program that includes the following, categorized by  
38.10 agency:

38.11 (i) the number of state employees whose suggestions or involvement in a project were  
38.12 considered for possible bonus compensation, and a description of each suggestion or project  
38.13 that was considered;

38.14 (ii) the total amount of bonus compensation actually awarded, itemized by each suggestion  
38.15 or project that resulted in an award and the amount awarded for that suggestion or project;  
38.16 and

38.17 (iii) the total amount of documented cost-savings that accrued to the agency as a result  
38.18 of each suggestion or project for which bonus compensation was granted; and

38.19 (5) any recommendations for legislation that, in the judgment of the commissioner,  
38.20 would improve the effectiveness of the bonus compensation program established by this  
38.21 section or which would otherwise increase opportunities for state employees to actively  
38.22 participate in the development and implementation of strategies for reducing the costs of  
38.23 operating state government or for providing better or more efficient state services.

38.24 Sec. 20. Minnesota Statutes 2016, section 16B.04, subdivision 2, is amended to read:

38.25 Subd. 2. **Powers and duties, generally.** Subject to other provisions of this chapter, the  
38.26 commissioner is authorized to:

38.27 (1) supervise, control, review, and approve all state contracts and purchasing, provided  
38.28 that the commissioner may not approve a state contract with, or the purchase of goods from,  
38.29 a vendor who intentionally refuses to do business, or who intentionally discriminates in the  
38.30 basic terms, conditions, or performance of a contract or sale, on the basis of a person's  
38.31 national origin;

38.32 (2) provide agencies with supplies and equipment;

39.1 (3) investigate and study the management and organization of agencies, and reorganize  
39.2 them when necessary to ensure their effective and efficient operation;

39.3 (4) manage and control state property, real and personal;

39.4 (5) maintain and operate all state buildings, as described in section 16B.24, subdivision  
39.5 1;

39.6 (6) supervise, control, review, and approve all capital improvements to state buildings  
39.7 and the capitol building and grounds;

39.8 (7) provide central mail facilities;

39.9 (8) oversee publication of official documents and provide for their sale;

39.10 (9) manage and operate parking facilities for state employees and a central motor pool  
39.11 for travel on state business;

39.12 (10) provide rental space within the capitol complex for a private day care center for  
39.13 children of state employees. The commissioner shall contract for services as provided in  
39.14 this chapter;

39.15 (11) settle state employee workers' compensation claims;

39.16 (12) purchase, accept, transfer, warehouse, sell, distribute, or dispose of surplus property  
39.17 in accordance with state and federal rules and regulations. The commissioner may charge  
39.18 a fee to cover any expenses incurred in connection with any of these acts; and

39.19 (13) provide and manage a central distribution center for federal and state surplus personal  
39.20 property, as defined in section 16B.2975, and may provide and manage a warehouse facility.

39.21 Sec. 21. Minnesota Statutes 2016, section 16B.055, subdivision 1, is amended to read:

39.22 Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration  
39.23 is designated as the lead agency to carry out all the responsibilities under the Assistive  
39.24 Technology Act of 1998, as provided by Public Law 108-364, as amended. The Minnesota  
39.25 Assistive Technology Advisory Council is established to fulfill the responsibilities required  
39.26 by the Assistive Technology Act, as provided by Public Law 108-364, as amended. Because  
39.27 the existence of this council is required by federal law, this council does not expire.

39.28 (b) Except as provided in paragraph (c), the governor shall appoint the membership of  
39.29 the council as required by the Assistive Technology Act of 1998, as provided by Public  
39.30 Law 108-364, as amended. After the governor has completed the appointments required by  
39.31 this subdivision, the commissioner of administration, or the commissioner's designee, shall

40.1 convene the first meeting of the council following the appointments. Members shall serve  
40.2 two-year terms commencing July 1 of each odd-numbered year, and receive the compensation  
40.3 specified by the Assistive Technology Act of 1998, as provided by Public Law 108-364, as  
40.4 amended. The members of the council shall select their chair at the first meeting following  
40.5 their appointment.

40.6 (c) After consulting with the appropriate commissioner, the commissioner of  
40.7 administration shall appoint a representative from:

40.8 (1) State Services for the Blind who has assistive technology expertise;

40.9 (2) vocational rehabilitation services who has assistive technology expertise;

40.10 (3) the Workforce Development Council; and

40.11 (4) the Department of Education who has assistive technology expertise.

40.12 Sec. 22. Minnesota Statutes 2016, section 16B.335, subdivision 1, is amended to read:

40.13 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any  
40.14 other recipient to whom an appropriation is made to acquire or better public lands or buildings  
40.15 or other public improvements of a capital nature, must not prepare final plans and  
40.16 specifications for any construction, major remodeling, or land acquisition in anticipation  
40.17 of which the appropriation was made until the agency that will use the project has presented  
40.18 the program plan and cost estimates for all elements necessary to complete the project to  
40.19 the chair of the senate Finance Committee and the chair of the house of representatives  
40.20 Ways and Means Committee and the chairs have made their recommendations, and the  
40.21 chair and ranking minority member of the senate Capital Investment Committee and the  
40.22 chair and ranking minority member of the house of representatives Capital Investment  
40.23 Committee are notified. "Construction or major remodeling" means construction of a new  
40.24 building, a substantial addition to an existing building, or a substantial change to the interior  
40.25 configuration of an existing building. The presentation must note any significant changes  
40.26 in the work that will be done, or in its cost, since the appropriation for the project was  
40.27 enacted or from the predesign submittal. The program plans and estimates must be presented  
40.28 for review at least two weeks before a recommendation is needed. The recommendations  
40.29 are advisory only. Failure or refusal to make a recommendation is considered a negative  
40.30 recommendation.

40.31 (b) The chairs and ranking minority members of the senate Finance and Capital  
40.32 Investment Committees and, the house of representatives Capital Investment and Ways and  
40.33 Means Committees, and the house of representatives and senate budget committees or

41.1 divisions with jurisdiction over the agency that will use the project must also be notified  
 41.2 whenever there is a substantial change in a construction or major remodeling project, or in  
 41.3 its cost. This notice must include the nature and reason for the change and the anticipated  
 41.4 cost of the change. The notice must be given no later than ten days after signing a change  
 41.5 order or other document authorizing a change in the project, or if there is not a change order  
 41.6 or other document, no later than ten days after the project owner becomes aware of a  
 41.7 substantial change in the project or its cost.

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

41.21 Sec. 23. Minnesota Statutes 2016, section 16B.371, is amended to read:

41.22 **16B.371 ASSISTANCE TO SMALL AGENCIES.**

41.23 (a) The commissioner may provide administrative support services to small agencies.  
 41.24 To promote efficiency and cost-effective use of state resources, and to improve financial  
 41.25 controls, the commissioner may require a small agency to receive administrative support  
 41.26 services through the Department of Administration or through another agency designated  
 41.27 by the commissioner. Services subject to this section include finance, accounting, payroll,  
 41.28 purchasing, human resources, and other services designated by the commissioner. The  
 41.29 commissioner may determine what constitutes a small agency for purposes of this section.  
 41.30 The commissioner, in consultation with the commissioner of management and budget and  
 41.31 small agencies, shall evaluate small agencies' needs for administrative support services. If  
 41.32 the commissioner provides administrative support services to a small agency, the  
 41.33 commissioner must enter into a service level agreement with the agency, specifying the  
 41.34 services to be provided and the costs and anticipated outcomes of the services.

42.1 (b) The Minnesota Council on Latino Affairs, the Council for Minnesotans of African  
42.2 Heritage, the Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the  
42.3 Minnesota State Council on Disability ~~must~~ may use the services specified in paragraph  
42.4 (a).

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

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

42.11 Sec. 24. Minnesota Statutes 2016, section 16B.4805, subdivision 2, is amended to read:

42.12 Subd. 2. **Reimbursement for making reasonable accommodation.** The commissioner  
42.13 of administration shall reimburse state agencies for up to 50 percent of the cost of expenses  
42.14 incurred in making reasonable accommodations eligible for reimbursement for agency  
42.15 employees and applicants for employment to the extent that funds are available in the  
42.16 accommodation account established under subdivision 3 for this purpose.

42.17 Sec. 25. Minnesota Statutes 2016, section 16B.4805, subdivision 4, is amended to read:

42.18 Subd. 4. **Administration costs.** The commissioner may use up to ~~15 percent~~ \$5,000 of  
42.19 the biennial appropriation for administration of this section.

42.20 Sec. 26. Minnesota Statutes 2016, section 16B.97, is amended by adding a subdivision to  
42.21 read:

42.22 Subd. 6. **Commerce grants.** The office must monitor grants made by the Department  
42.23 of Commerce.

42.24 Sec. 27. **[16B.991] TERMINATION OF GRANT.**

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

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

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

43.4 Sec. 28. Minnesota Statutes 2016, section 16E.016, is amended to read:

43.5 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**  
43.6 **AND EQUIPMENT.**

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

43.10 (1) state data centers;

43.11 (2) mainframes including system software;

43.12 (3) servers including system software;

43.13 (4) desktops including system software;

43.14 (5) laptop computers including system software;

43.15 (6) a data network including system software;

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

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

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

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

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

43.23 and

43.24 (12) network-connected output devices.

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

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

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

44.12 (e) Effective upon certification by the chief information officer that the information  
 44.13 technology systems and services provided under this section meet all professional and  
 44.14 technical standards necessary for the entity to perform its functions, the following are state  
 44.15 agencies for purposes of this section: the Campaign Finance and Public Disclosure Board,  
 44.16 the State Lottery, and the Statewide Radio Board.

44.17 Sec. 29. Minnesota Statutes 2016, section 16E.0466, is amended to read:

44.18 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

44.19 Subdivision 1. Consultation required. (a) Every state agency with an information or  
 44.20 telecommunications project must consult with the Office of MN.IT Services to determine  
 44.21 the information technology cost of the project. Upon agreement between the commissioner  
 44.22 of a particular agency and the chief information officer, the agency must transfer the  
 44.23 information technology cost portion of the project to the Office of MN.IT Services. Service  
 44.24 level agreements must document all project-related transfers under this section. Those  
 44.25 agencies specified in section 16E.016, paragraph (d), are exempt from the requirements of  
 44.26 this section.

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

44.32 Subd. 2. Legislative report. No later than October 1, 2017, and quarterly thereafter, the  
 44.33 state chief information officer must submit a comprehensive project portfolio report to the

45.1 chairs and ranking minority members of the house of representatives and senate committees  
45.2 with jurisdiction over state government finance on projects requiring consultation under  
45.3 subdivision 1. The report must itemize:

45.4 (1) each project presented to the office for consultation in the time since the last report;

45.5 (2) the information technology cost associated with the project, including the information  
45.6 technology cost as a percentage of the project's complete budget;

45.7 (3) the status of the information technology components of the project's development;

45.8 (4) the date the information technology components of the project are expected to be  
45.9 completed; and

45.10 (5) the projected costs for ongoing support and maintenance of the information technology  
45.11 components after the project is complete.

45.12 **Sec. 30. [43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**  
45.13 **EMPLOYEES; USE OF AGENCY SAVINGS.**

45.14 Subdivision 1. **Number of full-time equivalent employees limited.** The total number  
45.15 of full-time equivalent employees employed in all executive branch agencies may not exceed  
45.16 31,691. The commissioner of management and budget may forbid an executive agency from  
45.17 hiring a new employee or from filling a vacancy as the commissioner determines necessary  
45.18 to ensure compliance with this section. Any reductions in staff should prioritize protecting  
45.19 client-facing health care workers, corrections officers, public safety workers, and mental  
45.20 health workers. As a means of achieving compliance with this subdivision, the commissioner  
45.21 may authorize an agency to provide an early retirement incentive to an executive branch  
45.22 employee, under which the state will continue to make the employer contribution for health  
45.23 insurance after the employee has terminated state service. The commissioner must prescribe  
45.24 eligibility requirements and the maximum duration of the payments.

45.25 Subd. 2. **Use of savings resulting from vacant positions.** To the extent that an executive  
45.26 branch agency accrues savings in personnel costs resulting from the departure of an agency  
45.27 employee or the maintenance of a vacant position, those savings may only be used to support  
45.28 a new employee in that position at an equal or lesser rate of compensation, and for an equal  
45.29 or lesser full-time equivalent work status. Savings accrued from departed personnel or  
45.30 maintenance of a vacant position may not be transferred or reallocated to another program  
45.31 or activity within the executive branch agency, or used to increase the number of full-time  
45.32 equivalent employees at the agency, unless expressly authorized by law.

46.1 Subd. 3. **Definition.** For purposes of this section, an "executive branch agency" does  
46.2 not include the Minnesota State Colleges and Universities or statewide pension plans.

46.3 Sec. 31. Minnesota Statutes 2016, section 43A.17, subdivision 11, is amended to read:

46.4 Subd. 11. **Severance pay for certain employees.** (a) For purposes of this subdivision,  
46.5 "highly compensated employee" means an employee of the state whose estimated annual  
46.6 compensation is greater than 60 percent of the governor's annual salary, and who is not  
46.7 covered by a collective bargaining agreement negotiated under chapter 179A or a  
46.8 compensation plan authorized under section 43A.18, subdivision 3a.

46.9 (b) Severance pay for a highly compensated employee includes benefits or compensation  
46.10 with a quantifiable monetary value, that are provided for an employee upon termination of  
46.11 employment and are not part of the employee's annual wages and benefits and are not  
46.12 specifically excluded by this subdivision. Severance pay does not include payments for  
46.13 accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to  
46.14 cover the cost of group term insurance. Severance pay for a highly compensated employee  
46.15 does not include payments of periodic contributions by an employer toward premiums for  
46.16 group insurance policies. The severance pay for a highly compensated employee must be  
46.17 excluded from retirement deductions and from any calculations of retirement benefits.  
46.18 Severance pay for a highly compensated employee must be paid in a manner mutually  
46.19 agreeable to the employee and the employee's appointing authority over a period not to  
46.20 exceed five years from retirement or termination of employment. If a retired or terminated  
46.21 employee dies before all or a portion of the severance pay has been disbursed, the balance  
46.22 due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Except  
46.23 as provided in paragraph (c), severance pay provided for a highly compensated employee  
46.24 leaving employment may not exceed ~~an amount equivalent to six months of pay~~ the lesser  
46.25 of:

46.26 (1) six months pay; or

46.27 (2) the highly compensated employee's regular rate of pay multiplied by 35 percent of  
46.28 the highly compensated employee's accumulated but unused sick leave hours.

46.29 (c) Severance pay for a highly compensated employee may exceed ~~an amount equivalent~~  
46.30 ~~to six months of pay~~ the limit prescribed in paragraph (b) if the severance pay is part of an  
46.31 early retirement incentive offer approved by the state and the same early retirement incentive  
46.32 offer is also made available to all other employees of the appointing authority who meet  
46.33 generally defined criteria relative to age or length of service.

47.1 (d) An appointing authority may make severance payments to a highly compensated  
47.2 employee, up to the limits prescribed in this subdivision, only if doing so is authorized by  
47.3 a compensation plan under section 43A.18 that governs the employee, provided that the  
47.4 following highly compensated employees are not eligible for severance pay:

47.5 (1) a commissioner, deputy commissioner, or assistant commissioner of any state  
47.6 department or agency as listed in section 15.01 or 15.06, including the state chief information  
47.7 officer; and

47.8 (2) any unclassified employee who is also a public official, as defined in section 10A.01,  
47.9 subdivision 35.

47.10 (e) Severance pay shall not be paid to a highly compensated employee who has been  
47.11 employed by the appointing authority for less than six months or who voluntarily terminates  
47.12 employment.

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

47.14 Sec. 32. Minnesota Statutes 2016, section 43A.24, is amended by adding a subdivision to  
47.15 read:

47.16 Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental  
47.17 benefits under this section has the right to decline those benefits, provided the individual  
47.18 declining the benefits can prove health insurance coverage from another source. Any  
47.19 individual declining benefits must do so in writing, signed and dated, on a form provided  
47.20 by the commissioner.

47.21 (b) The commissioner must create, and make available in hard copy and online a form  
47.22 for individuals to use in declining state-paid hospital, medical, and dental benefits. The form  
47.23 must, at a minimum, include notice to the declining individual of the next available  
47.24 opportunity and procedure to re-enroll in the benefits.

47.25 (c) No later than January 15 of each year, the commissioner of management and budget  
47.26 must provide a report to the chairs and ranking minority members of the legislative  
47.27 committees with jurisdiction over state government finance on the number of employees  
47.28 choosing to opt-out of state employee group insurance coverage under this section. The  
47.29 report must provide itemized statistics, by agency, and include the total amount of savings  
47.30 accrued to each agency resulting from the opt-outs.

48.1 Sec. 33. [118A.09] ADDITIONAL LONG-TERM EQUITY INVESTMENT

48.2 AUTHORITY.

48.3 Subdivision 1. **Definition; qualifying government.** "Qualifying government" means:

48.4 (1) a county or statutory or home rule charter city with a population of more than 100,000;

48.5 (2) a county or statutory or home rule charter city which had its most recently issued  
48.6 general obligation bonds rated in the highest category by a national bond rating agency; or

48.7 (3) a self-insurance pool listed in section 471.982, subdivision 3.

48.8 A county or statutory or home rule charter city with a population of 100,000 or less that is  
48.9 a qualifying government, but is subsequently rated less than the highest category by a  
48.10 national bond rating agency on a general obligation bond issue, may not invest additional  
48.11 funds under this section but may continue to manage funds previously invested under  
48.12 subdivision 2.

48.13 Subd. 2. **Additional investment authority.** Qualifying governments may invest the  
48.14 amount described in subdivision 3:

48.15 (1) in index mutual funds based in the United States and indexed to a broad market  
48.16 United States equity index; or

48.17 (2) with the Minnesota State Board of Investment subject to such terms and minimum  
48.18 amounts as may be adopted by the board. Index mutual fund investments must be made  
48.19 directly with the main sales office of the fund.

48.20 Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2  
48.21 according to the limitations in this subdivision. A qualifying government under subdivision  
48.22 1, clause (1) or (2), may only invest its funds that are held for long-term capital plans  
48.23 authorized by the city council or county board, or long-term obligations of the qualifying  
48.24 government. Long-term obligations of the qualifying government include long-term capital  
48.25 plan reserves, funds held to offset long-term environmental exposure, other postemployment  
48.26 benefit liabilities, compensated absences, and other long-term obligations established by  
48.27 applicable accounting standards.

48.28 (b) Qualifying governments under subdivision 1, clause (1) or (2), may invest up to 15  
48.29 percent of the sum of:

48.30 (1) unassigned cash;

48.31 (2) cash equivalents;

48.32 (3) deposits; and

49.1 (4) investments.

49.2 This calculation must be based on the qualifying government's most recent audited statement  
49.3 of net position, which must be compliant and audited pursuant to governmental accounting  
49.4 and auditing standards. Once the amount invested reaches 15 percent of the sum of  
49.5 unassigned cash, cash equivalents, deposits, and investments, no further funds may be  
49.6 invested under this section; however, a qualifying government may continue to manage the  
49.7 funds previously invested under this section even if the total amount subsequently exceeds  
49.8 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments.

49.9 (c) A qualified government under subdivision 1, clause (3), may invest up to the lesser  
49.10 of:

49.11 (1) 15 percent of the sum of its cash, cash equivalents, deposits, and investments; or

49.12 (2) 25 percent of its net assets as reported on the pool's most recent audited statement  
49.13 of net position, which must be compliant and audited pursuant to governmental accounting  
49.14 and auditing standards.

49.15 Subd. 4. **Approval.** Before investing pursuant to this section, the governing body of the  
49.16 qualifying government must adopt a resolution that includes the following statements:

49.17 (1) the governing body understands that investments under subdivision 2 have a risk of  
49.18 loss;

49.19 (2) the governing body understands the type of funds that are being invested and the  
49.20 specific investment itself; and

49.21 (3) the governing body certifies that all funds designated for investment through the  
49.22 State Board of Investment meet the requirements of this section and the policies and  
49.23 procedures established by the State Board of Investment.

49.24 Subd. 5. **Public Employees Retirement Association to act as account administrator.**  
49.25 A qualifying government exercising authority under this section to invest amounts with the  
49.26 State Board of Investment shall establish an account with the Public Employees Retirement  
49.27 Association (PERA), which shall act as the account administrator.

49.28 Subd. 6. **Purpose of account.** The account established under subdivision 5 may only  
49.29 be used for the purposes provided under subdivision 3. PERA may rely on representations  
49.30 made by the qualifying government in exercising its duties as account administrator and  
49.31 has no duty to further verify qualifications, use, or intended use of the funds that are invested  
49.32 or withdrawn.

50.1 Subd. 7. **Account maintenance.** (a) A qualifying government may establish an account  
50.2 to be held under the supervision of PERA for the purposes of investing funds with the State  
50.3 Board of Investment under subdivision 2. PERA shall establish a separate account for each  
50.4 qualifying government. PERA may charge participating qualifying governments a fee for  
50.5 reasonable administrative costs. The amount of any fee charged by PERA is annually  
50.6 appropriated to the association from the account. PERA may establish other reasonable  
50.7 terms and conditions for creation and maintenance of these accounts.

50.8 (b) PERA must report to the qualifying government on the investment returns of invested  
50.9 funds and on all investment fees or costs incurred by the account.

50.10 Subd. 8. **Investment.** (a) The assets of an account shall be invested and held as required  
50.11 by this subdivision.

50.12 (b) PERA must certify all money in the accounts for which it is account administrator  
50.13 to the State Board of Investment for investment under section 11A.14, subject to the policies  
50.14 and procedures established by the State Board of Investment. Investment earnings must be  
50.15 credited to the account of the individual qualifying government.

50.16 (c) For accounts invested by the State Board of Investment, the investment restrictions  
50.17 shall be the same as those generally applicable to the State Board of Investment.

50.18 (d) A qualifying government may provide investment direction to PERA, subject to the  
50.19 policies and procedures established by the State Board of Investment.

50.20 Subd. 9. **Withdrawal of funds and termination of account.** (a) A government may  
50.21 withdraw some or all of its money or terminate the account.

50.22 (b) A government requesting withdrawal of money from an account created under this  
50.23 section must do so at a time and in the manner required by the executive director of PERA,  
50.24 subject to the policies and procedures established by the State Board of Investment.

50.25 Sec. 34. Minnesota Statutes 2016, section 138.69, is amended to read:

50.26 **138.69 PUBLIC AREAS OF THE CAPITOL.**

50.27 The Minnesota State Historical Society is designated the research agency and is  
50.28 responsible for the interpretation of the public areas for visitors to the Capitol. This involves  
50.29 conducting or approving public programs and tours in the Capitol and State Office Building,  
50.30 including exhibits held in the Capitol, providing informational services, acting as advisor  
50.31 on preservation, recommending appropriate custodial policies, and maintaining and repairing  
50.32 all works of art. Notwithstanding section 138.668, the society may not charge a fee for

51.1 general tours at the Capitol but may charge fees for special programs other than general  
 51.2 tours.

51.3 Sec. 35. Minnesota Statutes 2016, section 155A.30, subdivision 5, is amended to read:

51.4 Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the  
 51.5 board first determines that the applicant has met the requirements in clauses (1) to ~~(8)~~ (9):

51.6 (1) the applicant must have a sound financial condition with sufficient resources available  
 51.7 to meet the school's financial obligations; to refund all tuition and other charges, within a  
 51.8 reasonable period of time, in the event of dissolution of the school or in the event of any  
 51.9 justifiable claims for refund against the school; to provide adequate service to its students  
 51.10 and prospective students; and to maintain proper use and support of the school;

51.11 (2) the applicant must have satisfactory training facilities with sufficient tools and  
 51.12 equipment and the necessary number of work stations to adequately train the students  
 51.13 currently enrolled, and those proposed to be enrolled;

51.14 (3) the applicant must employ a sufficient number of qualified instructors trained by  
 51.15 experience and education to give the training contemplated;

51.16 (4) the premises and conditions under which the students work and study must be sanitary,  
 51.17 healthful, and safe according to modern standards;

51.18 (5) each occupational course or program of instruction or study must be of such quality  
 51.19 and content as to provide education and training that will adequately prepare enrolled  
 51.20 students for testing, licensing, and entry level positions ~~as a cosmetologist, esthetician, or~~  
 51.21 ~~nail technician~~;

51.22 (6) the school must have coverage by professional liability insurance of at least \$25,000  
 51.23 per incident and an accumulation of \$150,000 for each premium year;

51.24 (7) the applicant shall provide evidence of the school's compliance with section 176.182;

51.25 (8) the applicant, except the state and its political subdivisions as described in section  
 51.26 ~~471.617~~ 13.02, subdivision ~~4~~ 11, ~~shall~~ must file with the board a continuous corporate surety  
 51.27 bond in the amount of no less than ten percent of the preceding year's gross income from  
 51.28 student tuition, fees, and other required institutional charges, but in no event less than  
 51.29 \$10,000, conditioned upon the faithful performance of all contracts and agreements with  
 51.30 students made by the applicant. New schools must base the bond amount on the anticipated  
 51.31 gross income from student tuition, fees, and other required institutional charges for the third  
 51.32 year of operation, but in no event less than \$10,000. The applicant must compute the amount

52.1 of the surety bond and verify that the amount of the surety bond complies with this  
 52.2 subdivision. The bond shall run to the ~~state of Minnesota~~ board and to any person who may  
 52.3 have a cause of action against the applicant arising at any time after the bond is filed and  
 52.4 before it is canceled for breach of any contract or agreement made by the applicant with  
 52.5 any student. ~~The aggregate liability of the surety for all breaches of the conditions of the~~  
 52.6 ~~bond shall not exceed \$10,000.~~ The surety of the bond may cancel it upon giving 60 days'  
 52.7 notice in writing to the board and shall be relieved of liability for any breach of condition  
 52.8 occurring after the effective date of cancellation; and

52.9 (9) the applicant must, ~~at all times during the term of the license, employ~~ appoint a  
 52.10 designated ~~licensed~~ school manager ~~who maintains a cosmetology salon manager license.~~

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

52.12 Sec. 36. Minnesota Statutes 2016, section 179A.20, is amended by adding a subdivision  
 52.13 to read:

52.14 **Subd. 2b. Limited by appropriation.** The commissioner of management and budget  
 52.15 may not contract to pay more to employees in compensation and benefits in a biennium  
 52.16 than is permitted under an approved spending plan as provided in section 16A.14.

52.17 Sec. 37. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

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

52.26 Sec. 38. Minnesota Statutes 2016, section 353.27, subdivision 3c, is amended to read:

52.27 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For  
 52.28 the period July 1, 2015, through December 31, 2031, the member contributions for former  
 52.29 members of the Minneapolis Employees Retirement Fund and by the former Minneapolis  
 52.30 Employees Retirement Fund-covered employing units are governed by this subdivision.

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

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

53.7 (d) ~~For calendar years 2015 and 2016,~~ The annual employer supplemental contribution  
 53.8 is the employing unit's share of \$31,000,000. ~~For calendar years 2017 through 2031, the~~  
 53.9 ~~employer supplemental contribution is the employing unit's share of \$21,000,000.~~

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

53.14 (f) The employer supplemental contribution amount under paragraph (d) for calendar  
 53.15 year 2015 must be invoiced by the executive director of the Public Employees Retirement  
 53.16 Association by July 1, 2015. The calendar year 2015 payment is payable in a single amount  
 53.17 on or before September 30, 2015. For subsequent calendar years, the employer supplemental  
 53.18 contribution under paragraph (d) must be invoiced on January 31 of each year and is payable  
 53.19 in two parts, with the first half payable on or before July 31 and with the second half payable  
 53.20 on or before December 15. Late payments are payable with compound interest at the rate  
 53.21 of 0.71 percent per month for each month or portion of a month that has elapsed after the  
 53.22 due date.

53.23 (g) The employer supplemental contribution under paragraph (d) terminates on December  
 53.24 31, 2031.

53.25 Sec. 39. Minnesota Statutes 2016, section 353.505, is amended to read:

53.26 **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

53.27 (a) On September 15, 2015, ~~and~~ September 15, 2016, and annually thereafter, the state  
 53.28 shall pay to the general employees retirement plan of the Public Employees Retirement  
 53.29 Association, with respect to the former MERF division, \$6,000,000. ~~By September 15 of~~  
 53.30 ~~each year after 2016, the state shall pay to the general employees retirement plan of the~~  
 53.31 ~~Public Employees Retirement Association, with respect to the former MERF division,~~  
 53.32 ~~\$16,000,000.~~

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

54.1 Sec. 40. Minnesota Statutes 2016, section 471.6161, subdivision 8, is amended to read:

54.2 Subd. 8. **School districts; group health insurance coverage.** (a) Any entity providing  
54.3 group health insurance coverage to a school district must provide the school district with  
54.4 school district-specific nonidentifiable aggregate claims records for the most recent 24  
54.5 months within 30 days of the request.

54.6 (b) School districts shall request proposals for group health insurance coverage as  
54.7 provided in subdivision 2 from a minimum of three potential sources of coverage. ~~One of~~  
54.8 ~~these requests must go to an administrator governed by chapter 43A.~~ Entities referenced in  
54.9 subdivision 1 must respond to requests for proposals received directly from a school district.  
54.10 School districts that are self-insured must also follow these provisions, except as provided  
54.11 in paragraph (f). School districts must make requests for proposals at least 150 days prior  
54.12 to the expiration of the existing contract but not more frequently than once every 24 months.  
54.13 The request for proposals must include the most recently available 24 months of  
54.14 nonidentifiable aggregate claims data. The request for proposals must be publicly released  
54.15 at or prior to its release to potential sources of coverage.

54.16 (c) School district contracts for group health insurance must not be longer than ~~two~~ four  
54.17 ~~years unless the exclusive representative of the largest employment group and the school~~  
54.18 ~~district agree otherwise.~~

54.19 (d) All initial proposals shall be sealed upon receipt until they are all opened no less  
54.20 than 90 days prior to the plan's renewal date in the presence of up to three representatives  
54.21 selected by the exclusive representative of the largest group of employees. Section 13.591,  
54.22 subdivision 3, paragraph (b), applies to data in the proposals. The representatives of the  
54.23 exclusive representative must maintain the data according to this classification and are  
54.24 subject to the remedies and penalties under sections 13.08 and 13.09 for a violation of this  
54.25 requirement.

54.26 (e) A school district, in consultation with the same representatives referenced in paragraph  
54.27 (d), may continue to negotiate with any entity that submitted a proposal under paragraph  
54.28 (d) in order to reduce costs or improve services under the proposal. Following the negotiations  
54.29 any entity that submitted an initial proposal may submit a final proposal incorporating the  
54.30 negotiations, which is due no less than 75 days prior to the plan's renewal date. All the final  
54.31 proposals submitted must be opened at the same time in the presence of up to three  
54.32 representatives selected by the exclusive representative of the largest group of employees.  
54.33 Notwithstanding section 13.591, subdivision 3, paragraph (b), following the opening of the  
54.34 final proposals, all the proposals, including any made under paragraph (d), and other data

55.1 submitted in connection with the proposals are public data. The school district may choose  
55.2 from any of the initial or final proposals without further negotiations and in accordance  
55.3 with subdivision 5, but not sooner than 15 days after the proposals become public data.

55.4 (f) School districts that are self-insured shall follow all of the requirements of this section,  
55.5 except that:

55.6 (1) their requests for proposals may be for third-party administrator services, where  
55.7 applicable;

55.8 (2) these requests for proposals must be from a minimum of three different sources,  
55.9 which may include both entities referenced in subdivision 1 and providers of third-party  
55.10 administrator services;

55.11 ~~(3) for purposes of fulfilling the requirement to request a proposal for group insurance~~  
55.12 ~~coverage from an administrator governed by chapter 43A, self-insured districts are not~~  
55.13 ~~required to include in the request for proposal the coverage to be provided;~~

55.14 ~~(4) a district that is self-insured on or before the date of enactment, or that is self-insured~~  
55.15 ~~with more than 1,000 insured lives, or a district in which the school board adopted a motion~~  
55.16 ~~on or before May 14, 2014, to approve a self-insured health care plan to be effective July~~  
55.17 ~~1, 2014, may, but need not, request a proposal from an administrator governed by chapter~~  
55.18 ~~43A;~~

55.19 ~~(5)~~ (3) requests for proposals must be sent to providers no less than 90 days prior to the  
55.20 expiration of the existing contract; and

55.21 ~~(6)~~ (4) proposals must be submitted at least 60 days prior to the plan's renewal date and  
55.22 all proposals shall be opened at the same time and in the presence of the exclusive  
55.23 representative, where applicable.

55.24 (g) Nothing in this section shall restrict the authority granted to school district boards  
55.25 of education by section 471.59, ~~except that districts will not be considered self-insured for~~  
55.26 ~~purposes of this subdivision solely through participation in a joint powers arrangement.~~

55.27 (h) An entity providing group health insurance to a school district under a multiyear  
55.28 contract must give notice of any rate or plan design changes applicable under the contract  
55.29 at least 90 days before the effective date of any change. The notice must be given to the  
55.30 school district and to the exclusive representatives of employees.

55.31 (i) The exclusive representative of the largest group of employees shall comply with  
55.32 this subdivision and must not exercise any of their abilities under section 43A.316,

56.1 subdivision 5, notwithstanding anything contained in that section, or any other law to the  
 56.2 contrary.

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

56.4 Sec. 41. Minnesota Statutes 2016, section 471.617, subdivision 2, is amended to read:

56.5 Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, school  
 56.6 districts, or instrumentalities thereof which together have more than 100 employees may  
 56.7 jointly self-insure for any employee health benefits including long-term disability, but not  
 56.8 for employee life benefits, subject to the same requirements as an individual self-insurer  
 56.9 under subdivision 1. Self-insurance pools under this section are subject to section 62L.045.  
 56.10 A self-insurance pool established and operated by one or more service cooperatives governed  
 56.11 by section 123A.21 to provide coverage described in this subdivision qualifies under this  
 56.12 subdivision, ~~but the individual school district members of such a pool shall not be considered~~  
 56.13 ~~to be self-insured for purposes of section 471.6161, subdivision 8, paragraph (f).~~ The  
 56.14 commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or  
 56.15 guidelines for the operation and administration of self-insurance pools.

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

56.17 Sec. 42. Minnesota Statutes 2016, section 508.12, subdivision 1, is amended to read:

56.18 Subdivision 1. **Examiner and deputy examiner.** The judges of the district court shall  
 56.19 appoint a competent attorney in each county within their respective districts to be an examiner  
 56.20 of titles and legal adviser to the registrar in said county, to which examiner all applications  
 56.21 to register title to land are referred without further order, and may appoint attorneys to serve  
 56.22 as deputy examiners who shall act in the name of the examiner and under the examiner's  
 56.23 supervision and control, and the deputy's acts shall be the acts of the examiners. The examiner  
 56.24 of titles and deputy examiners shall hold office subject to the will and discretion of the  
 56.25 district court by whom appointed. The examiner's compensation and that of the examiner's  
 56.26 deputies shall be fixed and determined by the court and paid in the same manner as the  
 56.27 compensation of other county employees is paid except that in all counties having fewer  
 56.28 than 75,000 inhabitants, and in Stearns, Dakota, Scott, Wright, Sherburne, and Olmsted  
 56.29 Counties the fees and compensation of the examiners for services as legal adviser to the  
 56.30 registrar shall be determined by the judges of the district court and paid in the same manner  
 56.31 as the compensation of other county employees is paid, but in every other instance shall be  
 56.32 paid by the person applying to have the person's title registered or for other action or relief  
 56.33 which requires the services, certification or approval of the examiner.

57.1 Sec. 43. Minnesota Statutes 2016, section 518A.79, is amended by adding a subdivision  
57.2 to read:

57.3 Subd. 3a. **Open meetings.** Except as otherwise provided in this section, the task force  
57.4 is subject to chapter 13D. A meeting of the task force occurs when a quorum is present and  
57.5 the members receive information, discuss, or take action on any matter relating to the duties  
57.6 of the task force. The task force may conduct meetings as provided in section 13D.015 or  
57.7 13D.02. The task force may conduct meetings at any location in the state that is appropriate  
57.8 for the purposes of the task force as long as the location is open and accessible to the public.  
57.9 For legislative members of the task force, enforcement of this subdivision is governed by  
57.10 section 3.055, subdivision 2. For nonlegislative members of the task force, enforcement of  
57.11 this subdivision is governed by section 13D.06, subdivisions 1 and 2.

57.12 **EFFECTIVE DATE.** This section is effective January 1, 2018.

57.13 Sec. 44. Laws 2016, chapter 127, section 8, is amended to read:

57.14 **Sec. 8. EFFECTIVE DATE; APPLICATION.**

57.15 Sections 1 to 7 are effective the day following final enactment. With respect to eyelash  
57.16 technicians, the Board of Cosmetologist Examiners must not enforce sections 1 to 7 until  
57.17 ~~July 1, 2017~~ February 1, 2018. Any educational or training requirements developed by the  
57.18 board regarding eyelash technicians must be 14 hours.

57.19 **Sec. 45. COMMISSIONER OF REVENUE TO DETERMINE ADEQUACY OF**  
57.20 **CURRENT RULES AND VALUATION PRACTICES FOR STATE-ASSESSED**  
57.21 **PIPELINES.**

57.22 The commissioner of revenue must review all current rules and practices relating to the  
57.23 valuation of pipeline companies that are assessed by the state. The commissioner must  
57.24 determine whether current rules and practices provide accurate estimates of market value.  
57.25 By February 1, 2018, the commissioner must prepare testimony for the house of  
57.26 representatives and senate committees having jurisdiction over property taxes recommending  
57.27 changes to the rules and practices to provide more accurate assessments and reduce the  
57.28 number and amount of judgments against the state and counties for state-assessed pipeline  
57.29 property. Costs associated with conducting the review required by this section must be paid  
57.30 from existing funds appropriated to the commissioner by law.

58.1 Sec. 46. **OFFICE OF MN.IT SERVICES; PERFORMANCE OUTCOMES**

58.2 **REQUIRED.**

58.3 **Subdivision 1. Completion of agency consolidation.** No later than December 31, 2018,  
58.4 the state chief information officer must complete the executive branch information technology  
58.5 consolidation required by Laws 2011, First Special Session chapter 10, article 4. The head  
58.6 of any state agency subject to consolidation must assist the state chief information officer  
58.7 as necessary to implement the requirements of this subdivision.

58.8 **Subd. 2. Information technology efficiencies and solutions.** No later than December  
58.9 31, 2018, the state chief information officer shall:

58.10 (1) host at least 25 percent of all state agency servers on a public cloud solution;

58.11 (2) store at least 35 percent of all state agency data on a public cloud solution; and

58.12 (3) operate no more than six data centers statewide.

58.13 **Subd. 3. Enterprise services; personnel efficiencies.** No later than June 30, 2019, the  
58.14 state chief information officer shall reduce the Office of MN.IT Services' total cost for  
58.15 enterprise services personnel by at least \$3,000,000.

58.16 **Subd. 4. Legislative report; application consolidation.** No later than January 1, 2018,  
58.17 the state chief information officer must submit a report to the chairs and ranking minority  
58.18 members of the house of representatives and senate committees with jurisdiction over state  
58.19 government finance on the status of business application software consolidation across state  
58.20 agencies. At a minimum, the report must describe the outcomes achieved to date, a plan  
58.21 and timeline for continued consolidation of business application software with measurable  
58.22 outcome goals, and recommendations, if any, on legislation necessary to facilitate  
58.23 achievement of these goals.

58.24 Sec. 47. **INITIAL TRANSIT FINANCIAL ACTIVITY REPORTING.**

58.25 **(a) The first transit financial activity review and report submitted under Minnesota**  
58.26 Statutes, section 3.972, subdivision 4, must include financial information from the period  
58.27 beginning on January 1, 2016, and through the end of the fiscal quarter immediately preceding  
58.28 the date of the report.

58.29 **(b) The legislative auditor must provide a copy of the review under paragraph (a) to**  
58.30 each county that is party to the joint powers agreement under Minnesota Statutes, section  
58.31 297A.992.

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

59.1       Sec. 48. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

59.2       During the fiscal years ending June 30, 2018, and June 30, 2019, an executive branch  
59.3 agency's spending on advertising and promotions may not exceed 90 percent of the amount  
59.4 the agency spent on advertising and promotions during the fiscal year ending June 30, 2016.  
59.5 The commissioner of management and budget must ensure compliance with this limit and  
59.6 may issue guidelines and policies to executive agencies. The commissioner may forbid an  
59.7 agency from engaging in advertising as the commissioner determines necessary to ensure  
59.8 compliance with this section. This section does not apply to the Minnesota Lottery, Explore  
59.9 Minnesota Tourism, or the Minnesota State Colleges and Universities. Spending during the  
59.10 biennium ending June 30, 2019, on advertising relating to a declared emergency, an  
59.11 emergency, or a disaster, as those terms are defined in Minnesota Statutes, section 12.03,  
59.12 is excluded for purposes of this section.

59.13       Sec. 49. **TRANSITION; STATE AUDITOR ENTERPRISE FUND.**

59.14       Notwithstanding any law to the contrary, receipts received by the state auditor on or  
59.15 after July 1, 2017, from examinations conducted by the state auditor under Minnesota  
59.16 Statutes, chapter 6, must be credited to the general fund. Amounts in the state auditor  
59.17 enterprise fund at the end of fiscal year 2017 are transferred to the general fund.

59.18       Sec. 50. **REIMBURSEMENT OF LEGAL COSTS FOR WRIGHT, BECKER, AND**  
59.19 **RAMSEY COUNTIES.**

59.20       The state auditor shall reimburse Wright, Becker, and Ramsey Counties for legal fees  
59.21 incurred and costs and disbursements made as a result of defending against the state auditor's  
59.22 lawsuit against them.

59.23       Sec. 51. **LIMIT ON INCREASE IN MANAGERIAL COMPENSATION.**

59.24       (a) Except as provided in paragraph (b), during the biennium ending June 30, 2019, an  
59.25 employee covered by the managerial plan in Minnesota Statutes, section 43A.18, subdivision  
59.26 3, may not be granted a percentage increase in annual salary that exceeds the lesser of:

59.27       (1) the percentage increase in Minnesota median household income, as determined by  
59.28 the American Community Survey compiled by the United States Bureau of the Census, for  
59.29 the most recent 12-month period for which data is available; or

59.30       (2) the percentage increase in the Consumer Price Index, as determined by the United  
59.31 States Bureau of Labor Statistics, for the most recent 12-month period for which data is  
59.32 available.

60.1 (b) This section does not apply to an employee whose salary is established according to  
60.2 Minnesota Statutes, section 15A.083.

60.3 **Sec. 52. SALARY LIMIT.**

60.4 (a) During the fiscal year ending June 30, 2018, the aggregate amount spent by all  
60.5 executive branch agencies on employee salaries may not exceed 101 percent of the aggregate  
60.6 amount these agencies spent on employee salaries in the fiscal year ending June 30, 2017.

60.7 (b) During the fiscal year ending June 30, 2019, the aggregate amount spent by all  
60.8 executive branch agencies on employee salaries may not exceed 103 percent of the aggregate  
60.9 amount these agencies spent on employee salaries in the fiscal year ending June 30, 2017.

60.10 (c) For purposes of this section, "executive branch" has the meaning given in Minnesota  
60.11 Statutes, section 43A.02, subdivision 22, and includes the Minnesota State Colleges and  
60.12 Universities but not constitutional offices.

60.13 **Sec. 53. ICE PALACE ON CAPITOL GROUNDS AUTHORIZED.**

60.14 Subdivision 1. **Use agreement; terms required.** The commissioner of administration  
60.15 may enter a use agreement with the St. Paul Festival and Heritage Foundation for the  
60.16 construction, operation, and removal of an ice palace and related temporary structures on  
60.17 the grounds of the State Capitol complex. If a use agreement for this purpose is entered, the  
60.18 terms must include the following:

60.19 (1) mutually agreed upon beginning and end dates for access to the grounds for  
60.20 construction, operation, and removal of the ice palace and related temporary structures;

60.21 (2) notwithstanding Minnesota Rules, part 7525.0400, an allowance for the St. Paul  
60.22 Festival and Heritage Foundation to establish fees for admission to the ice palace and for  
60.23 participation in related activities, and for vendors to sell concessions subject to terms  
60.24 negotiated in the use agreement. Any fees established must allow a reasonable opportunity  
60.25 for all Minnesotans, regardless of income, to access the palace and participate in related  
60.26 activities, and must allow free or discounted admission to members of the military, military  
60.27 veterans, and their families. A fee may not be charged for general admission to the Capitol  
60.28 grounds or, to the extent practicable, for access to public memorials and monuments located  
60.29 on the Capitol grounds;

60.30 (3) notwithstanding Minnesota Statutes, section 15B.28, and related rules of the Capitol  
60.31 Area Architectural and Planning Board, an allowance for the St. Paul Festival and Heritage

61.1 Foundation to erect advertising devices promoting the ice palace and its sponsors and donors,  
61.2 subject to terms negotiated in the use agreement;

61.3 (4) a restriction on private events that limit public access to the ice palace or surrounding  
61.4 Capitol grounds, without prior approval of the commissioner of administration; and

61.5 (5) a requirement that, following removal of the ice palace and related temporary  
61.6 structures, the St. Paul Festival and Heritage Foundation restore the Capitol grounds to the  
61.7 same condition as existed prior to their construction.

61.8 Subd. 2. **Additional terms.** In addition to the terms required by subdivision 1, a use  
61.9 agreement authorized by this section may include additional terms as necessary to preserve  
61.10 the integrity, dignity, and security of the State Capitol building, the Capitol grounds, and  
61.11 the surrounding public buildings, memorials, and monuments, and to ensure compliance  
61.12 with other applicable laws governing commercial activity on public property.

61.13 Subd. 3. **Costs, expenses, and liabilities.** Unless expressly provided in the use agreement,  
61.14 any costs or expenses incurred by the state or the city of St. Paul in implementing a use  
61.15 agreement entered under this section must be paid or reimbursed by the St. Paul Festival  
61.16 and Heritage Foundation. Notwithstanding Minnesota Statutes, section 3.736, subdivision  
61.17 1, and Minnesota Statutes, section 466.02, the state, the city of St. Paul, and their employees  
61.18 are not liable for losses incurred during the construction, operation, or removal of an ice  
61.19 palace or related temporary structures, or losses incurred by a person while visiting the ice  
61.20 palace or participating in related activities.

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

61.22 Sec. 54. **WAITE PARK; HOTEL INSPECTION.**

61.23 (a) Notwithstanding any other law to the contrary and in addition to any other requirement  
61.24 in law, the city of Waite Park may adopt an ordinance to require a hotel, motel, or lodging  
61.25 establishment operating within the city's jurisdiction to have a valid license issued by the  
61.26 city. The license may prohibit the licensee from:

61.27 (1) knowingly allowing a room to be occupied for purposes of sex trafficking;

61.28 (2) knowingly allowing a room to be occupied for the purposes of illegal drug activity;

61.29 (3) knowingly allowing a room to be occupied by a minor for the consumption of  
61.30 alcoholic beverages;

61.31 (4) prohibiting the inspection of the licensed premises;

62.1 (5) failing to report observed or suspected illegal activity to the police in a reasonable  
62.2 period of time; and

62.3 (6) failure to maintain the licensed premises to all building, fire, mechanical, zoning or  
62.4 licensing codes.

62.5 The ordinance may provide for inspections related to the activities the license addresses.

62.6 The city may collect a reasonable fee related to the cost of issuing the license and conducting  
62.7 inspections.

62.8 (b) "Hotel," "motel," and "lodging establishment" are as defined in Minnesota Statutes,  
62.9 section 157.15.

62.10 (c) The authority in this section does not replace or diminish the authority of the  
62.11 community health board to inspect and license any hotel, motel, or lodging establishment  
62.12 in the city.

62.13 **EFFECTIVE DATE.** This section is effective the day following final enactment without  
62.14 local approval, as provided in Minnesota Statutes, section 645.023, subdivision 1, paragraph

62.15 (a).

62.16 Sec. 55. **EYELASH TECHNICIAN GRANDFATHERING.**

62.17 (a) The board must issue grandfathered eyelash technician licenses no later than February  
62.18 1, 2018, under the conditions in this section.

62.19 (b) A complete grandfathering application for an eyelash technician license must be  
62.20 received in the board office between August 1, 2017, and January 31, 2018, and must contain:

62.21 (1) proof of a high school diploma or equivalent;

62.22 (2) proof of completion of an eyelash extension training course before July 1, 2017;

62.23 (3) proof of completion of a six-hour board-approved public health and safety course  
62.24 provided by a board-licensed school or a board-recognized professional association organized  
62.25 under Minnesota Statutes, chapter 317A. Four hours must be related to health, safety, and  
62.26 infection control and two hours must be related to Minnesota laws and rules governing  
62.27 cosmetology;

62.28 (4) original passing results no more than one year old of board-approved laws and rules  
62.29 test and theory tests; and

62.30 (5) the practitioner fees required under Minnesota Statutes, section 155A.25.

63.1 (c) A complete grandfathering application for an eyelash salon manager license must  
63.2 be received in the board office between August 1, 2017, and January 31, 2018, and must  
63.3 contain:

63.4 (1) proof of a high school diploma or equivalent;

63.5 (2) proof of completion of an eyelash extension training course before July 1, 2017;

63.6 (3) documentation of at least 2,700 hours of experience performing eyelash extensions  
63.7 within the last three years;

63.8 (4) original passing results no more than one year old of board-approved laws and rules  
63.9 test and theory tests;

63.10 (5) original passing results no more than one year old of board-approved salon manager  
63.11 test;

63.12 (6) proof of a six-hour board-approved public health and safety course provided by a  
63.13 board-licensed school or a board-recognized professional association organized under  
63.14 Minnesota Statutes, chapter 317A. Four hours must be related to infection control and two  
63.15 hours must be related to Minnesota laws and rules; and

63.16 (7) the practitioner fees required under Minnesota Statutes, section 155A.25.

63.17 (d) Grandfathered licenses must not be expedited under Minnesota Statutes, section  
63.18 155A.25, subdivision 7. The application timelines under Minnesota Statutes, section 155A.25,  
63.19 subdivisions 5, 6, and 8, do not apply to grandfathered licenses.

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

63.21 **Sec. 56. EYELASH TECHNICIAN RULEMAKING.**

63.22 The Board of Cosmetologist Examiners shall adopt rules governing the eyelash technician  
63.23 and salon licenses, which must include scope of practice, the conditions and process of  
63.24 issuing and renewing the license, requirements related to education and testing, and 14 hours  
63.25 of training regarding application of eyelash extensions in a board-licensed school. The board  
63.26 may use the expedited rule process in Minnesota Statutes, section 14.389. The grant of  
63.27 rulemaking authority under this section expires May 31, 2019.

63.28 **Sec. 57. EYELASH TECHNICIAN LICENSING.**

63.29 The Board of Cosmetologist Examiners must not issue an eyelash practitioner license  
63.30 before February 1, 2018, except for grandfathered licenses issued under section 39. The

64.1 Board of Cosmetologist Examiners must not require a person to have an eyelash practitioner  
 64.2 license for eyelash extensions before February 1, 2018.

64.3 Sec. 58. REPEALER.

64.4 Subdivision 1. State auditor enterprise fund. Minnesota Statutes 2016, section 6.581,  
 64.5 subdivision 1, is repealed.

64.6 Subd. 2. Washington, D.C. office. Minnesota Statutes 2016, section 4.46, is repealed.

64.7 **ARTICLE 3**

64.8 **STATE BUDGETING TECHNICAL**

64.9 Section 1. Minnesota Statutes 2016, section 15.0596, is amended to read:

64.10 **15.0596 ADDITIONAL COMPENSATION FROM CONTINGENT FUND**  
 64.11 **PROHIBITED.**

64.12 In all cases where the compensation of an officer of the state is fixed by law at a specified  
 64.13 sum, it shall be unlawful for any such officer or employee to receive additional compensation  
 64.14 for the performance of official services out of the contingent fund of the officer or the  
 64.15 department, and it shall be unlawful for the head of any department of the state government  
 64.16 to direct the payment of such additional compensation out of the contingent fund; and the  
 64.17 commissioner of management and budget is hereby prohibited from issuing a ~~warrant~~  
 64.18 payment upon such contingent fund in payment of such additional compensation.

64.19 Every person offending against the provisions of this section shall be guilty of a  
 64.20 misdemeanor.

64.21 Sec. 2. Minnesota Statutes 2016, section 15.191, subdivision 1, is amended to read:

64.22 Subdivision 1. **Emergency disbursements.** Imprest cash funds for the purpose of making  
 64.23 minor disbursements, providing for change, and providing employees with travel advances  
 64.24 or a portion or all of their payroll ~~warrant~~ where the ~~warrant~~ payment has not been received  
 64.25 through the payroll system, may be established by state departments or agencies from  
 64.26 existing appropriations in the manner prescribed by this section.

64.27 Sec. 3. Minnesota Statutes 2016, section 15.191, subdivision 3, is amended to read:

64.28 Subd. 3. ~~Warrant~~ Payment against designated appropriation. Imprest cash funds  
 64.29 established under this section shall be created by ~~warrant drawn~~ payment issued against the  
 64.30 appropriation designated by the commissioner of management and budget.

65.1 Sec. 4. Minnesota Statutes 2016, section 16A.065, is amended to read:

65.2 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**  
65.3 **DOCUMENTS.**

65.4 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an agency  
65.5 to make advance deposits or payments for software or software maintenance services for  
65.6 state-owned or leased electronic data processing equipment, for information technology  
65.7 hosting services, for sole source maintenance agreements where it is not cost-effective to  
65.8 pay in arrears, for exhibit booth space or boat slip rental when required by the renter to  
65.9 guarantee the availability of space, for registration fees where advance payment is required  
65.10 or advance payment discount is provided, ~~and~~ for newspaper, magazine, and other  
65.11 subscription fees, and other costs where advance payment discount is provided or are  
65.12 customarily paid for in advance. The commissioner may also allow advance deposits by  
65.13 any department with the Library of Congress and federal Supervisor of Documents for items  
65.14 to be purchased from those federal agencies.

65.15 Sec. 5. Minnesota Statutes 2016, section 16A.13, subdivision 2a, is amended to read:

65.16 Subd. 2a. **Procedure.** The commissioner shall see that the deduction for the withheld  
65.17 tax is made from an employee's pay on the payroll abstract. The commissioner shall approve  
65.18 one ~~warrant payable~~ payment to the commissioner for the total amount deducted on the  
65.19 abstract. Deductions from the pay of an employee paid direct by an agency shall be made  
65.20 by the employee's payroll authority. A later deduction must correct an error made on an  
65.21 earlier deduction. The paying authority shall see that a ~~warrant or check~~ payment for the  
65.22 deductions is promptly sent to the commissioner. The commissioner shall deposit the amount  
65.23 of the ~~warrant or check~~ payment to the credit of the proper federal authority or other person  
65.24 authorized by federal law to receive it.

65.25 Sec. 6. Minnesota Statutes 2016, section 16A.134, is amended to read:

65.26 **16A.134 CHARITABLE ORGANIZATIONS PAYROLL DEDUCTIONS.**

65.27 An employee's contribution to a registered combined charitable organization defined in  
65.28 section 43A.50 may be deducted from the employee's pay. On the employee's written request,  
65.29 the commissioner shall deduct a requested amount from the pay of the employee for each  
65.30 pay period. The commissioner shall issue a ~~warrant~~ payment in that amount to the specified  
65.31 organization.

66.1 Sec. 7. Minnesota Statutes 2016, section 16A.15, subdivision 3, is amended to read:

66.2 Subd. 3. **Allotment and encumbrance.** (a) A payment may not be made without prior  
66.3 obligation. An obligation may not be incurred against any fund, allotment, or appropriation  
66.4 unless the commissioner has certified a sufficient unencumbered balance or the accounting  
66.5 system shows sufficient allotment or encumbrance balance in the fund, allotment, or  
66.6 appropriation to meet it. The commissioner shall determine when the accounting system  
66.7 may be used to incur obligations without the commissioner's certification of a sufficient  
66.8 unencumbered balance. An expenditure or obligation authorized or incurred in violation of  
66.9 this chapter is invalid and ineligible for payment until made valid. A payment made in  
66.10 violation of this chapter is illegal. An employee authorizing or making the payment, or  
66.11 taking part in it, and a person receiving any part of the payment, are jointly and severally  
66.12 liable to the state for the amount paid or received. If an employee knowingly incurs an  
66.13 obligation or authorizes or makes an expenditure in violation of this chapter or takes part  
66.14 in the violation, the violation is just cause for the employee's removal by the appointing  
66.15 authority or by the governor if an appointing authority other than the governor fails to do  
66.16 so. In the latter case, the governor shall give notice of the violation and an opportunity to  
66.17 be heard on it to the employee and to the appointing authority. A claim presented against  
66.18 an appropriation without prior allotment or encumbrance may be made valid on investigation,  
66.19 review, and approval by the agency head in accordance with the commissioner's policy, if  
66.20 the services, materials, or supplies to be paid for were actually furnished in good faith  
66.21 without collusion and without intent to defraud. The commissioner may then ~~draw a warrant~~  
66.22 ~~to~~ pay the claim just as properly allotted and encumbered claims are paid.

66.23 (b) The commissioner may approve payment for materials and supplies in excess of the  
66.24 obligation amount when increases are authorized by section 16C.03, subdivision 3.

66.25 (c) To minimize potential construction delay claims, an agency with a project funded  
66.26 by a building appropriation may allow a contractor to proceed with supplemental work  
66.27 within the limits of the appropriation before money is encumbered. Under this circumstance,  
66.28 the agency may requisition funds and allow contractors to expeditiously proceed with a  
66.29 construction sequence. While the contractor is proceeding, the agency shall immediately  
66.30 act to encumber the required funds.

66.31 Sec. 8. Minnesota Statutes 2016, section 16A.17, subdivision 5, is amended to read:

66.32 Subd. 5. **Payroll duties.** When the department prepares the payroll for an agency, the  
66.33 commissioner assumes the agency head's duties to make authorized or required deductions

67.1 from, or employer contributions on, the pay of the agency's employees and to prepare and  
67.2 issue the necessary ~~warrants~~ payments.

67.3 Sec. 9. Minnesota Statutes 2016, section 16A.272, subdivision 3, is amended to read:

67.4 Subd. 3. **Section 7.19 16A.271 to apply.** The provisions of Minnesota Statutes 1941,  
67.5 section 7.19 16A.271, shall apply to deposits of securities made pursuant to this section.

67.6 Sec. 10. Minnesota Statutes 2016, section 16A.40, is amended to read:

67.7 **16A.40 WARRANTS AND ELECTRONIC FUND TRANSFERS.**

67.8 Money must not be paid out of the state treasury except upon the warrant of the  
67.9 commissioner or an electronic fund transfer approved by the commissioner. Warrants must  
67.10 be drawn on printed blanks that are in numerical order. The commissioner shall enter, in  
67.11 numerical order in a ~~warrant~~ warrant payment register, the number, amount, date, and payee for  
67.12 every ~~warrant~~ warrant payment issued.

67.13 The commissioner may require payees to supply their bank routing information to enable  
67.14 the payments to be made through an electronic fund transfer.

67.15 Sec. 11. Minnesota Statutes 2016, section 16A.42, subdivision 2, is amended to read:

67.16 Subd. 2. **Approval.** If the claim is approved, the commissioner shall ~~complete and sign~~  
67.17 ~~a warrant~~ issue a payment in the amount of the claim.

67.18 Sec. 12. Minnesota Statutes 2016, section 16A.42, subdivision 4, is amended to read:

67.19 Subd. 4. **Register.** The commissioner shall enter a ~~warrant~~ warrant payment in the ~~warrant~~  
67.20 warrant payment register as if it were a cash payment.

67.21 Sec. 13. Minnesota Statutes 2016, section 16A.42, is amended by adding a subdivision to  
67.22 read:

67.23 Subd. 5. **Invalid claims.** If the commissioner determines that a claim is invalid after  
67.24 issuing a warrant, the commissioner may void an unpaid warrant. The commissioner is not  
67.25 liable to any holder who took the void warrant for value.

67.26 Sec. 14. Minnesota Statutes 2016, section 16A.56, is amended to read:

67.27 **16A.56 COMMISSIONER'S RECEIPT AND CLAIM DUTIES.**

68.1 The commissioner or a designee shall examine every receipt and claim, and if proper,  
68.2 approve them, name the account to be charged or credited, and issue ~~warrants~~ payments to  
68.3 pay claims.

68.4 Sec. 15. Minnesota Statutes 2016, section 16A.671, subdivision 1, is amended to read:

68.5 Subdivision 1. **Authority; advisory recommendation.** To ensure that cash is available  
68.6 when needed to ~~pay warrants~~ make payments drawn on the general fund under appropriations  
68.7 and allotments, the commissioner may (1) issue certificates of indebtedness in anticipation  
68.8 of the collection of taxes levied for and other revenues appropriated to the general fund for  
68.9 expenditure during each biennium; and (2) issue additional certificates to refund outstanding  
68.10 certificates and interest on them, under the Constitution, article XI, section 6.

68.11 Sec. 16. Minnesota Statutes 2016, section 16B.37, subdivision 4, is amended to read:

68.12 Subd. 4. **Work of department for another.** To avoid duplication and improve efficiency,  
68.13 the commissioner may direct an agency to do work for another agency or may direct a  
68.14 division or section of an agency to do work for another division or section within the same  
68.15 agency and shall require reimbursement for the work. Reimbursements received by an  
68.16 agency are reappropriated to the account making the original expenditure in accordance  
68.17 with the transfer ~~warrant~~ procedure established by the commissioner of management and  
68.18 budget.

68.19 Sec. 17. Minnesota Statutes 2016, section 16D.03, subdivision 2, is amended to read:

68.20 Subd. 2. **State agency reports.** State agencies shall report quarterly to the commissioner  
68.21 of management and budget the debts owed to them. The commissioner of management and  
68.22 budget, ~~in consultation with the commissioners of revenue and human services, and the~~  
68.23 ~~attorney general,~~ shall establish internal guidelines for the recognition, tracking, and  
68.24 ~~reporting, and collection~~ of debts owed the state. The internal guidelines must include  
68.25 accounting standards, performance measurements, and uniform reporting requirements  
68.26 applicable to all state agencies. The commissioner of management and budget shall require  
68.27 a state agency to recognize, track, report, and attempt to collect debts according to the  
68.28 internal guidelines. The commissioner, in consultation with the commissioner of management  
68.29 and budget and the attorney general, shall establish internal guidelines for the collection of  
68.30 debt owed to the state.

69.1 Sec. 18. Minnesota Statutes 2016, section 16D.09, subdivision 1, is amended to read:

69.2 Subdivision 1. **Generally.** When a debt is determined by a state agency to be  
69.3 uncollectible, the debt may be written off by the state agency from the state agency's financial  
69.4 accounting records and no longer recognized as an account receivable for financial reporting  
69.5 purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts  
69.6 have been exhausted, (2) the cost of further collection action will exceed the amount  
69.7 recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence,  
69.8 (4) the debtor cannot be located, (5) the available assets or income, current or anticipated,  
69.9 that may be available for payment of the debt are insufficient, (6) the debt has been  
69.10 discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt  
69.11 has expired, or (8) it is not in the public interest to pursue collection of the debt. ~~The~~  
69.12 ~~determination of the uncollectibility of a~~ Uncollectible debt must be reported by the state  
69.13 agency ~~along with the basis for that decision~~ as part of its quarterly reports to the  
69.14 commissioner of management and budget. The basis for the determination of the  
69.15 uncollectibility of the debt must be maintained by the state agency. Determining that the  
69.16 debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

69.17 Sec. 19. Minnesota Statutes 2016, section 21.116, is amended to read:

69.18 **21.116 EXPENSES.**

69.19 All necessary expenses incurred in carrying out the provisions of sections 21.111 to  
69.20 21.122 and the compensation of officers, inspectors, and employees appointed, designated,  
69.21 or employed by the commissioner, as provided in such sections, together with their necessary  
69.22 traveling expenses, together with the traveling expenses of the members of the advisory  
69.23 seed potato certification committee, and other expenses necessary in attending committee  
69.24 meetings, shall be paid from, and only from, the seed potato inspection account, on order  
69.25 of the commissioner and commissioner of management and ~~budget's voucher warrant~~ budget.

69.26 Sec. 20. Minnesota Statutes 2016, section 43A.30, subdivision 2, is amended to read:

69.27 Subd. 2. **Payroll deduction.** If an eligible person who is on any payroll of the state or  
69.28 an eligible person's dependents is enrolled for any of the optional coverages made available  
69.29 by the commissioner pursuant to section 43A.26 the commissioner of management and  
69.30 budget, upon the person's written order, shall deduct from the salary or wages of the person  
69.31 those amounts required from time to time to maintain the optional coverages in force, and  
69.32 issue a ~~warrant~~ payment therefor to the appropriate carrier.

70.1 Sec. 21. Minnesota Statutes 2016, section 43A.49, is amended to read:

70.2 **43A.49 VOLUNTARY UNPAID LEAVE OF ABSENCE.**

70.3 (a) Appointing authorities in state government may allow each employee to take unpaid  
70.4 leaves of absence for up to 1,040 hours in each two-year period beginning July 1 of each  
70.5 odd-numbered year. Each appointing authority approving such a leave shall allow the  
70.6 employee to continue accruing vacation and sick leave, be eligible for paid holidays and  
70.7 insurance benefits, accrue seniority, and accrue service credit and credited salary in retirement  
70.8 plans as if the employee had actually been employed during the time of leave. An employee  
70.9 covered by the unclassified plan may voluntarily make the employee contributions to the  
70.10 unclassified plan during the leave of absence. If the employee makes these contributions,  
70.11 the appointing authority must make the employer contribution. If the leave of absence is  
70.12 for one full pay period or longer, any holiday pay shall be included in the first payroll ~~warrant~~  
70.13 payment after return from the leave of absence. The appointing authority shall attempt to  
70.14 grant requests for the unpaid leaves of absence consistent with the need to continue efficient  
70.15 operation of the agency. However, each appointing authority shall retain discretion to grant  
70.16 or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject  
70.17 to the applicable provisions of collective bargaining agreements and compensation plans.

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

70.24 Sec. 22. Minnesota Statutes 2016, section 49.24, subdivision 13, is amended to read:

70.25 Subd. 13. **Disposition of unclaimed dividends.** Upon the liquidation of any financial  
70.26 institution liquidated by the commissioner as statutory liquidator, if any dividends or other  
70.27 moneys set apart for the payment of claims remain unpaid, and the places of residence of  
70.28 the owners thereof are unknown to the commissioner, the commissioner may pay same into  
70.29 the state treasury as hereinafter provided. Whenever the commissioner shall be satisfied  
70.30 that the process of liquidation should not be further continued the commissioner may make  
70.31 and certify triplicate lists of any such unclaimed dividends or other moneys, specifying the  
70.32 name of each owner, the amount due, and the last known address. Upon one of such lists,  
70.33 to be retained by the commissioner shall be endorsed the commissioner's order that such  
70.34 unclaimed moneys be forthwith deposited in the state treasury. When so deposited, one of

71.1 said lists shall be delivered to the commissioner of management and budget and the  
71.2 commissioner shall retain in the commissioner's office such records and proofs concerning  
71.3 said claims as the commissioner may have, which shall thereafter remain on file in the  
71.4 office. The commissioner of management and budget shall execute upon the list retained  
71.5 by the commissioner a receipt for such money, which shall operate as a full discharge of  
71.6 the commissioner on account of such claims. At any time within six years after such receipt,  
71.7 but not afterward, the claimant may apply to the commissioner for the amount so deposited  
71.8 for the claimant's benefit, and upon proof satisfactory to the governor, the attorney general  
71.9 and the commissioner, or to a majority of them, they shall give an order to the commissioner  
71.10 of management and budget to issue a ~~warrant~~ payment for such amount, and such ~~warrant~~  
71.11 payment shall thereupon be issued. If no such claim be presented within six years, the  
71.12 commissioner shall so note upon the commissioner's copy of said list and certify the fact  
71.13 to the commissioner of management and budget who shall make like entries upon the  
71.14 commissioner of management and budget's corresponding lists; and all further claims to  
71.15 said money shall be barred. Provided, that the commissioner of management and budget  
71.16 shall transfer to the commissioner of commerce's liquidation fund created by this section  
71.17 not to exceed 50 percent of the amount so turned over by the commissioner, to be used to  
71.18 partially defray expenses in connection with the liquidation of closed banks and the conduct  
71.19 of the liquidation division, in such amounts and at such times as the commissioner shall  
71.20 request.

71.21 There is hereby appropriated to the persons entitled to such amounts, from such moneys  
71.22 in the state treasury not otherwise appropriated, an amount sufficient to make such payment.

71.23 Sec. 23. Minnesota Statutes 2016, section 49.24, subdivision 16, is amended to read:

71.24 Subd. 16. **Transfers to liquidation fund.** The following moneys shall be transferred to  
71.25 and deposited in the commissioner of commerce's liquidation fund:

71.26 (1) All moneys paid to the commissioner of management and budget by the commissioner  
71.27 out of funds of any financial institution in the commissioner's hands as reimbursement for  
71.28 services and expenses pursuant to the provisions of subdivision 7.

71.29 (2) All moneys in the possession of the commissioner set aside for the purpose of meeting  
71.30 unforeseen and contingent expenses incident to the liquidation of closed financial institutions,  
71.31 which funds have been or shall be hereafter established by withholding portions of final  
71.32 liquidating dividends in such cases.

71.33 (3) All moneys which the commissioner shall request the commissioner of management  
71.34 and budget to transfer to such fund pursuant to the provisions of subdivision 13.

72.1 (4) All moneys in the possession of the commissioner now carried on the commissioner's  
72.2 books in "stamp account," "suspense account," and "unclaimed deposit account."

72.3 (5) All moneys in the possession of the commissioner which the commissioner may be  
72.4 authorized by order of any district court having jurisdiction of any liquidation proceedings  
72.5 to transfer to such fund, or to use for any of the purposes for which the fund is established.

72.6 (6) All moneys in the possession of the commissioner carried on the commissioner's  
72.7 books in the "unclaimed bonds account." At any time within six years after any bond the  
72.8 proceeds of the sale of which constitute a portion of the moneys in this paragraph referred  
72.9 to came into the possession of the commissioner as liquidator of any financial institution,  
72.10 any claimant thereto may apply to the commissioner for the proceeds of the sale of such  
72.11 bond, and, upon proof satisfactory to the governor, the attorney general, and the  
72.12 commissioner, or a majority of them, they shall give an order to the commissioner of  
72.13 management and budget to issue a ~~warrant~~ warrant payment for such amount, without interest, and  
72.14 such ~~warrant~~ warrant payment shall thereupon be issued and the amount thereof paid out of the  
72.15 commissioner of commerce's liquidation fund. If no such claim be presented within such  
72.16 period, all further claims to the proceeds of any such bond shall be barred.

72.17 (7) All sums which the commissioner may receive from the sale of personal property of  
72.18 liquidated financial institutions where the final dividend has been paid and no disposition  
72.19 of said property made by any order of the court, and the proceeds of sales of any personal  
72.20 property used by the liquidation division which have been purchased with funds of financial  
72.21 institutions in liquidation.

72.22 Sec. 24. Minnesota Statutes 2016, section 69.031, subdivision 1, is amended to read:

72.23 Subdivision 1. **Commissioner's ~~warrant~~ warrant payment.** (a) The commissioner of management  
72.24 and budget shall issue to the Public Employees Retirement Association on behalf of a  
72.25 municipality or independent nonprofit firefighting corporation that is a member of the  
72.26 voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G, to  
72.27 the Department of Natural Resources, the Department of Public Safety, or the county,  
72.28 municipality, or independent nonprofit firefighting corporation certified to the commissioner  
72.29 of management and budget by the commissioner a ~~warrant~~ warrant payment for an amount equal  
72.30 to the amount of fire state aid or police state aid, whichever applies, certified for the  
72.31 applicable state aid recipient by the commissioner under section 69.021.

72.32 (b) Fire state aid and police state aid is payable on October 1 annually. The amount of  
72.33 state aid due and not paid by October 1 accrues interest payable to the state aid recipient at

73.1 the rate of one percent for each month or part of a month that the amount remains unpaid  
73.2 after October 1.

73.3 Sec. 25. Minnesota Statutes 2016, section 80A.65, subdivision 9, is amended to read:

73.4 Subd. 9. **Generally.** No filing for which a fee is required shall be deemed to be filed or  
73.5 given any effect until the proper fee is paid. All fees and charges collected by the  
73.6 administrator shall be covered into the state treasury. When any person is entitled to a refund  
73.7 under this section, the administrator shall certify to the commissioner of management and  
73.8 budget the amount of the fee to be refunded to the applicant, and the commissioner of  
73.9 management and budget shall issue a ~~warrant~~ in payment thereof out of the fund to which  
73.10 such fee was credited in the manner provided by law. There is hereby appropriated to the  
73.11 person entitled to such refunds from the fund in the state treasury to which such fees were  
73.12 credited an amount to make such refunds and payments.

73.13 Sec. 26. Minnesota Statutes 2016, section 84A.23, subdivision 4, is amended to read:

73.14 Subd. 4. **Drainage ditch bonds; reports.** (a) Immediately after a project is approved  
73.15 and accepted and then after each distribution of the tax collections on the June and November  
73.16 tax settlements, the county auditor shall certify to the commissioner of management and  
73.17 budget the following information relating to bonds issued to finance or refinance public  
73.18 drainage ditches wholly or partly within the projects, and the collection of assessments  
73.19 levied on account of the ditches:

73.20 (1) the amount of principal and interest to become due on the bonds before the next tax  
73.21 settlement and distribution;

73.22 (2) the amount of money collected from the drainage assessments and credited to the  
73.23 funds of the ditches; and

73.24 (3) the amount of the deficit in the ditch fund of the county chargeable to the ditches.

73.25 (b) On approving the certificate, the commissioner of management and budget shall  
73.26 ~~draw a warrant~~ issue a payment, payable out of the fund pertaining to the project, for the  
73.27 amount of the deficit in favor of the county.

73.28 (c) As to public drainage ditches wholly within a project, the amount of money paid to  
73.29 or for the benefit of the county under paragraph (b) must never exceed the principal and  
73.30 interest of the bonds issued to finance or refinance the ditches outstanding at the time of  
73.31 the passage and approval of sections 84A.20 to 84A.30, less money on hand in the county  
73.32 ditch fund to the credit of the ditches. The liabilities must be reduced from time to time by

74.1 the amount of all payments of assessments after April 25, 1931, made by the owners of  
74.2 lands assessed before that date for benefits on account of the ditches.

74.3 (d) As to public drainage ditches partly within and partly outside a project, the amount  
74.4 paid from the fund pertaining to the project to or for the benefit of the county must never  
74.5 exceed a certain percentage of bonds issued to finance and refinance the ditches so  
74.6 outstanding, less money on hand in the county ditch fund to the credit of the ditches on  
74.7 April 25, 1931. The percentage must bear the same proportion to the whole amount of these  
74.8 bonds as the original benefits assessed against lands within the project bear to the original  
74.9 total benefits assessed to the entire system of the ditches. This liability shall be reduced  
74.10 from time to time by the payments of all assessments extended after April 25, 1931, made  
74.11 by the owners of lands within the project of assessments for benefits assessed before that  
74.12 date on account of a ditch.

74.13 (e) The commissioner of management and budget may provide and prescribe forms for  
74.14 reports required by sections 84A.20 to 84A.30 and require any additional information from  
74.15 county officials that the commissioner of management and budget considers necessary for  
74.16 the proper administration of sections 84A.20 to 84A.30.

74.17 Sec. 27. Minnesota Statutes 2016, section 84A.33, subdivision 4, is amended to read:

74.18 Subd. 4. **Ditch bonds; funds; payments to counties.** (a) Upon the approval and  
74.19 acceptance of a project and after each distribution of the tax collections for the June and  
74.20 November tax settlements, the county auditor shall certify to the commissioner of  
74.21 management and budget the following information about bonds issued to finance or refinance  
74.22 public drainage ditches wholly or partly within the projects, and the collection of assessments  
74.23 levied for the ditches:

74.24 (1) the amount of principal and interest to become due on the bonds before the next tax  
74.25 settlement and distribution;

74.26 (2) the amount of money collected from the drainage assessments and credited to the  
74.27 funds of the ditches, not already sent to the commissioner of management and budget as  
74.28 provided in sections 84A.31 to 84A.42; and

74.29 (3) the amount of the deficit in the ditch fund of the county chargeable to the ditches.

74.30 (b) On approving this certificate of the county auditor, the commissioner of management  
74.31 and budget shall ~~draw a warrant~~ issue a payment, payable out of the fund provided for in  
74.32 sections 84A.31 to 84A.42, and send it to the county treasurer of the county. These funds  
74.33 must be credited to the proper ditch of the county and placed in the ditch bond fund of the

75.1 county, which is created, and used only to pay the ditch bonded indebtedness of the county  
75.2 assumed by the state under sections 84A.31 to 84A.42. The total amount of ~~warrants drawn~~  
75.3 payments issued must not exceed in any one year the total amount of the deficit provided  
75.4 for under this section.

75.5 (c) The state is subrogated to all title, right, interest, or lien of the county in or on the  
75.6 lands so certified within these projects.

75.7 (d) As to public drainage ditches wholly within a project, the amount paid to, or for the  
75.8 benefit of, the county under this subdivision must never exceed the principal and interest  
75.9 of the bonds issued to finance or refinance a ditch outstanding on April 22, 1933, less money  
75.10 on hand in the county ditch fund to the credit of a ditch. These liabilities must be reduced  
75.11 from time to time by the amount of any payments of assessments extended after April 22,  
75.12 1933, made by the owners of lands assessed before that date for benefits on account of the  
75.13 ditches.

75.14 As to public drainage ditches partly within and partly outside a project the amount paid  
75.15 from the fund pertaining to the project to or for the benefit of the county must never exceed  
75.16 a certain percentage of bonds issued to finance and refinance a ditch so outstanding, less  
75.17 money on hand in the county ditch fund to the credit of a ditch on April 22, 1932. The  
75.18 percentage must bear the same proportion to the whole amount of the bonds as the original  
75.19 benefits assessed against these lands within the project bear to the original total benefits  
75.20 assessed to the entire system for a ditch. This liability must be reduced from time to time  
75.21 by the payments of all assessments extended after April 22, 1933, made by the owners of  
75.22 lands within the project of assessments for benefits assessed before that date on account of  
75.23 a ditch.

75.24 Sec. 28. Minnesota Statutes 2016, section 84A.40, is amended to read:

75.25 **84A.40 COUNTY MAY ASSUME BONDS.**

75.26 Any county where a project or portion of it is located may voluntarily assume, in the  
75.27 manner specified in this section, the obligation to pay a portion of the principal and interest  
75.28 of the bonds issued before the approval and acceptance of the project and remaining unpaid  
75.29 at maturity, of any school district or town in the county and wholly or partly within the  
75.30 project. The portion must bear the same proportion to the whole of the unpaid principal and  
75.31 interest as the last net tax capacity, before the acceptance of the project, of lands then  
75.32 acquired by the state under sections 84A.31 to 84A.42 in the school districts or towns bears  
75.33 to the total net tax capacity for the same year of the school district or town. This assumption  
75.34 must be evidenced by a resolution of the county board of the county. A copy of the resolution

76.1 must be certified to the commissioner of management and budget within one year after the  
76.2 acceptance of the project.

76.3 Later, if any of the bonds remains unpaid at maturity, the county board shall, upon  
76.4 demand of the governing body of the school district or town or of a bondholder, provide  
76.5 for the payment of the portion assumed. The county shall levy general taxes on all the taxable  
76.6 property of the county for that purpose, or issue its bonds to raise the sum needed, conforming  
76.7 to law respecting the issuance of county refunding bonds. The proceeds of taxes or bonds  
76.8 must be paid by the county treasurer to the treasurer of the school district or town. No  
76.9 payments shall be made by the county to the school district or town until the money in the  
76.10 treasury of the school district or town, together with the money to be paid by the county, is  
76.11 sufficient to pay in full each of the bonds as it becomes due.

76.12 If a county fails to adopt and certify the resolution, the commissioner of management  
76.13 and budget shall withhold from the payments to be made to the county under section 84A.32  
76.14 a sum equal to that portion of the principal and interest of the outstanding bonds that bears  
76.15 the same proportion to the whole of the bonds as the above determined net tax capacity of  
76.16 lands acquired by the state within the project bears to the total net tax capacity for the same  
76.17 year of the school district or town. Money withheld from the county must be set aside in  
76.18 the state treasury and not paid to the county until the full principal and interest of the school  
76.19 district and town bonds have been paid.

76.20 If any bonds remain unpaid at maturity, upon the demand of the governing body of the  
76.21 school district or town, or a bondholder, the commissioner of management and budget shall  
76.22 issue to the treasurer of the school district or town a ~~warrant~~ payment for that portion of the  
76.23 past due principal and interest computed as in the case of the county's liability authorized  
76.24 in this section to be voluntarily assumed. Money received by a school district or town under  
76.25 this section must be applied to the payment of past-due bonds and interest.

76.26 Sec. 29. Minnesota Statutes 2016, section 84A.52, is amended to read:

76.27 **84A.52 ACCOUNTS; EXAMINATION, APPROPRIATION, PAYMENT.**

76.28 As a part of the examination provided for by section 6.481, of the accounts of the several  
76.29 counties within a game preserve, area, or project established under section 84A.01, 84A.20,  
76.30 or 84A.31, the state auditor shall segregate the audit of the accounts reflecting the receipt  
76.31 and disbursement of money collected or disbursed under this chapter or from the sale of  
76.32 tax-forfeited lands held by the state under section 84A.07, 84A.26, or 84A.36. The auditor  
76.33 shall also include in the reports required by section 6.481 summary statements as of  
76.34 December 31 before the examination that set forth the proportionate amount of principal

77.1 and interest due from the state to the individual county and any money due the state from  
 77.2 the county remaining unpaid under this chapter, or from the sale of any tax-forfeited lands  
 77.3 referred to in this section, and other information required by the commissioner of management  
 77.4 and budget. On receiving a report, the commissioner of management and budget shall  
 77.5 determine the net amount due to the county for the period covered by the report and shall  
 77.6 ~~draw a warrant~~ issue a payment upon the state treasury payable out of the consolidated fund  
 77.7 for that amount. It must be paid to and received by the county as payment in full of all  
 77.8 amounts due for the period stated on the ~~warrants~~ payments from the state under any  
 77.9 provision of this chapter.

77.10 Money to ~~pay the warrants~~ make the payments is appropriated to the counties entitled  
 77.11 to payment from the consolidated fund in the state treasury.

77.12 Sec. 30. Minnesota Statutes 2016, section 88.12, subdivision 1, is amended to read:

77.13 Subdivision 1. **Limitation.** The compensation and expenses of persons temporarily  
 77.14 employed in emergencies in suppression or control of wildfires shall be fixed by the  
 77.15 commissioner of natural resources or an authorized agent and paid as provided by law. Such  
 77.16 compensation shall not exceed the maximum rate for comparable labor established as  
 77.17 provided by law or rules, but shall not be subject to any minimum rate so established. The  
 77.18 commissioner is authorized to draw and expend from money appropriated for the purposes  
 77.19 of sections 88.03 to 88.22 a reasonable sum and through forest officers or other authorized  
 77.20 agent be used in paying emergency expenses, including just compensation for services  
 77.21 rendered by persons summoned and for private property used, damaged, or appropriated  
 77.22 under sections 88.03 to 88.22. The commissioner of management and budget is authorized  
 77.23 to ~~draw a warrant~~ issue a payment for this sum when duly approved by the commissioner.  
 77.24 The commissioner or agent in charge shall take proper subvouchers or receipts from all  
 77.25 persons to whom these moneys are paid, and after these subvouchers have been approved  
 77.26 they shall be filed with the commissioner of management and budget. Authorized funds as  
 77.27 herein provided at any time shall be deposited, subject to withdrawal or disbursement by  
 77.28 check or otherwise for the purposes herein prescribed, in a bank authorized and bonded to  
 77.29 receive state deposits; and the bond of this bank to the state shall cover and include this  
 77.30 deposit.

77.31 Sec. 31. Minnesota Statutes 2016, section 94.522, is amended to read:

77.32 **94.522 TRANSMISSION OF ~~WARRANTS~~ PAYMENTS TO COUNTY**  
 77.33 **TREASURERS; USE OF PROCEEDS.**

78.1 It shall be the duty of the commissioner of management and budget to transmit ~~warrants~~  
 78.2 ~~on payments from~~ the state treasury to the county treasurer of the respective counties for  
 78.3 the sums that may be due in accordance with section 94.521, which sums are hereby  
 78.4 appropriated out of the state treasury from the amounts received from the United States  
 78.5 government pursuant to the aforesaid acts of Congress, and such money shall be used by  
 78.6 the counties receiving the same for the purposes and in the proportions herein provided.

78.7 Sec. 32. Minnesota Statutes 2016, section 94.53, is amended to read:

78.8 **94.53 ~~WARRANT PAYMENT TO COUNTY TREASURERS; FEDERAL LOANS~~**  
 78.9 **TO COUNTIES.**

78.10 It shall be the duty of the commissioner of management and budget to transmit ~~warrants~~  
 78.11 ~~on payments from~~ the state treasury to the county treasurers of the respective counties for  
 78.12 the sum that may be due in accordance with sections 94.52 to 94.54, which sum or sums  
 78.13 are hereby appropriated out of the state treasury from the amounts received from the United  
 78.14 States government pursuant to the aforesaid act of Congress. The commissioner of  
 78.15 management and budget, upon being notified by the federal government or any agencies  
 78.16 thereof that a loan has been made to any such county the repayment of which is to be made  
 78.17 from such fund, is authorized to transmit a ~~warrant or warrants~~ payment to the federal  
 78.18 government or any agency thereof sufficient to repay such loan out of any money apportioned  
 78.19 or due to such county under the provisions of such act of Congress, approved May 23, 1908  
 78.20 (Statutes at Large, volume 35, page 260).

78.21 Sec. 33. Minnesota Statutes 2016, section 116J.64, subdivision 7, is amended to read:

78.22 Subd. 7. **Processing.** (a) An Indian desiring a loan for the purpose of starting a business  
 78.23 enterprise or expanding an existing business shall make application to the appropriate tribal  
 78.24 government. The application shall be forwarded to the appropriate eligible organization, if  
 78.25 it is participating in the program, for consideration in conformity with the plans submitted  
 78.26 by said tribal governments. The tribal government may approve the application if it  
 78.27 determines that the loan would advance the goals of the Indian business loan program. If  
 78.28 the tribal government is not participating in the program, the agency may directly approve  
 78.29 or deny the loan application.

78.30 (b) If the application is approved, the tribal government shall forward the application,  
 78.31 together with all relevant documents pertinent thereto, to the commissioner of the agency,  
 78.32 who shall ~~cause a warrant~~ request a payment to be drawn in favor of issued to the applicant

79.1 or the applicable tribal government, ~~or the agency~~, if it is administering the loan, with  
79.2 appropriate notations identifying the borrower.

79.3 (c) The tribal government, eligible organization, or the agency, if it is administering the  
79.4 loan, shall maintain records of transactions for each borrower in a manner consistent with  
79.5 good accounting practice. The interest rate on a loan shall be established by the tribal  
79.6 government or the agency, but may be no less than two percent per annum nor more than  
79.7 ten percent per annum. When any portion of a debt is repaid, the tribal government, eligible  
79.8 organization, or the agency, if it is administering the loan, shall remit the amount so received  
79.9 plus interest paid thereon to the commissioner of management and budget through the  
79.10 agency. The amount so received shall be credited to the Indian business loan account.

79.11 (d) On the placing of a loan, additional money equal to ten percent of the total amount  
79.12 made available to any tribal government, eligible organization, or the agency, if it is  
79.13 administering the loan, for loans during the fiscal year shall be paid to the tribal government,  
79.14 eligible organization, or the agency, prior to December 31 for the purpose of financing  
79.15 administrative costs.

79.16 Sec. 34. Minnesota Statutes 2016, section 126C.55, subdivision 2, is amended to read:

79.17 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or intermediate  
79.18 school district believes that it may be unable to make a principal or interest payment on any  
79.19 outstanding debt obligation on the date that payment is due, it must notify the commissioner  
79.20 as soon as possible, but not less than 15 working days before the date that principal or  
79.21 interest payment is due. The notice must include the name of the school district or  
79.22 intermediate school district, an identification of the debt obligation issue in question, the  
79.23 date the payment is due, the amount of principal and interest due on the payment date, the  
79.24 amount of principal or interest that the school district or intermediate school district will be  
79.25 unable to repay on that date, the paying agent for the debt obligation, the wire transfer  
79.26 instructions to transfer funds to that paying agent, and an indication as to whether a payment  
79.27 is being requested by the school district or intermediate school district under this section.  
79.28 If a paying agent becomes aware of a potential default, it shall inform the commissioner of  
79.29 that fact. After receipt of a notice which requests a payment under this section, after  
79.30 consultation with the school district or intermediate school district and the paying agent,  
79.31 and after verification of the accuracy of the information provided, the commissioner shall  
79.32 notify the commissioner of management and budget of the potential default. The notice  
79.33 must include a final figure as to the amount due that the school district or intermediate  
79.34 school district will be unable to repay on the date due.

80.1 (b) Except as provided in subdivision 9, upon receipt of this notice from the  
80.2 commissioner, the commissioner of management and budget shall issue a ~~warrant~~ payment  
80.3 and authorize the commissioner of education to pay to the paying agent for the debt obligation  
80.4 the specified amount on or before the date due. The amounts needed for the purposes of  
80.5 this subdivision are annually appropriated to the department from the state general fund.

80.6 (c) The Departments of Education and Management and Budget must jointly develop  
80.7 detailed procedures for school districts and intermediate school districts to notify the state  
80.8 that they have obligated themselves to be bound by the provisions of this section, procedures  
80.9 for school districts or intermediate school districts and paying agents to notify the state of  
80.10 potential defaults and to request state payment under this section, and procedures for the  
80.11 state to expedite payments to prevent defaults. The procedures are not subject to chapter  
80.12 14.

80.13 Sec. 35. Minnesota Statutes 2016, section 126C.55, subdivision 9, is amended to read:

80.14 Subd. 9. **State bond rating.** If the commissioner of management and budget determines  
80.15 that the credit rating of the state would be adversely affected thereby, the commissioner of  
80.16 management and budget shall not issue ~~warrants~~ payments under subdivision 2 for the  
80.17 payment of principal or interest on any debt obligations for which a district did not, prior  
80.18 to their issuance, obligate itself to be bound by the provisions of this section.

80.19 Sec. 36. Minnesota Statutes 2016, section 126C.68, subdivision 3, is amended to read:

80.20 Subd. 3. **Warrant Payment.** The commissioner shall issue to each district whose note  
80.21 has been so received a ~~warrant~~ payment on the debt service loan account of the maximum  
80.22 effort school loan fund, payable on presentation to the commissioner of management and  
80.23 budget out of any money in such account. The ~~warrant~~ payment shall be issued by the  
80.24 commissioner in sufficient time to coincide with the next date on which the district is  
80.25 obligated to make principal or interest payments on its bonded debt in the ensuing year.  
80.26 Interest must accrue from the date such ~~warrant~~ payment is issued. The proceeds thereof  
80.27 must be used by the district to pay principal or interest on its bonded debt falling due in the  
80.28 ensuing year.

80.29 Sec. 37. Minnesota Statutes 2016, section 126C.69, subdivision 14, is amended to read:

80.30 Subd. 14. **Participation by county auditor; record of contract; payment of loan.** The  
80.31 district must file a copy of the capital loan contract with the county auditor of each county  
80.32 in which any part of the district is situated. The county auditor shall enter the capital loan,

81.1 evidenced by the contract, in the auditor's bond register. The commissioner shall keep a  
 81.2 record of each capital loan and contract showing the name and address of the district, the  
 81.3 date of the contract, and the amount of the loan initially approved. On receipt of the resolution  
 81.4 required in subdivision 12, the commissioner shall issue ~~warrants~~ payments, which may be  
 81.5 dispersed in accordance with the schedule in the contract, on the capital loan account for  
 81.6 the amount that may be disbursed under subdivision 1. Interest on each disbursement of the  
 81.7 capital loan amount accrues from the date on which the commissioner of management and  
 81.8 budget issues the ~~warrant~~ payment.

81.9 Sec. 38. Minnesota Statutes 2016, section 127A.34, subdivision 1, is amended to read:

81.10 Subdivision 1. **Copy to commissioner of management and budget; appropriation.**  
 81.11 The commissioner shall furnish a copy of the apportionment of the school endowment fund  
 81.12 to the commissioner of management and budget, who thereupon shall ~~draw warrants on~~  
 81.13 issue payments from the state treasury, payable to the several districts, for the amount due  
 81.14 each district. There is hereby annually appropriated from the school endowment fund the  
 81.15 amount of such apportionments.

81.16 Sec. 39. Minnesota Statutes 2016, section 127A.40, is amended to read:

81.17 **127A.40 MANNER OF PAYMENT OF STATE AIDS.**

81.18 It shall be the duty of the commissioner to deliver to the commissioner of management  
 81.19 and budget a certificate for each district entitled to receive state aid under the provisions of  
 81.20 this chapter. Upon the receipt of such certificate, it shall be the duty of the commissioner  
 81.21 of management and budget to ~~draw a warrant in favor of~~ issue a payment to the district for  
 81.22 the amount shown by each certificate to be due to the district. The commissioner of  
 81.23 management and budget shall transmit such ~~warrants~~ payments to the district together with  
 81.24 a copy of the certificate prepared by the commissioner.

81.25 Sec. 40. Minnesota Statutes 2016, section 136F.46, subdivision 1, is amended to read:

81.26 Subdivision 1. **Request; ~~warrant~~ payment.** The commissioner of management and  
 81.27 budget, upon the written request of an employee of the board, may deduct from an employee's  
 81.28 salary or wages the amount requested for payment to a nonprofit state college or university  
 81.29 foundation meeting the requirements in subdivision 2. The commissioner shall issue a  
 81.30 ~~warrant~~ payment for the deducted amount to the nonprofit foundation. The Penny Fellowship  
 81.31 and the Nellie Stone Johnson Scholarship Program of the Minnesota State University Student

82.1 Association shall be considered nonprofit state college and university foundations for  
82.2 purposes of this section.

82.3 Sec. 41. Minnesota Statutes 2016, section 136F.70, subdivision 3, is amended to read:

82.4 Subd. 3. **Refunds.** The board may make refunds to students for tuition, activity fees,  
82.5 union fees, and any other fees from imprest cash funds. The imprest cash fund shall be  
82.6 reimbursed periodically by ~~checks or warrants drawn on~~ payments issued from the funds  
82.7 and accounts to which the refund should ultimately be charged. The amounts necessary to  
82.8 pay the refunds are appropriated from the funds and accounts to which they are charged.

82.9 Sec. 42. Minnesota Statutes 2016, section 162.08, subdivision 10, is amended to read:

82.10 Subd. 10. **Project approval, reports.** When the county board of any county determines  
82.11 to do any construction work on a county state-aid highway or other road eligible for the  
82.12 expenditure of state aid funds within the county, and desires to expend on such work a  
82.13 portion of the money apportioned or allocated to it out of the county state-aid highway fund,  
82.14 the county shall first obtain approval of the project by the commissioner. Thereafter the  
82.15 county engineer shall make such reports in such manner as the commissioner requires under  
82.16 rules of the commissioner. Upon receipt of satisfactory reports, the commissioner shall  
82.17 certify to the commissioner of management and budget the amount of money that is eligible  
82.18 to be paid from the county's apportionment or allocation for the work under contract or  
82.19 actually completed. The commissioner of management and budget shall thereupon issue a  
82.20 ~~warrant payment~~ payment in that amount payable to the county treasurer. In no event shall the ~~warrant~~  
82.21 payment with all other ~~warrants payments~~ payments issued exceed the amount apportioned and  
82.22 allocated to the county.

82.23 Sec. 43. Minnesota Statutes 2016, section 162.08, subdivision 11, is amended to read:

82.24 Subd. 11. **Certification required to issue ~~warrants~~ payment.** The commissioner of  
82.25 management and budget shall not issue any ~~warrants payments~~ payments without the certification of  
82.26 the commissioner.

82.27 Sec. 44. Minnesota Statutes 2016, section 162.14, subdivision 4, is amended to read:

82.28 Subd. 4. **Project approval and reports.** When the governing body of any such city  
82.29 determines to do any construction work on any municipal state-aid street or other streets  
82.30 within the city upon which money apportioned out of the municipal state-aid street fund  
82.31 may be used as provided in subdivision 2, the governing body shall first obtain the approval

83.1 of the commissioner. Thereafter, the engineer of the city shall make reports in such manner  
83.2 as the commissioner requires in accordance with the commissioner's rules. Upon receipt of  
83.3 satisfactory reports the commissioner shall certify to the commissioner of management and  
83.4 budget the amount of money that is eligible to be paid from the city's apportionment for the  
83.5 work under contract or actually completed. The commissioner of management and budget  
83.6 shall thereupon issue a ~~warrant~~ warrant payment in that amount payable to the fiscal officers of the  
83.7 city. In no event shall the ~~warrant~~ warrant payment with all other ~~warrants~~ warrant payments issued exceed  
83.8 the amount apportioned to the city.

83.9 Sec. 45. Minnesota Statutes 2016, section 162.14, subdivision 5, is amended to read:

83.10 Subd. 5. **Certification required to issue ~~warrant~~ warrant payment.** The commissioner of  
83.11 management and budget shall not issue any ~~warrants~~ warrant payments as provided for in subdivision  
83.12 4 without the prior certification of the commissioner.

83.13 Sec. 46. Minnesota Statutes 2016, section 162.18, subdivision 4, is amended to read:

83.14 Subd. 4. **Certification to commissioner of money required.** Any municipality issuing  
83.15 and selling bonds pursuant to this section shall certify to the commissioner the amount of  
83.16 money required annually for the payment of principal and interest on the obligation. Upon  
83.17 receipt thereof, the commissioner shall certify to the commissioner of management and  
83.18 budget the sum of money needed annually by the municipality for the principal and interest,  
83.19 provided that the amount certified by the commissioner shall not exceed the limit heretofore  
83.20 specified. The commissioner of management and budget shall thereafter, until said bonds  
83.21 are retired, issue a ~~warrant~~ warrant payment annually in the amount certified payable to the fiscal  
83.22 officer of the municipality, and the amount thereof shall be deposited by the fiscal officer  
83.23 in the sinking fund from which the obligations are payable.

83.24 Sec. 47. Minnesota Statutes 2016, section 162.181, subdivision 4, is amended to read:

83.25 Subd. 4. **Certification to commissioner of money required.** Any county issuing and  
83.26 selling bonds pursuant to this section shall certify to the commissioner the amount of money  
83.27 required annually for the payment of principal and interest on the obligation. Upon receipt  
83.28 thereof, the commissioner shall certify to the commissioner of management and budget the  
83.29 sum of money needed annually by the county for the principal and interest, provided that  
83.30 the amount certified by the commissioner shall not exceed the limit heretofore specified.  
83.31 The commissioner of management and budget shall thereafter, until said bonds are retired,  
83.32 issue a ~~warrant~~ warrant payment annually in the amount certified payable to the county treasurer of

84.1 the county, and the amount thereof shall be deposited by the county treasurer in the sinking  
84.2 fund from which the obligations are payable.

84.3 Sec. 48. Minnesota Statutes 2016, section 163.051, subdivision 3, is amended to read:

84.4 Subd. 3. **Distribution to county; appropriation.** On a monthly basis, the registrar of  
84.5 motor vehicles shall issue a ~~warrant~~ payment in favor of the treasurer of each county for  
84.6 which the registrar has collected a wheelage tax in the amount of such tax then on hand in  
84.7 the county wheelage tax account. There is hereby appropriated from the county wheelage  
84.8 tax account each year, to each county entitled to payments authorized by this section,  
84.9 sufficient moneys to make such payments.

84.10 Sec. 49. Minnesota Statutes 2016, section 176.181, subdivision 2, is amended to read:

84.11 Subd. 2. **Compulsory insurance; self-insurers.** (a) Every employer, except the state  
84.12 and its municipal subdivisions, liable under this chapter to pay compensation shall insure  
84.13 payment of compensation with some insurance carrier authorized to insure workers'  
84.14 compensation liability in this state, or obtain a written order from the commissioner of  
84.15 commerce exempting the employer from insuring liability for compensation and permitting  
84.16 self-insurance of the liability. The terms, conditions and requirements governing  
84.17 self-insurance shall be established by the commissioner pursuant to chapter 14. The  
84.18 commissioner of commerce shall also adopt, pursuant to paragraph (d), rules permitting  
84.19 two or more employers, whether or not they are in the same industry, to enter into agreements  
84.20 to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers.  
84.21 With the approval of the commissioner of commerce, any employer may exclude medical,  
84.22 chiropractic and hospital benefits as required by this chapter. An employer conducting  
84.23 distinct operations at different locations may either insure or self-insure the other portion  
84.24 of operations as a distinct and separate risk. An employer desiring to be exempted from  
84.25 insuring liability for compensation shall make application to the commissioner of commerce,  
84.26 showing financial ability to pay the compensation, whereupon by written order the  
84.27 commissioner of commerce, on deeming it proper, may make an exemption. An employer  
84.28 may establish financial ability to pay compensation by providing financial statements of  
84.29 the employer to the commissioner of commerce. Upon ten days' written notice the  
84.30 commissioner of commerce may revoke the order granting an exemption, in which event  
84.31 the employer shall immediately insure the liability. As a condition for the granting of an  
84.32 exemption the commissioner of commerce may require the employer to furnish security the  
84.33 commissioner of commerce considers sufficient to insure payment of all claims under this  
84.34 chapter, consistent with subdivision 2b. If the required security is in the form of currency

85.1 or negotiable bonds, the commissioner of commerce shall deposit it with the commissioner  
85.2 of management and budget. In the event of any default upon the part of a self-insurer to  
85.3 abide by any final order or decision of the commissioner of labor and industry directing and  
85.4 awarding payment of compensation and benefits to any employee or the dependents of any  
85.5 deceased employee, then upon at least ten days' notice to the self-insurer, the commissioner  
85.6 of commerce may by written order to the commissioner of management and budget require  
85.7 the commissioner of management and budget to sell the pledged and assigned securities or  
85.8 a part thereof necessary to pay the full amount of any such claim or award with interest  
85.9 thereon. This authority to sell may be exercised from time to time to satisfy any order or  
85.10 award of the commissioner of labor and industry or any judgment obtained thereon. When  
85.11 securities are sold the money obtained shall be deposited in the state treasury to the credit  
85.12 of the commissioner of commerce and awards made against any such self-insurer by the  
85.13 commissioner of commerce shall be paid to the persons entitled thereto by the commissioner  
85.14 of management and budget upon ~~warrants prepared~~ payments requested by the commissioner  
85.15 of commerce out of the proceeds of the sale of securities. Where the security is in the form  
85.16 of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at  
85.17 least ten days' notice and opportunity to be heard, may require the surety to pay the amount  
85.18 of the award, the payments to be enforced in like manner as the award may be enforced.

85.19 (b) No association, corporation, partnership, sole proprietorship, trust or other business  
85.20 entity shall provide services in the design, establishment or administration of a group  
85.21 self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed, or  
85.22 exempt from licensure, pursuant to section 60A.23, subdivision 8, to do so by the  
85.23 commissioner of commerce. An applicant for a license shall state in writing the type of  
85.24 activities it seeks authorization to engage in and the type of services it seeks authorization  
85.25 to provide. The license shall be granted only when the commissioner of commerce is satisfied  
85.26 that the entity possesses the necessary organization, background, expertise, and financial  
85.27 integrity to supply the services sought to be offered. The commissioner of commerce may  
85.28 issue a license subject to restrictions or limitations, including restrictions or limitations on  
85.29 the type of services which may be supplied or the activities which may be engaged in. The  
85.30 license is for a two-year period.

85.31 (c) To assure that group self-insurance plans are financially solvent, administered in a  
85.32 fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and  
85.33 equitable manner, entities licensed to engage in such business are subject to supervision  
85.34 and examination by the commissioner of commerce.

86.1 (d) To carry out the purposes of this subdivision, the commissioner of commerce may  
86.2 promulgate administrative rules pursuant to sections 14.001 to 14.69. These rules may:

86.3 (1) establish reporting requirements for administrators of group self-insurance plans;

86.4 (2) establish standards and guidelines consistent with subdivision 2b to assure the  
86.5 adequacy of the financing and administration of group self-insurance plans;

86.6 (3) establish bonding requirements or other provisions assuring the financial integrity  
86.7 of entities administering group self-insurance plans;

86.8 (4) establish standards, including but not limited to minimum terms of membership in  
86.9 self-insurance plans, as necessary to provide stability for those plans;

86.10 (5) establish standards or guidelines governing the formation, operation, administration,  
86.11 and dissolution of self-insurance plans; and

86.12 (6) establish other reasonable requirements to further the purposes of this subdivision.

86.13 Sec. 50. Minnesota Statutes 2016, section 176.581, is amended to read:

86.14 **176.581 PAYMENT TO STATE EMPLOYEES.**

86.15 Upon a ~~warrant~~ warrant request prepared by the commissioner of administration, and in  
86.16 accordance with the terms of the order awarding compensation, the commissioner of  
86.17 management and budget shall pay compensation to the employee or the employee's  
86.18 dependent. These payments shall be made from money appropriated for this purpose.

86.19 Sec. 51. Minnesota Statutes 2016, section 176.591, subdivision 3, is amended to read:

86.20 Subd. 3. **Compensation payments upon ~~warrants~~ warrant request.** The commissioner of  
86.21 management and budget shall make compensation payments from the fund only as authorized  
86.22 by this chapter upon ~~warrants~~ warrant request of the commissioner of administration.

86.23 Sec. 52. Minnesota Statutes 2016, section 192.55, is amended to read:

86.24 **192.55 PAYMENTS TO BE MADE THROUGH ADJUTANT GENERAL.**

86.25 All pay and allowances and necessary expenses for any of the military forces shall, when  
86.26 approved by the adjutant general, be paid by the commissioner of management and budget's  
86.27 ~~warrants issued~~ budget to the several officers and enlisted members entitled thereto; provided,  
86.28 that upon the request of the adjutant general, approved by the governor, the sum required  
86.29 for any such pay or allowances and necessary expenses shall be paid by the commissioner  
86.30 of management and budget's ~~warrant~~ budget to the adjutant general, who shall immediately

87.1 pay and distribute the same to the several officers or enlisted members entitled thereto or  
87.2 to their commanding officers or to a finance officer designated by the adjutant general. The  
87.3 receipt of any such commanding officer or finance officer for any such payment shall  
87.4 discharge the adjutant general from liability therefor. Every commanding officer or finance  
87.5 officer receiving any such payment shall, as soon as practicable, pay and distribute the same  
87.6 to the several officers or enlisted members entitled thereto. The officer making final payment  
87.7 shall, as evidence thereof, secure the signature of the person receiving the same upon a  
87.8 payroll or other proper voucher.

87.9 Sec. 53. Minnesota Statutes 2016, section 196.052, is amended to read:

87.10 **196.052 GIFT ACCEPTANCE AND INVESTMENT.**

87.11 On the behalf of the state, the commissioner may accept any gift, grant, bequest, or  
87.12 devise made for the purposes of this chapter and chapter 197. The commissioner must  
87.13 administer the funds as directed by the donor. All funds must be deposited in the state  
87.14 treasury and credited to the veterans affairs endowment, bequest, and devises fund. The  
87.15 balance of the fund is annually appropriated to the commissioner of veterans affairs to  
87.16 accomplish the purposes of this chapter and chapter 197. Funds received by the commissioner  
87.17 under this section in excess of current needs must be invested by the State Board of  
87.18 Investment in accordance with section 11A.24. Disbursements from this fund must be in  
87.19 the manner provided for the issuance of other state ~~warrants~~ payments. The commissioner  
87.20 may refuse to accept any gift, grant, bequest, or devise if acceptance would not be in the  
87.21 best interest of the state or Minnesota's veterans.

87.22 Sec. 54. Minnesota Statutes 2016, section 198.16, is amended to read:

87.23 **198.16 PLANNED GIVING.**

87.24 The commissioner is authorized to accept on behalf of the state any gift, grant, bequest,  
87.25 or devise made for the purposes of this chapter, and administer the same as directed by the  
87.26 donor. All proceeds therefrom including money derived from the sale of any real or personal  
87.27 property must be deposited in the state treasury, invested by the State Board of Investment  
87.28 in accordance with sections 11A.24 and 11A.25, and credited to the Minnesota veterans  
87.29 home endowment, bequest, and devises fund. That fund consists of separate accounts for  
87.30 investing general and restricted gifts, money, and donations received and for any currently  
87.31 expendable proceeds.

87.32 The commissioner shall maintain records of all gifts received, clearly showing the identity  
87.33 of the donor, the purpose of the donation, and the ultimate disposition of the donation. Each

88.1 donation must be duly receipted and must be expended or used by the commissioner as  
88.2 nearly in accordance with the condition of the gift or donation as is compatible with the  
88.3 best interests of the residents of the homes. Money in the fund is appropriated to the  
88.4 commissioner for the purposes for which it was received. Disbursements from this fund  
88.5 shall be made in the manner provided for the issuance of other state ~~warrants~~ payments.

88.6 Whenever the commissioner shall deem it advisable, in accordance with law, to sell or  
88.7 otherwise dispose of any real or personal property thus acquired, the commissioner of  
88.8 administration upon the request of the commissioner shall sell or otherwise dispose of said  
88.9 property in the manner provided by law for the sale or disposition of other state property  
88.10 by the commissioner of administration.

88.11 Sec. 55. Minnesota Statutes 2016, section 237.30, is amended to read:

88.12 **237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.**

88.13 A Minnesota Telephone Investigation Fund shall exist for the use of the Department of  
88.14 Commerce and of the attorney general in investigations, valuations, and revaluations under  
88.15 section 237.295. All sums paid by the telephone companies to reimburse the department  
88.16 for its expenses pursuant to section 237.295 shall be credited to the revolving fund and shall  
88.17 be deposited in a separate bank account and not commingled with any other state funds or  
88.18 moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal  
88.19 year shall be paid into the state treasury and credited to the general fund. All subsequent  
88.20 credits to said revolving fund shall be paid ~~upon the warrant of~~ by the commissioner of  
88.21 management and budget upon application of the department or of the attorney general to  
88.22 an aggregate amount of not more than one-half of such sums to each of them, which  
88.23 proportion shall be constantly maintained in all credits and withdrawals from the revolving  
88.24 fund.

88.25 Sec. 56. Minnesota Statutes 2016, section 241.13, subdivision 1, is amended to read:

88.26 Subdivision 1. **Contingent account.** The commissioner of corrections may permit a  
88.27 contingent account to remain in the hands of the accounting officer of any such institution  
88.28 from which expenditures may be made in case of actual emergency requiring immediate  
88.29 payment to prevent loss or danger to the institution or its inmates and for the purpose of  
88.30 paying freight, purchasing produce, livestock and other commodities requiring a cash  
88.31 settlement, and for the purpose of discounting bills incurred, but in all cases subject to  
88.32 revision by the commissioner of corrections. An itemized statement of every expenditure  
88.33 made during the month from such account shall be submitted to the commissioner under

89.1 rules established by the commissioner. If necessary, the commissioner shall make proper  
89.2 requisition upon the commissioner of management and budget for a ~~warrant~~ payment to  
89.3 secure the contingent account for each institution.

89.4 Sec. 57. Minnesota Statutes 2016, section 244.19, subdivision 7, is amended to read:

89.5 Subd. 7. **Certificate of counties entitled to state aid.** On or before January 1 of each  
89.6 year, until 1970 and on or before April 1 thereafter, the commissioner of corrections shall  
89.7 deliver to the commissioner of management and budget a certificate in duplicate for each  
89.8 county of the state entitled to receive state aid under the provisions of this section. Upon  
89.9 the receipt of such certificate, the commissioner of management and budget shall ~~draw a~~  
89.10 ~~warrant in favor of~~ issue a payment to the county treasurer for the amount shown by each  
89.11 certificate to be due to the county specified. The commissioner of management and budget  
89.12 shall transmit such ~~warrant~~ payment to the county treasurer together with a copy of the  
89.13 certificate prepared by the commissioner of corrections.

89.14 Sec. 58. Minnesota Statutes 2016, section 256B.20, is amended to read:

89.15 **256B.20 COUNTY APPROPRIATIONS.**

89.16 The providing of funds necessary to carry out the provisions hereof on the part of the  
89.17 counties and the manner of administering the funds of the counties and the state shall be as  
89.18 follows:

89.19 (1) The board of county commissioners of each county shall annually set up in its budget  
89.20 an item designated as the county medical assistance fund and levy taxes and fix a rate  
89.21 therefor sufficient to produce the full amount of such item, in addition to all other tax levies  
89.22 and tax rate, however fixed or determined, sufficient to carry out the provisions hereof and  
89.23 sufficient to pay in full the county share of assistance and administrative expense for the  
89.24 ensuing year; and annually on or before October 10 shall certify the same to the county  
89.25 auditor to be entered by the auditor on the tax rolls. Such tax levy and tax rate shall make  
89.26 proper allowance and provision for shortage in tax collections.

89.27 (2) Any county may transfer surplus funds from any county fund, except the sinking or  
89.28 ditch fund, to the general fund or to the county medical assistance fund in order to provide  
89.29 money necessary to pay medical assistance awarded hereunder. The money so transferred  
89.30 shall be used for no other purpose, but any portion thereof no longer needed for such purpose  
89.31 shall be transferred back to the fund from which taken.

90.1 (3) Upon the order of the county agency the county auditor shall draw a warrant on the  
90.2 proper fund in accordance with the order, and the county treasurer shall pay out the amounts  
90.3 ordered to be paid out as medical assistance hereunder. When necessary by reason of failure  
90.4 to levy sufficient taxes for the payment of the medical assistance in the county, the county  
90.5 auditor shall carry any such payments as an overdraft on the medical assistance funds of  
90.6 the county until sufficient tax funds shall be provided for such assistance payments. The  
90.7 board of county commissioners shall include in the tax levy and tax rate in the year following  
90.8 the year in which such overdraft occurred, an amount sufficient to liquidate such overdraft  
90.9 in full.

90.10 (4) Claims for reimbursement and reports shall be presented to the state agency by the  
90.11 respective counties as required under section 256.01, subdivision 2, paragraph (p). The state  
90.12 agency shall audit such claims and certify to the commissioner of management and budget  
90.13 the amounts due the respective counties without delay. The amounts so certified shall be  
90.14 paid within ten days after such certification, from the state treasury upon ~~warrant~~ payment  
90.15 of the commissioner of management and budget from any money available therefor. The  
90.16 money available to the state agency to carry out the provisions hereof, including all federal  
90.17 funds available to the state, shall be kept and deposited by the commissioner of management  
90.18 and budget in the revenue fund and disbursed ~~upon warrants~~ in the same manner as other  
90.19 state funds.

90.20 Sec. 59. Minnesota Statutes 2016, section 260B.331, subdivision 2, is amended to read:

90.21 Subd. 2. **Cost of group foster care.** Whenever a child is placed in a group foster care  
90.22 facility as provided in section 260B.198, subdivision 1, clause (2) or (3), item (v), the cost  
90.23 of providing the care shall, upon certification by the juvenile court, be paid from the welfare  
90.24 fund of the county in which the proceedings were held. To reimburse the counties for the  
90.25 costs of providing group foster care for delinquent children and to promote the establishment  
90.26 of suitable group foster homes, the state shall quarterly, from funds appropriated for that  
90.27 purpose, reimburse counties 50 percent of the costs not paid by federal and other available  
90.28 state aids and grants. Reimbursement shall be prorated if the appropriation is insufficient.

90.29 The commissioner of corrections shall establish procedures for reimbursement and certify  
90.30 to the commissioner of management and budget each county entitled to receive state aid  
90.31 under the provisions of this subdivision. Upon receipt of a certificate the commissioner of  
90.32 management and budget shall issue a state ~~warrant~~ payment to the county treasurer for the  
90.33 amount due, together with a copy of the certificate prepared by the commissioner of  
90.34 corrections.

91.1 Sec. 60. Minnesota Statutes 2016, section 260C.331, subdivision 2, is amended to read:

91.2 Subd. 2. **Cost of group foster care.** Whenever a child is placed in a group foster care  
91.3 facility as provided in section 260C.201, subdivision 1, paragraph (b), clause (2) or (3), the  
91.4 cost of providing the care shall, upon certification by the juvenile court, be paid from the  
91.5 welfare fund of the county in which the proceedings were held. To reimburse the counties  
91.6 for the costs of promoting the establishment of suitable group foster homes, the state shall  
91.7 quarterly, from funds appropriated for that purpose, reimburse counties 50 percent of the  
91.8 costs not paid by federal and other available state aids and grants. Reimbursement shall be  
91.9 prorated if the appropriation is insufficient.

91.10 The commissioner of corrections shall establish procedures for reimbursement and certify  
91.11 to the commissioner of management and budget each county entitled to receive state aid  
91.12 under the provisions of this subdivision. Upon receipt of a certificate the commissioner of  
91.13 management and budget shall issue a state ~~warrant~~ payment to the county treasurer for the  
91.14 amount due, together with a copy of the certificate prepared by the commissioner of  
91.15 corrections.

91.16 Sec. 61. Minnesota Statutes 2016, section 273.121, subdivision 1, is amended to read:

91.17 Subdivision 1. **Notice.** Any county assessor or city assessor having the powers of a  
91.18 county assessor, valuing or classifying taxable real property shall in each year notify those  
91.19 persons whose property is to be included on the assessment roll that year if the person's  
91.20 address is known to the assessor, otherwise the occupant of the property. The notice shall  
91.21 be in writing and shall be sent by ordinary mail at least ten days before the meeting of the  
91.22 local board of appeal and equalization under section 274.01 or the review process established  
91.23 under section 274.13, subdivision 1c. Upon written request by the owner of the property,  
91.24 the assessor may send the notice in electronic form or by electronic mail instead of on paper  
91.25 or by ordinary mail. It shall contain: (1) the market value for the current and prior assessment,  
91.26 (2) the qualifying amount of any improvements under section 273.11, subdivision 16, for  
91.27 the current assessment, (3) the market value subject to taxation after subtracting the amount  
91.28 of any qualifying improvements for the current assessment, (4) the classification of the  
91.29 property for the current and prior assessment, (5) the assessor's office address, and (6) the  
91.30 dates, places, and times set for the meetings of the local board of appeal and equalization,  
91.31 the review process established under section 274.13, subdivision 1c, and the county board  
91.32 of appeal and equalization. If the classification of the property has changed between the  
91.33 current and prior assessments, a specific note to that effect shall be prominently listed on  
91.34 the statement. The commissioner of revenue shall specify the form of the notice. The assessor

92.1 shall attach to the assessment roll a statement that the notices required by this section have  
 92.2 been mailed. Any assessor who is not provided sufficient funds from the assessor's governing  
 92.3 body to provide such notices, may make application to the commissioner of revenue to  
 92.4 finance such notices. The commissioner of revenue shall conduct an investigation and, if  
 92.5 satisfied that the assessor does not have the necessary funds, issue a certification to the  
 92.6 commissioner of management and budget of the amount necessary to provide such notices.  
 92.7 The commissioner of management and budget shall issue a ~~warrant~~ payment for such amount  
 92.8 and shall deduct such amount from any state payment to such county or municipality. The  
 92.9 necessary funds to make such payments are hereby appropriated. Failure to receive the  
 92.10 notice shall in no way affect the validity of the assessment, the resulting tax, the procedures  
 92.11 of any board of review or equalization, or the enforcement of delinquent taxes by statutory  
 92.12 means.

92.13 Sec. 62. Minnesota Statutes 2016, section 287.08, is amended to read:

92.14 **287.08 TAX, HOW PAYABLE; RECEIPTS.**

92.15 (a) The tax imposed by sections 287.01 to 287.12 must be paid to the treasurer of any  
 92.16 county in this state in which the real property or some part is located at or before the time  
 92.17 of filing the mortgage for record. The treasurer shall endorse receipt on the mortgage and  
 92.18 the receipt is conclusive proof that the tax has been paid in the amount stated and authorizes  
 92.19 any county recorder or registrar of titles to record the mortgage. Its form, in substance, shall  
 92.20 be "registration tax hereon of ..... dollars paid." If the mortgage is exempt from  
 92.21 taxation the endorsement shall, in substance, be "exempt from registration tax." In either  
 92.22 case the receipt must be signed by the treasurer. In case the treasurer is unable to determine  
 92.23 whether a claim of exemption should be allowed, the tax must be paid as in the case of a  
 92.24 taxable mortgage. For documents submitted electronically, the endorsements and tax amount  
 92.25 shall be affixed electronically and no signature by the treasurer will be required. The actual  
 92.26 payment method must be arranged in advance between the submitter and the receiving  
 92.27 county.

92.28 (b) The county treasurer may refund in whole or in part any mortgage registry tax  
 92.29 overpayment if a written application by the taxpayer is submitted to the county treasurer  
 92.30 within 3-1/2 years from the date of the overpayment. If the county has not issued a denial  
 92.31 of the application, the taxpayer may bring an action in Tax Court in the county in which  
 92.32 the tax was paid at any time after the expiration of six months from the time that the  
 92.33 application was submitted. A denial of refund may be appealed within 60 days from the  
 92.34 date of the denial by bringing an action in Tax Court in the county in which the tax was

93.1 paid. The action is commenced by the serving of a petition for relief on the county treasurer,  
93.2 and by filing a copy with the court. The county attorney shall defend the action. The county  
93.3 treasurer shall notify the treasurer of each county that has or would receive a portion of the  
93.4 tax as paid.

93.5 (c) If the county treasurer determines a refund should be paid, or if a refund is ordered  
93.6 by the court, the county treasurer of each county that actually received a portion of the tax  
93.7 shall immediately pay a proportionate share of three percent of the refund using any available  
93.8 county funds. The county treasurer of each county that received, or would have received,  
93.9 a portion of the tax shall also pay their county's proportionate share of the remaining 97  
93.10 percent of the court-ordered refund on or before the 20th day of the following month using  
93.11 solely the mortgage registry tax funds that would be paid to the commissioner of revenue  
93.12 on that date under section 287.12. If the funds on hand under this procedure are insufficient  
93.13 to fully fund 97 percent of the court-ordered refund, the county treasurer of the county in  
93.14 which the action was brought shall file a claim with the commissioner of revenue under  
93.15 section 16A.48 for the remaining portion of 97 percent of the refund, and shall pay over the  
93.16 remaining portion upon receipt of a ~~warrant~~ payment from the state issued pursuant to the  
93.17 claim.

93.18 (d) When any mortgage covers real property located in more than one county in this  
93.19 state the total tax must be paid to the treasurer of the county where the mortgage is first  
93.20 presented for recording, and the payment must be receipted as provided in paragraph (a).  
93.21 If the principal debt or obligation secured by such a multiple county mortgage exceeds  
93.22 \$10,000,000, the nonstate portion of the tax must be divided and paid over by the county  
93.23 treasurer receiving it, on or before the 20th day of each month after receipt, to the county  
93.24 or counties entitled in the ratio that the estimated market value of the real property covered  
93.25 by the mortgage in each county bears to the estimated market value of all the real property  
93.26 in this state described in the mortgage. In making the division and payment the county  
93.27 treasurer shall send a statement giving the description of the real property described in the  
93.28 mortgage and the estimated market value of the part located in each county. For this purpose,  
93.29 the treasurer of any county may require the treasurer of any other county to certify to the  
93.30 former the estimated market value of any tract of real property in any mortgage.

93.31 (e) The mortgagor must pay the tax imposed by sections 287.01 to 287.12. The mortgagee  
93.32 may undertake to collect and remit the tax on behalf of the mortgagor. If the mortgagee  
93.33 collects money from the mortgagor to remit the tax on behalf of the mortgagor, the mortgagee  
93.34 has a fiduciary duty to remit the tax on behalf of the mortgagor as to the amount of the tax

94.1 collected for that purpose and the mortgagor is relieved of any further obligation to pay the  
94.2 tax as to the amount collected by the mortgagee for this purpose.

94.3 Sec. 63. Minnesota Statutes 2016, section 297I.10, subdivision 1, is amended to read:

94.4 Subdivision 1. **Cities of the first class.** (a) The commissioner shall order and direct a  
94.5 surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross  
94.6 premiums, less return premiums, on all direct business received by any licensed foreign or  
94.7 domestic fire insurance company on property in a city of the first class, or by its agents for  
94.8 it, in cash or otherwise.

94.9 (b) By July 31 and December 31 of each year, the commissioner of management and  
94.10 budget shall ~~pay~~ issue to each city of the first class a ~~warrant~~ payment for an amount equal  
94.11 to the total amount of the surcharge on the premiums collected within that city since the  
94.12 previous payment.

94.13 (c) The treasurer of the city shall place the money received under this subdivision in a  
94.14 special account or fund to defray all or a portion of the employer contribution requirement  
94.15 of public employees police and fire plan coverage for city firefighters.

94.16 Sec. 64. Minnesota Statutes 2016, section 299C.21, is amended to read:

94.17 **299C.21 PENALTY ON LOCAL OFFICER REFUSING INFORMATION.**

94.18 If any public official charged with the duty of furnishing to the bureau fingerprint records,  
94.19 biological specimens, reports, or other information required by sections 299C.06, 299C.10,  
94.20 299C.105, 299C.11, 299C.17, shall neglect or refuse to comply with such requirement, the  
94.21 bureau, in writing, shall notify the state, county, or city officer charged with the issuance  
94.22 of ~~a warrant~~ for the payment of the salary of such official. Upon the receipt of the notice  
94.23 the state, county, or city official shall withhold the issuance of ~~a warrant~~ for the payment  
94.24 of the salary or other compensation accruing to such officer for the period of 30 days  
94.25 thereafter until notified by the bureau that such suspension has been released by the  
94.26 performance of the required duty.

94.27 Sec. 65. Minnesota Statutes 2016, section 348.05, is amended to read:

94.28 **348.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO ISSUE**  
94.29 **WARRANT PAYMENT.**

94.30 The commissioner of management and budget shall audit all such claims, and, on the  
94.31 first Monday of October, in each year, shall issue a ~~warrant~~ payment to the several claimants

95.1 for the amount to which each is entitled; but, if the aggregate of compensation due to all  
 95.2 such claimants shall exceed the appropriation therefor, the commissioner shall distribute  
 95.3 the available amount amongst them pro rata, which distribution shall relieve the state from  
 95.4 further obligation to such claimants for the year.

95.5 Sec. 66. Minnesota Statutes 2016, section 352.04, subdivision 9, is amended to read:

95.6 Subd. 9. **Erroneous deductions, canceled ~~warrants~~ payments.** (a) Deductions taken  
 95.7 from the salary of an employee for the retirement fund in excess of required amounts must,  
 95.8 upon discovery and verification by the department making the deduction, be refunded to  
 95.9 the employee.

95.10 (b) If a deduction for the retirement fund is taken from a salary ~~warrant or check~~ payment,  
 95.11 and the ~~check~~ payment is canceled or the amount of the ~~warrant or check~~ payment returned  
 95.12 to the funds of the department making the payment, the sum deducted, or the part of it  
 95.13 required to adjust the deductions, must be refunded to the department or institution if the  
 95.14 department applies for the refund on a form furnished by the director. The department's  
 95.15 payments must likewise be refunded to the department.

95.16 (c) If erroneous employee deductions and employer contributions are caused by an error  
 95.17 in plan coverage involving the plan and any other plans specified in section 356.99, that  
 95.18 section applies. If the employee should have been covered by the plan governed by chapter  
 95.19 352D, 353D, 354B, or 354D, the employee deductions and employer contributions taken  
 95.20 in error must be directly transferred to the applicable employee's account in the correct  
 95.21 retirement plan, with interest at the rate of 0.71 percent per month until June 30, 2015, and  
 95.22 0.667 percent per month thereafter, compounded annually, from the first day of the month  
 95.23 following the month in which coverage should have commenced in the correct defined  
 95.24 contribution plan until the end of the month in which the transfer occurs.

95.25 Sec. 67. Minnesota Statutes 2016, section 352.05, is amended to read:

95.26 **352.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO BE**  
 95.27 **TREASURER OF SYSTEM.**

95.28 The commissioner of management and budget is ex officio treasurer of the retirement  
 95.29 funds of the system. The general bond to the state shall cover all liability for actions as  
 95.30 treasurer of these funds. Funds of the system received by the commissioner of management  
 95.31 and budget must be set aside in the state treasury to the credit of the proper fund. The  
 95.32 commissioner of management and budget shall deliver to the director copies of all payroll  
 95.33 abstracts of the state together with the commissioner of management and budget's ~~warrants~~

96.1 payments covering the deductions made on these payroll abstracts for the retirement fund.  
96.2 The director shall have a list made of the commissioner of management and budget's ~~warrants~~  
96.3 payments. These ~~warrants~~ payments must then be credited to the retirement fund. The  
96.4 commissioner of management and budget shall pay out of this fund only upon abstracts  
96.5 signed by the director, or by the finance officer designated by the director during the disability  
96.6 or the absence of the director from the city of St. Paul, Minnesota. Abstracts for investments  
96.7 may be signed by the executive director of the State Board of Investment.

96.8 Sec. 68. Minnesota Statutes 2016, section 352.115, subdivision 12, is amended to read:

96.9 Subd. 12. **Death, return of ~~warrants~~ payments.** If at the time of death a retired  
96.10 employee, a disabled employee, or a survivor has in possession the commissioner of  
96.11 management and budget's ~~warrants~~ payments covering a retirement annuity, disability  
96.12 benefit, or survivor benefit from the retirement fund, in the absence of probate proceedings,  
96.13 and upon the return of the ~~warrants~~ payments for cancellation, payment of the accrued  
96.14 annuity or benefit, shall be made as provided in subdivision 11, or 352.12, subdivision 4.  
96.15 Payments made under this subdivision shall be a bar to recovery by any other person or  
96.16 persons.

96.17 Sec. 69. Minnesota Statutes 2016, section 352.12, subdivision 13, is amended to read:

96.18 Subd. 13. **Refund, beneficiary.** If upon death a former employee has in possession a  
96.19 commissioner of management and budget's ~~warrant~~ payment which does not exceed \$1,000  
96.20 covering a refund of accumulated contributions in the retirement fund, in the absence of  
96.21 probate proceedings the commissioner of management and budget's ~~warrant~~ payment may  
96.22 be returned for cancellation, and then upon application made by the last designated  
96.23 beneficiary of the deceased former employee, refund of the accumulated contributions must  
96.24 be paid to the last designated beneficiary. Payments made under this subdivision are a bar  
96.25 to recovery by any other person or persons.

96.26 Sec. 70. Minnesota Statutes 2016, section 353.05, is amended to read:

96.27 **353.05 CUSTODIAN OF FUNDS.**

96.28 The commissioner of management and budget shall be ex officio treasurer of the  
96.29 retirement funds of the association and the general bond of the commissioner of management  
96.30 and budget to the state must be so conditioned as to cover all liability for acts as treasurer  
96.31 of these funds. All money of the association received by the commissioner of management  
96.32 and budget must be set aside in the state treasury to the credit of the proper fund or account.

97.1 The commissioner of management and budget shall transmit monthly to the executive  
97.2 director a detailed statement of all amounts so received and credited to the funds. Payments  
97.3 out of the funds may only be made ~~on warrants~~ as payments issued by the commissioner of  
97.4 management and budget, upon abstracts signed by the executive director; provided that  
97.5 abstracts for investment may be signed by the executive director of the State Board of  
97.6 Investment.

97.7 Sec. 71. Minnesota Statutes 2016, section 353.27, subdivision 7, is amended to read:

97.8 Subd. 7. **Adjustment for erroneous receipts or disbursements.** (a) Except as provided  
97.9 in paragraph (b), erroneous employee deductions and erroneous employer contributions and  
97.10 additional employer contributions to the general employees retirement plan of the Public  
97.11 Employees Retirement Association or to the public employees police and fire retirement  
97.12 plan for a person who otherwise does not qualify for membership under this chapter, are  
97.13 considered:

97.14 (1) valid if the initial erroneous deduction began before January 1, 1990. Upon  
97.15 determination of the error by the association, the person may continue membership in the  
97.16 association while employed in the same position for which erroneous deductions were taken,  
97.17 or file a written election to terminate membership and apply for a refund upon termination  
97.18 of public service or defer an annuity under section 353.34; or

97.19 (2) invalid, if the initial erroneous employee deduction began on or after January 1,  
97.20 1990. Upon determination of the error, the association shall refund all erroneous employee  
97.21 deductions and all erroneous employer contributions as specified in paragraph (e). No person  
97.22 may claim a right to continued or past membership in the association based on erroneous  
97.23 deductions which began on or after January 1, 1990.

97.24 (b) Erroneous deductions taken from the salary of a person who did not qualify for  
97.25 membership in the general employees retirement plan of the Public Employees Retirement  
97.26 Association or in the public employees police and fire retirement plan by virtue of concurrent  
97.27 employment before July 1, 1978, which required contributions to another retirement fund  
97.28 or relief association established for the benefit of officers and employees of a governmental  
97.29 subdivision, are invalid. Upon discovery of the error, allowable service credit for all invalid  
97.30 service is forfeited and, upon termination of public service, the association shall refund all  
97.31 erroneous employee deductions to the person, with interest as determined under section  
97.32 353.34, subdivision 2, and all erroneous employer contributions without interest to the  
97.33 employer. This paragraph has both retroactive and prospective application.

98.1 (c) Adjustments to correct employer contributions and employee deductions taken in  
98.2 error from amounts which are not salary under section 353.01, subdivision 10, must be  
98.3 made as specified in paragraph (e). The period of adjustment must be limited to the fiscal  
98.4 year in which the error is discovered by the association and the immediate two preceding  
98.5 fiscal years.

98.6 (d) If there is evidence of fraud or other misconduct on the part of the employee or the  
98.7 employer, the board of trustees may authorize adjustments to the account of a member or  
98.8 former member to correct erroneous employee deductions and employer contributions on  
98.9 invalid salary and the recovery of any overpayments for a period longer than provided for  
98.10 under paragraph (c).

98.11 (e) Upon discovery of the receipt of erroneous employee deductions and employer  
98.12 contributions under paragraph (a), clause (2), or paragraph (c), the association must require  
98.13 the employer to discontinue the erroneous employee deductions and erroneous employer  
98.14 contributions reported on behalf of a member. Upon discontinuation, the association must:

98.15 (1) for a member, provide a refund in the amount of the invalid employee deductions  
98.16 with interest on the invalid employee deductions at the rate specified under section 353.34,  
98.17 subdivision 2, from the received date of each invalid salary transaction through the date the  
98.18 credit or refund is made;

98.19 (2) for a former member who:

98.20 (i) is not receiving a retirement annuity or benefit, return the erroneous employee  
98.21 deductions to the former member through a refund with interest at the rate specified under  
98.22 section 353.34, subdivision 2, from the received date of each invalid salary transaction  
98.23 through the date the credit or refund is made; or

98.24 (ii) is receiving a retirement annuity or disability benefit, or a person who is receiving  
98.25 an optional annuity or survivor benefit, for whom it has been determined an overpayment  
98.26 must be recovered, adjust the payment amount and recover the overpayments as provided  
98.27 under this section; and

98.28 (3) return the invalid employer contributions reported on behalf of a member or former  
98.29 member to the employer by providing a credit against future contributions payable by the  
98.30 employer.

98.31 (f) In the event that a salary ~~warrant or check~~ payment from which a deduction for the  
98.32 retirement fund was taken has been canceled or the amount of the ~~warrant or check~~ payment  
98.33 returned to the funds of the department making the payment, a refund of the sum deducted,

99.1 or any portion of it that is required to adjust the deductions, must be made to the department  
99.2 or institution.

99.3 (g) If the association discovers that a retirement annuity, survivor benefit, or disability  
99.4 benefit has been incorrectly calculated by using invalid service or salary, or due to any  
99.5 erroneous calculation procedure, the association must recalculate the annuity or benefit  
99.6 payable and begin payment of the corrected annuity or benefit effective the first of the month  
99.7 following discovery of the error. Any overpayment resulting from the incorrect calculation  
99.8 must be recovered as provided under subdivision 7b, if the accrual date, or any adjustment  
99.9 in the amount of the annuity or benefit calculated after the accrual date, except adjustments  
99.10 required under section 353.656, subdivision 4, falls within the current fiscal year and the  
99.11 two immediate previous fiscal years.

99.12 (h) Notwithstanding the provisions of this subdivision, the association may apply the  
99.13 Revenue Procedures defined in the federal Internal Revenue Service Employee Plans  
99.14 Compliance Resolution System and not issue a refund of erroneous employee deductions  
99.15 and employer contributions or not recover a small overpayment of benefits if the cost to  
99.16 correct the error would exceed the amount of the member refund or overpayment.

99.17 (i) Any fees or penalties assessed by the federal Internal Revenue Service for any failure  
99.18 by an employer to follow the statutory requirements for reporting eligible members and  
99.19 salary must be paid by the employer.

99.20 Sec. 72. Minnesota Statutes 2016, section 354.42, subdivision 7, is amended to read:

99.21 Subd. 7. **Erroneous salary deductions or direct payments.** (a) Any deductions taken  
99.22 from the salary of an employee for the retirement fund in excess of amounts required must  
99.23 be refunded to the employee upon the discovery of the error and after the verification of  
99.24 the error by the employing unit making the deduction. The corresponding excess employer  
99.25 contribution and excess additional employer contribution amounts attributable to the  
99.26 erroneous salary deduction must be refunded to the employing unit.

99.27 (b) If salary deductions and employer contributions were erroneously transmitted to the  
99.28 retirement fund and should have been transmitted to the plan covered by chapter 352D,  
99.29 353D, 354B, or 354D, the executive director must transfer these salary deductions and  
99.30 employer contributions to the account of the appropriate person under the applicable plan.  
99.31 The transfer to the applicable defined contribution plan account must include interest at the  
99.32 rate of 0.71 percent per month, compounded annually, from the first day of the month  
99.33 following the month in which coverage should have commenced in the defined contribution  
99.34 plan until the end of the month in which the transfer occurs.

100.1 (c) A potential transfer under paragraph (b) that would cause the plan to fail to be a  
100.2 qualified plan under section 401(a) of the Internal Revenue Code, as amended, must not be  
100.3 made by the executive director. Within 30 days after being notified by the Teachers  
100.4 Retirement Association of an unmade potential transfer under this paragraph, the employer  
100.5 of the affected person must transmit an amount representing the applicable salary deductions  
100.6 and employer contributions, without interest, to the account of the applicable person under  
100.7 the appropriate plan. The retirement association must provide a credit for the amount of the  
100.8 erroneous salary deductions and employer contributions against future contributions from  
100.9 the employer.

100.10 (d) If a salary ~~warrant or check~~ payment from which a deduction for the retirement fund  
100.11 was taken has been canceled or the amount of the ~~warrant or if a check~~ payment has been  
100.12 returned to the funds of the employing unit making the payment, a refund of the amount  
100.13 deducted, or any portion of it that is required to adjust the salary deductions, must be made  
100.14 to the employing unit.

100.15 (e) Erroneous direct payments of member-paid contributions or erroneous salary  
100.16 deductions that were not refunded during the regular payroll cycle processing must be  
100.17 refunded to the member, plus interest computed using the rate and method specified in  
100.18 section 354.49, subdivision 2.

100.19 (f) Any refund under this subdivision that would cause the plan to fail to be a qualified  
100.20 plan under section 401(a) of the Internal Revenue Code, as amended, may not be refunded  
100.21 and instead must be credited against future contributions payable by the employer. The  
100.22 employer is responsible for refunding to the applicable employee any amount that was  
100.23 erroneously deducted from the salary of the employee, with interest as specified in paragraph  
100.24 (e).

100.25 (g) If erroneous employee deductions and employer contributions are caused by an error  
100.26 in plan coverage involving the plan and any other plan specified in section 356.99, that  
100.27 section applies.

100.28 Sec. 73. Minnesota Statutes 2016, section 354.52, subdivision 4, is amended to read:

100.29 Subd. 4. **Reporting and remittance requirements.** An employer shall remit all amounts  
100.30 due to the association and furnish a statement indicating the amount due and transmitted  
100.31 with any other information required by the executive director. If an amount due is not  
100.32 received by the association within 14 calendar days of the payroll ~~warrant~~ payment, the  
100.33 amount accrues interest at an annual rate of 8.5 percent compounded annually from the due  
100.34 date until the amount is received by the association. All amounts due and other employer

101.1 obligations not remitted within 60 days of notification by the association must be certified  
101.2 to the commissioner of management and budget who shall deduct the amount from any state  
101.3 aid or appropriation amount applicable to the employing unit.

101.4 Sec. 74. Minnesota Statutes 2016, section 354.52, subdivision 4b, is amended to read:

101.5 Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide the  
101.6 following data to the association for payroll ~~warrant~~ payments on an ongoing basis within  
101.7 14 calendar days after the date of the payroll ~~warrant~~ payments in a format prescribed by  
101.8 the executive director:

101.9 (1) association member number;

101.10 (2) employer-assigned employee number;

101.11 (3) Social Security number;

101.12 (4) amount of each salary deduction;

101.13 (5) amount of salary as defined in section 354.05, subdivision 35, from which each  
101.14 deduction was made;

101.15 (6) reason for payment;

101.16 (7) the beginning and ending dates of the payroll period covered and the date of actual  
101.17 payment;

101.18 (8) fiscal year of salary earnings;

101.19 (9) total remittance amount including employee, employer, and additional employer  
101.20 contributions;

101.21 (10) reemployed annuitant salary under section 354.44, subdivision 5; and

101.22 (11) other information as may be required by the executive director.

101.23 Sec. 75. Minnesota Statutes 2016, section 401.15, subdivision 1, is amended to read:

101.24 Subdivision 1. **Certified statements; determinations; adjustments.** Within 60 days  
101.25 of the end of each calendar quarter, participating counties which have received the payments  
101.26 authorized by section 401.14 shall submit to the commissioner certified statements detailing  
101.27 the amounts expended and costs incurred in furnishing the correctional services provided  
101.28 in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall,  
101.29 in the manner provided in sections 401.10 and 401.12, determine the amount each  
101.30 participating county is entitled to receive, making any adjustments necessary to rectify any

102.1 disparity between the amounts received pursuant to the estimate provided in section 401.14  
102.2 and the amounts actually expended. If the amount received pursuant to the estimate is greater  
102.3 than the amount actually expended during the quarter, the commissioner may withhold the  
102.4 difference from any subsequent monthly payments made pursuant to section 401.14. Upon  
102.5 certification by the commissioner of the amount a participating county is entitled to receive  
102.6 under the provisions of section 401.14 or of this subdivision the commissioner of  
102.7 management and budget shall thereupon issue a state warrant payment to the chief fiscal  
102.8 officer of each participating county for the amount due together with a copy of the certificate  
102.9 prepared by the commissioner.

102.10 Sec. 76. Minnesota Statutes 2016, section 446A.086, subdivision 4, is amended to read:

102.11 Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a  
102.12 default or potential default in payment of principal or interest in debt obligations covered  
102.13 by this section or an agreement under this section, and after consultation with the  
102.14 governmental unit and the paying agent, and after verification of the accuracy of the  
102.15 information provided, the authority shall notify the commissioner of the potential default.  
102.16 The notice must include a final figure as to the amount due that the governmental unit will  
102.17 be unable to repay on the date due.

102.18 (b) Upon receipt of this notice from the authority, the commissioner shall issue a ~~warrant~~  
102.19 payment and authorize the authority to pay to the bond holders or paying agent for the debt  
102.20 obligation the specified amount on or before the date due. The amounts needed for the  
102.21 purposes of this subdivision are annually appropriated to the authority from the general  
102.22 fund.

102.23 Sec. 77. Minnesota Statutes 2016, section 446A.16, subdivision 1, is amended to read:

102.24 Subdivision 1. **Functions of commissioner of management and budget.** Except as  
102.25 otherwise provided in this section, money of the authority must be paid to the commissioner  
102.26 of management and budget as agent of the authority and the commissioner shall not  
102.27 commingle the money with other money. The money in the accounts of the authority must  
102.28 be paid out only ~~on warrants drawn~~ by the commissioner of management and budget on  
102.29 requisition of the chair of the authority or of another officer or employee as the authority  
102.30 authorizes. Deposits of the authority's money must, if required by the commissioner or the  
102.31 authority, be secured by obligations of the United States or of the state of a market value  
102.32 equal at all times to the amount of the deposit and all banks and trust companies are  
102.33 authorized to give security for the deposits.

103.1 Sec. 78. Minnesota Statutes 2016, section 462A.18, subdivision 1, is amended to read:

103.2 Subdivision 1. **Functions of commissioner of management and budget.** All moneys  
103.3 of the agency, except as otherwise authorized or provided in this section, shall be paid to  
103.4 the commissioner of management and budget as agent of the agency, who shall not  
103.5 commingle such moneys with any other moneys. The moneys in such accounts shall be  
103.6 paid out ~~on warrants drawn~~ by the commissioner on requisition of the chair of the agency  
103.7 or of such other officer or employee as the agency shall authorize to make such requisition.  
103.8 All deposits of such moneys shall, if required by the commissioner or the agency, be secured  
103.9 by obligations of the United States or of the state of a market value equal at all times to the  
103.10 amount of the deposit and all banks and trust companies are authorized to give such security  
103.11 for such deposits.

103.12 Sec. 79. Minnesota Statutes 2016, section 475A.04, subdivision 1, is amended to read:

103.13 Subdivision 1. **Procedure.** In the event that funds sufficient to pay all of the principal  
103.14 and interest due on any guaranteed bond are not in the hands of the municipal treasurer or  
103.15 the paying agent at least 15 days before the due date, the treasurer or agent shall report the  
103.16 amount of the deficiency to the paying agent and the auditor who shall grant a loan to the  
103.17 issuer in this amount and shall certify to the issuer, the paying agent, and the auditor and  
103.18 treasurer of each county in which property subject to taxation by the issuer is situated, the  
103.19 amount of the loan and interest to accrue thereon to the due date of the loan, and the  
103.20 commissioner of management and budget shall issue a ~~warrant~~ warrant payment for the principal  
103.21 amount and shall remit it to the paying agent on or before the due date. If the municipal  
103.22 treasurer fails to deposit funds with the paying agent sufficient to pay all principal and  
103.23 interest due on any guaranteed bond on any date, without having previously given the notice  
103.24 herein required, the paying agent may report the amount of the deficiency to the  
103.25 commissioner of management and budget, who shall forthwith grant a loan to the issuer for  
103.26 this amount plus interest to accrue thereon for one month at the rate represented by the  
103.27 coupons then due, and the loan shall be certified and remitted as provided above. The paying  
103.28 agent may advance its own funds for the payment of any guaranteed bonds and interest due  
103.29 for which it has not received sufficient funds from the municipality, and may contract with  
103.30 the municipality to make such advances, and shall be entitled to reimbursement therefor  
103.31 from the proceeds of the loan, with interest at the rate represented by the coupons due. The  
103.32 issuing municipality shall give a receipt to the commissioner of management and budget  
103.33 for the amount of the loan and interest.

104.1 Sec. 80. Minnesota Statutes 2016, section 525.841, is amended to read:

104.2 **525.841 ESCHEAT RETURNED.**

104.3 In all such cases the commissioner of management and budget shall be furnished with  
 104.4 a certified copy of the court's order assigning the escheated property to the persons entitled  
 104.5 thereto, and upon notification of payment of the estate tax, the commissioner of management  
 104.6 and budget shall ~~draw a warrant~~ issue a payment or execute a proper conveyance to the  
 104.7 persons designated in such order. In the event any escheated property has been sold pursuant  
 104.8 to sections 11A.04, clause (9), and 11A.10, subdivision 2, or 16B.281 to 16B.287, then the  
 104.9 ~~warrant payment~~ payment shall be for the appraised value as established during the administration  
 104.10 of the decedent's estate. There is hereby annually appropriated from any moneys in the state  
 104.11 treasury not otherwise appropriated an amount sufficient to make payment to all such  
 104.12 designated persons. No interest shall be allowed on any amount paid to such persons.

104.13 **ARTICLE 4**

104.14 **ADMINISTRATIVE RULEMAKING**

104.15 Section 1. Minnesota Statutes 2016, section 3.842, subdivision 4a, is amended to read:

104.16 Subd. 4a. **Objections to rules or proposed rules.** (a) For purposes of this subdivision,  
 104.17 "committee" means the house of representatives policy committee or senate policy committee  
 104.18 with primary jurisdiction over state governmental operations. The commission or a committee  
 104.19 may object to a rule or proposed rule as provided in this subdivision. ~~If the commission or~~  
 104.20 ~~a committee objects to all or some portion of a rule because the commission or committee~~  
 104.21 ~~considers it to be~~ on the grounds that the rule or proposed rule:

104.22 (1) is beyond the procedural or substantive authority delegated to the agency, including  
 104.23 ~~a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3,~~  
 104.24 ~~paragraph (e);~~

104.25 (2) is inconsistent with the enabling statute;

104.26 (3) is unnecessary or redundant;

104.27 (4) has a substantial economic impact as defined in section 14.02, subdivision 5;

104.28 (5) is not based on sound, reasonably available scientific, technical, economic, or other  
 104.29 information;

104.30 (6) is not cost-effective;

104.31 (7) is unduly burdensome; or

105.1 (8) is more restrictive than the standard, limitation, or requirement imposed by federal  
105.2 law or rule pertaining to the same subject matter.

105.3 If the commission or committee objects to all or some portion of a rule or proposed rule,  
105.4 the commission or committee ~~may~~ shall file that objection in the Office of the Secretary of  
105.5 State. The filed objection must contain a concise statement of the commission's or  
105.6 committee's reasons for its action. ~~An objection to a proposed rule submitted by the~~  
105.7 ~~commission or a committee under section 14.15, subdivision 4, or 14.26, subdivision 3,~~  
105.8 ~~paragraph (c), may not be filed before the rule is adopted~~ For a proposed rule, the objection  
105.9 must be filed within 30 days of receipt of the notice under section 14.14, 14.22, 14.386,  
105.10 14.388, 14.389, or 14.3895.

105.11 (b) The secretary of state shall affix to each objection a certification of the date and time  
105.12 of its filing and as soon after the objection is filed as practicable shall electronically transmit  
105.13 a ~~certified~~ copy of it to the agency issuing the rule in question and to the revisor of statutes.  
105.14 The secretary of state shall also maintain a permanent register open to public inspection of  
105.15 all objections by the commission or committee.

105.16 (c) The commission or committee shall publish and index an objection filed under this  
105.17 section in the next issue of the State Register. The revisor of statutes shall indicate the  
105.18 existence of the objection adjacent to the rule in question when that rule is published in  
105.19 Minnesota Rules.

105.20 (d) Within 14 days after the filing of an objection by the commission or committee to a  
105.21 rule or proposed rule, the issuing agency shall respond in writing to the objecting entity.  
105.22 After receipt of the response, the commission or committee may withdraw or modify its  
105.23 objection. After the filing of an objection that is not subsequently withdrawn, the agency  
105.24 may not adopt the rule until the legislature adjourns the annual legislative session that began  
105.25 after the objection was filed. If the commission files an objection that is not subsequently  
105.26 withdrawn, the commission may, as soon as practical, make a recommendation on a bill  
105.27 that approves the proposed rule, prohibits adoption of the proposed rule, or amends or repeals  
105.28 the law governing a previously adopted rule for which an objection was filed.

105.29 (e) After the filing of an objection by the commission or committee that is not  
105.30 subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review  
105.31 or for enforcement of the rule to establish that the whole or portion of the rule objected to  
105.32 is valid and demonstrates that the objection raised under paragraph (a) is not justified, based  
105.33 on the criteria for objecting to a rule under paragraph (a).

106.1 (f) The failure of the commission or a committee to object to a rule is not an implied  
106.2 legislative authorization of its validity.

106.3 (g) In accordance with sections 14.44 and 14.45, the commission or a committee may  
106.4 petition for a declaratory judgment to determine the validity of a rule objected to by the  
106.5 commission or committee. The action must be started within two years after an objection  
106.6 is filed in the Office of the Secretary of State.

106.7 (h) The commission or a committee may intervene in litigation arising from agency  
106.8 action. For purposes of this paragraph, agency action means the whole or part of a rule, or  
106.9 the failure to issue a rule.

106.10 Sec. 2. Minnesota Statutes 2016, section 14.002, is amended to read:

106.11 **14.002 STATE REGULATORY POLICY.**

106.12 The legislature recognizes the important and sensitive role for administrative rules in  
106.13 implementing policies and programs created by the legislature. However, the legislature  
106.14 finds that some regulatory rules and programs have become overly prescriptive and inflexible,  
106.15 thereby increasing costs to the state, local governments, and the regulated community and  
106.16 decreasing the effectiveness of the regulatory program. Therefore, ~~whenever feasible~~, state  
106.17 agencies must develop rules and regulatory programs that emphasize superior achievement  
106.18 in meeting the agency's regulatory objectives and maximum flexibility for the regulated  
106.19 party and the agency in meeting those goals.

106.20 Sec. 3. Minnesota Statutes 2016, section 14.02, is amended by adding a subdivision to  
106.21 read:

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

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

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

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

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

107.4 Sec. 4. Minnesota Statutes 2016, section 14.05, subdivision 1, is amended to read:

107.5 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency shall  
 107.6 adopt, amend, suspend, or repeal its rules:

107.7 (1) in accordance with the procedures specified in sections 14.001 to 14.69, and;

107.8 (2) only pursuant to authority delegated by law; and

107.9 (3) in full compliance with its duties and obligations.

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

107.13 (c) Except as provided in ~~section~~ sections 14.055, 14.06, 14.388, 14.389, and 14.3895,  
 107.14 sections 14.001 to 14.69 shall not be authority for an agency to adopt, amend, suspend, or  
 107.15 repeal rules.

107.16 Sec. 5. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to  
 107.17 read:

107.18 Subd. 1a. **Limitation regarding certain policies, guidelines, and other interpretive**  
 107.19 **statements.** An agency shall not seek to implement or enforce against any person a policy,  
 107.20 guideline, or other interpretive statement that meets the definition of a rule under this chapter  
 107.21 if the policy, guideline, or other interpretive statement has not been adopted as a rule in  
 107.22 accordance with this chapter including but not limited to solid waste policy plan revisions  
 107.23 authorized by other law. In any proceeding under chapter 14 challenging an agency action  
 107.24 prohibited by this subdivision, the reviewing authority must independently and without  
 107.25 deference to the agency determine if the agency has violated this subdivision. The agency  
 107.26 must overcome the presumption that its action may not be enforced as a rule.

107.27 Sec. 6. Minnesota Statutes 2016, section 14.05, subdivision 2, is amended to read:

107.28 Subd. 2. **Authority to modify proposed rule.** (a) An agency may modify a proposed  
 107.29 rule in accordance with the procedures of the Administrative Procedure Act. However, an  
 107.30 agency may not modify a proposed rule so that it is substantially different from the proposed  
 107.31 rule in the notice of intent to adopt rules or notice of hearing.

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

108.2 (1) the differences are within the scope of the matter announced in the notice of intent  
108.3 to adopt or notice of hearing and are in character with the issues raised in that notice;

108.4 (2) the differences are a logical outgrowth of the contents of the notice of intent to adopt  
108.5 or notice of hearing and the comments submitted in response to the notice; and

108.6 (3) the notice of intent to adopt or notice of hearing provided fair warning that the  
108.7 outcome of that rulemaking proceeding could be the rule in question.

108.8 (c) In determining whether the notice of intent to adopt or notice of hearing provided  
108.9 fair warning that the outcome of that rulemaking proceeding could be the rule in question  
108.10 the following factors must be considered:

108.11 (1) the extent to which persons who will be affected by the rule should have understood  
108.12 that the rulemaking proceeding on which it is based could affect their interests;

108.13 (2) the extent to which the subject matter of the rule or issues determined by the rule are  
108.14 different from the subject matter or issues contained in the notice of intent to adopt or notice  
108.15 of hearing; and

108.16 (3) the extent to which the effects of the rule differ from the effects of the proposed rule  
108.17 contained in the notice of intent to adopt or notice of hearing.

108.18 (d) A modification makes a proposed rule substantially different if the modification  
108.19 causes a rule that did not previously have a substantial economic impact to have a substantial  
108.20 economic impact.

108.21 Sec. 7. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to  
108.22 read:

108.23 Subd. 5a. **Review and repeal of rules.** By December 1 of each odd-numbered year,  
108.24 beginning December 1, 2017, an agency must submit to the governor, the Legislative  
108.25 Coordinating Commission, the policy and funding committees and divisions with jurisdiction  
108.26 over the agency, and the revisor of statutes, a list of any rules or portions of rules that are  
108.27 obsolete, unnecessary, or duplicative of other state or federal statutes or rules. The list must  
108.28 also include an explanation of why the rule or portion of the rule is obsolete, unnecessary,  
108.29 or duplicative of other state or federal statutes or rules. The agency must either report a  
108.30 timetable for repeal of the rule or portion of the rule, or must develop a bill for submission  
108.31 to the appropriate policy committee to repeal the obsolete, unnecessary, or duplicative rule.  
108.32 A report submitted under this subdivision must be signed by the person in the agency who

109.1 is responsible for identifying and initiating repeal of obsolete rules. The report also must  
109.2 identify the status of any rules identified in the prior report as obsolete, unnecessary, or  
109.3 duplicative. If none of an agency's rules are obsolete, unnecessary, or duplicative, an agency's  
109.4 report must state that conclusion.

109.5 Sec. 8. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to  
109.6 read:

109.7 Subd. 5b. **Review and repeal of environmental assessment worksheets and impact**  
109.8 **statements.** By December 1, 2017, and each odd-numbered year thereafter, the  
109.9 Environmental Quality Board, Pollution Control Agency, Department of Natural Resources,  
109.10 and Department of Transportation, after consultation with political subdivisions, shall submit  
109.11 to the governor, the Legislative Coordinating Commission, the chairs and ranking minority  
109.12 members of the house of representatives and senate committees having jurisdiction over  
109.13 environment and natural resources, and the revisor of statutes a list of mandatory  
109.14 environmental assessment worksheets or mandatory environmental impact statements for  
109.15 which the agency or a political subdivision is designated as the responsible government  
109.16 unit, and for each worksheet or statement, a document including:

109.17 (1) intended outcomes of the specific worksheet or statement;

109.18 (2) the cost to state and local government and the private sector;

109.19 (3) the relationship of the worksheet or statement to other local, state, and federal permits;

109.20 and

109.21 (4) a justification for why the mandatory worksheet or statement should not be eliminated  
109.22 and its intended outcomes achieved through an existing permit or other federal, state, or  
109.23 local law.

109.24 Sec. 9. Minnesota Statutes 2016, section 14.05, subdivision 6, is amended to read:

109.25 Subd. 6. **Veto of adopted rules.** The governor may veto all or a severable portion of a  
109.26 rule of an agency as defined in section 14.02, subdivisions 2 and 4, by submitting notice of  
109.27 the veto to the State Register within 14 days of receiving a copy of the rule from the secretary  
109.28 of state under section 14.16, subdivision 3, 14.26, subdivision ~~3~~ 5, ~~or~~ 14.386<sub>2</sub>, or the agency  
109.29 under section 14.389, subdivision 3, or section 14.3895. The veto is effective when the veto  
109.30 notice is submitted to the State Register. This authority applies only to the extent that the  
109.31 agency itself would have authority, through rulemaking, to take such action. If the governor

110.1 vetoes a rule or portion of a rule under this section, the governor shall notify the chairs of  
110.2 the legislative committees having jurisdiction over the agency whose rule was vetoed.

110.3 Sec. 10. Minnesota Statutes 2016, section 14.05, subdivision 7, is amended to read:

110.4 Subd. 7. **Electronic documents permitted.** (a) If sections 14.05 to 14.3895 require an  
110.5 agency to provide notice or documents to the public, the legislature, or other state agency,  
110.6 the agency may send the notice or document, or a link to the notice or document, using any  
110.7 reliable method of electronic transmission.

110.8 (b) The agency must also send a paper copy of the notice or document if requested to  
110.9 do so by a member of the public, legislature, or other state agency.

110.10 (c) An agency may file rule-related documents with the Office of Administrative Hearings  
110.11 by electronic transmission in the manner approved by that office and the Office of the  
110.12 Revisor of Statutes by electronic transmission in the manner approved by that office.

110.13 Sec. 11. Minnesota Statutes 2016, section 14.101, subdivision 1, is amended to read:

110.14 Subdivision 1. **Required notice.** In addition to seeking information by other methods  
110.15 designed to reach persons or ~~classes~~ categories of persons who might be affected by the  
110.16 proposal, an agency, at least 60 days before publication of a notice of intent to adopt or a  
110.17 notice of hearing, shall solicit comments from the public on the subject matter of a possible  
110.18 rulemaking proposal under active consideration within the agency by causing notice to be  
110.19 published in the State Register. The notice must include a description of the subject matter  
110.20 of the proposal and the types of groups and individuals likely to be affected, and must  
110.21 indicate where, when, and how persons may comment on the proposal and whether and  
110.22 how drafts of any proposal may be obtained from the agency.

110.23 This notice must be published within 60 days of the effective date of any new or  
110.24 amendatory law requiring rules to be adopted, amended, or repealed.

110.25 An agency intending to adopt an expedited rule under section 14.389 is exempt from  
110.26 the requirements of this section.

110.27 Sec. 12. **[14.105] RULE NOTIFICATION.**

110.28 Subdivision 1. **Rule notification list.** (a) Each agency shall maintain a list of all persons  
110.29 who have registered with the agency for the purpose of receiving notice of rule proceedings.  
110.30 A person may register to receive notice of rule proceedings by submitting to the agency:

110.31 (1) the person's electronic mail address; or

111.1 (2) the person's name and United States mail address, along with a request to receive  
 111.2 copies of the notices by mail.

111.3 (b) The agency shall post information on its Web site describing the registration process.

111.4 (c) The agency may inquire as to whether those persons on the list in paragraph (a) wish  
 111.5 to remain on it and may remove persons for whom there is a negative reply or no reply  
 111.6 within 60 days.

111.7 Subd. 2. Additional notice. (a) Each agency shall make reasonable efforts to notify  
 111.8 persons or categories of persons who may be significantly affected by the rule being proposed  
 111.9 by giving notice of its rule proceedings in newsletters, newspapers, or other publications,  
 111.10 or through other means of communication.

111.11 (b) For each rulemaking, the agency shall develop an additional notice plan describing  
 111.12 its efforts to provide additional notification to persons or categories of persons who may be  
 111.13 affected by the proposed rule or must explain why these efforts were not made. The additional  
 111.14 notice plan must be submitted to the administrative law judge with the other submissions  
 111.15 required by section 14.14, subdivision 2a, or 14.26. The agency also may seek prior approval  
 111.16 of the additional notice plan under the rules of the Office of Administrative Hearings.

111.17 Sec. 13. Minnesota Statutes 2016, section 14.116, is amended to read:

111.18 **14.116 NOTICE TO LEGISLATURE.**

111.19 (a) By January 15 each year, each agency must submit its current rulemaking docket  
 111.20 maintained under section 14.366, ~~and the official rulemaking record required under section~~  
 111.21 ~~14.365 for any rule adopted during the preceding calendar year,~~ to the chairs and ranking  
 111.22 minority members of the legislative policy and budget committees with jurisdiction over  
 111.23 the subject matter of the proposed rule and to the Legislative Coordinating Commission.  
 111.24 Each agency must post a link to its rulemaking docket on the agency Web site home page.

111.25 (b) When an agency ~~mails~~ sends a notice of ~~intent to adopt rules~~ hearing under section  
 111.26 14.14 or a notice of intent to adopt rules or dual notice under section 14.22, the agency must  
 111.27 send a copy of the same notice ~~and a copy of the statement of need and reasonableness~~ to  
 111.28 the chairs and ranking minority party members of the legislative policy and budget  
 111.29 committees with jurisdiction over the subject matter of the proposed rules and to the  
 111.30 Legislative Coordinating Commission.

111.31 ~~(c) In addition, if the mailing of the notice is within two years of the effective date of~~  
 111.32 ~~the law granting the agency authority to adopt the proposed rules, the agency shall make~~  
 111.33 ~~reasonable efforts to send a copy of the notice and the statement to all sitting legislators~~

112.1 ~~who were chief house of representatives and senate authors of the bill granting the rulemaking~~  
 112.2 ~~authority. If the bill was amended to include this rulemaking authority, the agency shall~~  
 112.3 ~~make reasonable efforts to send the notice and the statement to the chief house of~~  
 112.4 ~~representatives and senate authors of the amendment granting rulemaking authority, rather~~  
 112.5 ~~than to the chief authors of the bill.~~

112.6 Sec. 14. Minnesota Statutes 2016, section 14.125, is amended to read:

112.7 **14.125 TIME LIMIT ON AUTHORITY TO ADOPT, AMEND, OR REPEAL**  
 112.8 **RULES.**

112.9 An agency shall publish a ~~notice of intent to adopt rules or a notice of hearing under~~  
 112.10 section 14.14, or a notice of intent to adopt rules or dual notice under section 14.22, within  
 112.11 18 months of the effective date of the law authorizing or requiring rules to be adopted,  
 112.12 amended, or repealed. If the notice is not published within the time limit imposed by this  
 112.13 section, the ~~authority for the rules expires. The agency shall not use other law in existence~~  
 112.14 ~~at the time of the expiration of rulemaking authority under this section as authority to adopt,~~  
 112.15 ~~amend, or repeal these rules~~ agency shall report to the Legislative Coordinating Commission,  
 112.16 other appropriate committees of the legislature, and the governor its failure to publish a  
 112.17 notice and the reasons for that failure.

112.18 ~~An agency that publishes a notice of intent to adopt rules or a notice of hearing within~~  
 112.19 ~~the time limit specified in this section may subsequently amend or repeal the rules without~~  
 112.20 ~~additional legislative authorization.~~

112.21 Sec. 15. Minnesota Statutes 2016, section 14.127, is amended to read:

112.22 **14.127 LEGISLATIVE APPROVAL REQUIRED.**

112.23 Subdivision 1. ~~Cost thresholds~~ **Substantial economic impact.** An agency must  
 112.24 determine if the cost of complying with a proposed rule in the first year after the rule takes  
 112.25 effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time employees;  
 112.26 or (2) any one statutory or home rule charter city that has less than ten full-time employees.  
 112.27 For purposes of this section, "business" means a business entity organized for profit or as  
 112.28 a nonprofit, and includes an individual, partnership, corporation, joint venture, association,  
 112.29 or cooperative has a substantial economic impact, as defined in section 14.02, subdivision  
 112.30 5.

112.31 Subd. 2. **Agency determination.** An agency must make the determination required by  
 112.32 subdivision 1 before the close of the hearing record, or before the agency submits the record

113.1 ~~to the administrative law judge if there is no hearing. The administrative law judge must~~  
 113.2 ~~review and approve or disapprove the agency determination under this section~~ agency gives  
 113.3 notice under section 14.14, 14.22, 14.225, or 14.389.

113.4 **Subd. 3. Legislative approval required.** (a) If the agency determines that a proposed  
 113.5 rule has a substantial economic impact, the agency must request the legislative auditor to  
 113.6 convene a five-person peer review advisory panel to conduct an impact analysis of the  
 113.7 proposed rule. Within 30 days of receipt of the agency's request, the legislative auditor shall  
 113.8 convene a peer review advisory panel. The advisory panel must be made up of individuals  
 113.9 who have not directly or indirectly been involved in the work conducted or contracted by  
 113.10 the agency and who are not employed by the agency. The agency must pay each panel  
 113.11 member for the costs of the person's service on the panel, as determined by the legislative  
 113.12 auditor. The agency shall transfer an amount from the agency's operating budget to the  
 113.13 legislative auditor to pay for costs for convening the peer review advisory panel process.  
 113.14 The panel may receive written and oral comments from the public during its review. The  
 113.15 panel must submit its report within 60 days of being convened. The agency must receive a  
 113.16 final report from the panel before the agency conducts a public hearing on a proposed rule  
 113.17 or, if no hearing is held, before the rule is submitted to the administrative law judge. The  
 113.18 panel's report must include its conclusions on the extent to which the proposed rule:

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

113.21 (2) is more restrictive than a standard, limitation, or requirement imposed by federal law  
 113.22 or rule pertaining to the same subject matter, and a justification based on sound, reasonably  
 113.23 available scientific, technical, economic, or other information and rationale that the more  
 113.24 stringent standard is necessary to protect the public's health, safety, or welfare.

113.25 (b) If the agency determines that a rule does not have a substantial economic impact,  
 113.26 the administrative law judge must review this determination. If the administrative law judge  
 113.27 determines that a rule may have a substantial economic impact, the agency must have the  
 113.28 legislative auditor arrange for the analysis required by paragraph (a), and the agency must  
 113.29 give new notice of intent to adopt the proposed rule after receiving this analysis. The  
 113.30 administrative law judge may make this determination as part of the administrative law  
 113.31 judge's report on the proposed rule, or at any earlier time after the administrative law judge  
 113.32 is assigned to the rule proceeding.

113.33 (c) If the agency determines that the cost exceeds the threshold in subdivision 1 proposed  
 113.34 rule has a substantial economic impact, or if the administrative law judge disapproves the

114.1 agency's determination that the ~~cost rule~~ does not exceed the threshold in subdivision 1,  
 114.2 any business that has less than 50 full-time employees or any statutory or home rule charter  
 114.3 city that has less than ten full-time employees may file a written statement with the agency  
 114.4 claiming a temporary exemption from the rules. Upon filing of such a statement with the  
 114.5 agency, the rules do not apply to that business or that city until the rules are have a substantial  
 114.6 economic impact, the agency or the administrative law judge shall deliver the determination  
 114.7 and peer review advisory panel report to the Legislative Coordinating Commission and to  
 114.8 the chairs and ranking minority members of the house of representatives and senate  
 114.9 committees and divisions with jurisdiction over the subject matter of the rule, and the  
 114.10 proposed rule does not take effect until the rule is approved by a law enacted after the agency  
 114.11 determination or administrative law judge disapproval.

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

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

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

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

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

114.28 Subd. 5. **Severability.** If an administrative law judge determines that part of a proposed  
 114.29 rule exceeds the threshold specified in subdivision 1 has a substantial economic impact, but  
 114.30 that a severable portion of a proposed rule does not exceed the threshold in subdivision 1,  
 114.31 have a substantial economic impact, the administrative law judge may provide that the  
 114.32 severable portion of the rule that does not exceed the threshold have a substantial economic  
 114.33 impact may take effect without legislative approval.

115.1 Sec. 16. [14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR  
115.2 REMODELING; LEGISLATIVE NOTICE AND REVIEW.

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

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

115.12 Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that  
115.13 the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision  
115.14 2, or if the administrative law judge separately confirms the cost of any portion of a rule  
115.15 exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing,  
115.16 the chairs and ranking minority members of the policy committees of the house of  
115.17 representatives and the senate with jurisdiction over the subject matter of the proposed rule  
115.18 within ten days of the determination.

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

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

115.31 **EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to  
115.32 administrative rules proposed on or after that date.

116.1 Sec. 17. [14.129] IMPACT ANALYSIS OF PROPOSED RULE.

116.2 Subdivision 1. Analysis. (a) Within 30 days of receipt of the notice required under  
116.3 section 14.116, paragraph (b), a standing committee with jurisdiction over the subject matter  
116.4 of a proposed rule may request the legislative auditor to conduct an impact analysis of the  
116.5 proposed rule. The request must be sent in writing to the legislative auditor and the agency.  
116.6 Upon receipt of the request, the agency may not proceed to adopt the proposed rule until it  
116.7 has received a positive declaration from the requesting standing committee. Within 60 days  
116.8 of receipt of a request, the legislative auditor shall convene a five-person peer review panel  
116.9 to review the proposed rule. The advisory panel must be made up of individuals who have  
116.10 not directly or indirectly been involved in work conducted or contracted by the agency and  
116.11 who are not employed by the agency. The panel may receive written and oral comments  
116.12 from the public during its review of the proposed rule. The panel must prepare a report that  
116.13 includes a conclusion on whether the proposed rule:

116.14 (1) is based on sound, reasonably available scientific, technical, economic, and other  
116.15 information and rationale; and

116.16 (2) if the proposed rule is more restrictive than a standard, limitation, or requirement  
116.17 imposed by federal law or rule pertaining to the same subject matter, a justification based  
116.18 on sound, reasonably available scientific, technical, economic, or other information and  
116.19 rationale that the more stringent standard is necessary to protect the public's health, safety,  
116.20 or welfare.

116.21 (b) Within 150 days of being convened, the panel must submit its report to the chairs  
116.22 and ranking minority members of the requesting committee and the legislative auditor.  
116.23 Within five days of receipt of the panel's report, the requesting standing committee shall  
116.24 send the report to the agency along with either:

116.25 (1) a positive declaration that the agency may proceed with the proposed rule; or

116.26 (2) a negative declaration that the agency may not proceed with the proposed rule in its  
116.27 current form.

116.28 (c) If the requesting standing committee issues a negative declaration to an agency under  
116.29 paragraph (b), clause (2), the agency may not adopt the rule until the legislature adjourns  
116.30 the annual legislative session that began after the issuance of the negative declaration.

116.31 Subd. 2. Severability. If any one or more provision, sentence, clause, phrase, or word  
116.32 in this section or the application thereof to any person or circumstance is found to be  
116.33 unconstitutional, the same is hereby declared to be severable and the balance of this section

117.1 shall remain effective notwithstanding such unconstitutionality. The legislature hereby  
117.2 declares that it would have passed this section and each provision, sentence, clause, phrase,  
117.3 or word thereof irrespective of the fact that any one or more provision, sentence, clause,  
117.4 phrase, or word be declared unconstitutional.

117.5 Sec. 18. Minnesota Statutes 2016, section 14.131, is amended to read:

117.6 **14.131 STATEMENT OF NEED AND REASONABLENESS.**

117.7 By the date of the section 14.14, subdivision 1a, notice, the agency must prepare, review,  
117.8 and make available for public review a statement of the need for and reasonableness of the  
117.9 rule. The statement of need and reasonableness must be prepared under rules adopted by  
117.10 the chief administrative law judge and must include a citation to the most specific statutory  
117.11 authority for the rule and the following to the extent the agency, through reasonable effort,  
117.12 can ascertain this information:

117.13 ~~(1) a description of the classes of persons who probably will be affected by the proposed~~  
117.14 ~~rule, including classes that will bear the costs of the proposed rule and classes that will~~  
117.15 ~~benefit from the proposed rule;~~

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

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

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

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

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

117.29 (1) a description of the persons or classifications of persons who will probably be affected  
117.30 by the proposed rule;

117.31 (2) the probable costs of the rule to affected persons and the agency, including those  
117.32 costs or consequences borne by identifiable categories of affected parties, such as separate

118.1 classes of government units, businesses, or individuals, and the probable benefits of adopting  
118.2 the rule;

118.3 ~~(7)~~ (3) an assessment of any differences between the proposed rule and existing or  
118.4 proposed federal regulations standards and similar standards in relevant states bordering  
118.5 Minnesota or within Environmental Protection Agency Region 5 and a specific analysis of  
118.6 the need for and reasonableness of each difference; and

118.7 ~~(8)~~ (4) an assessment of the cumulative effect of the rule with other federal and state  
118.8 regulations related to the specific purpose of the rule; all rules adopted by the agency or any  
118.9 other agency, and all federal regulations and local ordinances or regulations, related to the  
118.10 specific purpose for which the rule is being adopted; and

118.11 (5) the agency's findings and conclusions that support its determination that the proposed  
118.12 rule is based on sound, reasonably available scientific, technical, economic, or other  
118.13 information and rationale; and if the proposed rule is more restrictive than a standard,  
118.14 limitation, or requirement imposed by federal law or rule pertaining to the same subject  
118.15 matter, a justification based on sound, reasonably available scientific, technical, economic,  
118.16 or other information and rationale that the more stringent standard is necessary to protect  
118.17 the public's health, safety, or welfare.

118.18 The statement must describe how the agency, in developing the rules, considered and  
118.19 implemented the legislative policy supporting performance-based regulatory systems set  
118.20 forth in section 14.002 in a cost-effective and timely manner.

118.21 For purposes of clause ~~(8)~~ (4), "cumulative effect" means the impact that results from  
118.22 incremental impact of the proposed rule in addition to other rules, regardless of what state  
118.23 or federal agency has adopted the other rules. Cumulative effects can result from individually  
118.24 minor but collectively significant rules adopted over a period of time.

118.25 ~~The statement must also describe the agency's efforts to provide additional notification~~  
118.26 ~~under section 14.14, subdivision 1a, to persons or classes of persons who may be affected~~  
118.27 ~~by the proposed rule or must explain why these efforts were not made.~~

118.28 The statement must describe, with reasonable particularity, the scientific, technical, and  
118.29 economic information that supports the proposed rule.

118.30 The agency must consult with the commissioner of management and budget to help  
118.31 evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local  
118.32 government. The agency must send a copy of the statement of need and reasonableness to

119.1 the Legislative Reference Library no later than when the notice of hearing is ~~mailed under~~  
119.2 ~~section 14.14, subdivision 1a~~ sent.

119.3 Sec. 19. Minnesota Statutes 2016, section 14.14, subdivision 1a, is amended to read:

119.4 Subd. 1a. **Notice of rule hearing.** (a) ~~Each agency shall maintain a list of all persons~~  
119.5 ~~who have registered with the agency for the purpose of receiving notice of rule proceedings.~~  
119.6 ~~Persons may register to receive notice of rule proceedings by submitting to the agency:~~

119.7 ~~(1) their electronic mail address; or~~

119.8 ~~(2) their name and United States mail address.~~

119.9 ~~The agency may inquire as to whether those persons on the list wish to remain on it and~~  
119.10 ~~may remove persons for whom there is a negative reply or no reply within 60 days.~~ The  
119.11 agency shall, at least 30 days before the date set for the hearing, give notice of its intention  
119.12 to ~~adopt~~ hold a hearing on the proposed rules by United States mail or electronic mail to all  
119.13 persons ~~on its list~~ who have registered with the agency under section 14.105, and by  
119.14 publication in the State Register.

119.15 ~~The mailed notice must include either a copy of the proposed rule or an easily readable~~  
119.16 ~~and understandable description of its nature and effect and an announcement that a free~~  
119.17 ~~copy of the proposed rule is available on request from the agency. In addition, each agency~~  
119.18 ~~shall make reasonable efforts to notify persons or classes of persons who may be significantly~~  
119.19 ~~affected by the rule being proposed by giving notice of its intention in newsletters,~~  
119.20 ~~newspapers, or other publications, or through other means of communication.~~ The notice  
119.21 in the State Register must include the proposed rule or an amended rule in the form required  
119.22 by the revisor under section 14.07, together with an easily readable and understandable  
119.23 summary of the overall nature and effect of the proposed rule, a citation to the most specific  
119.24 statutory authority for the proposed rule, a statement of the place, date, and time of the  
119.25 public hearing, a statement that a free copy of the proposed rule and the statement of need  
119.26 and reasonableness may be requested from the agency, a statement that persons may register  
119.27 with the agency for the purpose of receiving notice of rule proceedings ~~and notice that the~~  
119.28 ~~agency intends to adopt a rule,~~<sup>2</sup> and other information required by law or rule. When an  
119.29 entire rule is proposed to be repealed, the agency need only publish that fact, along with an  
119.30 easily readable and understandable summary of the overall nature of the rules proposed for  
119.31 repeal, and a citation to the rule to be repealed.

120.1 The mailed notice of hearing must be the same as the notice published in the State  
120.2 Register, except that the mailed notice may omit the text of the proposed rule if it includes  
120.3 an announcement of where a copy of the proposed rule may be obtained.

120.4 (b) The chief administrative law judge may authorize an agency to omit from the notice  
120.5 of rule hearing the text of any proposed rule, the publication of which would be unduly  
120.6 cumbersome, expensive, or otherwise inexpedient if:

120.7 (1) knowledge of the rule is likely to be important to only a small class of persons;

120.8 (2) the notice of rule hearing states that a free copy of the entire rule is available upon  
120.9 request to the agency; and

120.10 (3) the notice of rule hearing states in detail the specific subject matter of the omitted  
120.11 rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose  
120.12 and motivation.

120.13 Sec. 20. Minnesota Statutes 2016, section 14.14, subdivision 2a, is amended to read:

120.14 Subd. 2a. **Hearing procedure.** When a hearing is held on a proposed rule, it shall be  
120.15 conducted by an administrative law judge assigned by the chief administrative law judge.  
120.16 The administrative law judge shall ensure that all persons involved in the rule hearing are  
120.17 treated fairly and impartially. The agency shall submit into the record the jurisdictional  
120.18 documents, including the statement of need and reasonableness, comments and hearing  
120.19 requests received, and any written exhibits in support of the proposed rule. The agency may  
120.20 also present additional oral evidence. Interested persons may present written and oral  
120.21 evidence. The administrative law judge shall allow questioning of agency representatives  
120.22 or witnesses, or of interested persons making oral statements, in order to explain the purpose  
120.23 or intended operation of a proposed rule, or a suggested modification, or for other purposes  
120.24 if material to the evaluation or formulation of the proposed rule. The administrative law  
120.25 judge may limit repetitive or immaterial oral statements and questioning.

120.26 Sec. 21. Minnesota Statutes 2016, section 14.18, subdivision 1, is amended to read:

120.27 Subdivision 1. **Generally.** Unless a later date is required by section 14.126 or other law  
120.28 or is specified in the rule, a rule is effective after:

120.29 (1) it has been subjected to all requirements described in sections 14.131 to 14.20 ~~and~~  
120.30 ~~five working days after;~~

120.31 (2) the notice of adoption is published in the State Register ~~unless a later date is required~~  
120.32 ~~by section 14.126 or other law or specified in the rule;~~ and

121.1 (3) it has been approved by a law enacted after publication of the notice of adoption- if  
 121.2 any of the following applies:

121.3 (i) the rule is enacted without a specific authorization of rulemaking to enact rules to  
 121.4 implement a specific statute section;

121.5 (ii) a sanction or penalty can be imposed for failure to comply with the rule; or

121.6 (iii) the regulating agency has the authority to adjudicate a dispute with a regulated entity  
 121.7 about enforcement of or violation of the rule.

121.8 If the rule adopted is the same as the proposed rule, publication may be made by  
 121.9 publishing notice in the State Register that the rule has been adopted as proposed and by  
 121.10 citing the prior publication. If the rule adopted differs from the proposed rule, the portions  
 121.11 of the adopted rule that differ from the proposed rule must be included in the notice of  
 121.12 adoption together with a citation to the prior State Register publication of the remainder of  
 121.13 the proposed rule. The nature of the modifications must be clear to a reasonable person  
 121.14 when the notice of adoption is considered together with the State Register publication of  
 121.15 the proposed rule, except that modifications may also be made that comply with the form  
 121.16 requirements of section 14.07, subdivision 7.

121.17 If the agency omitted from the notice of proposed rule adoption the text of the proposed  
 121.18 rule, as permitted by section 14.14, subdivision 1a, paragraph (b), the chief administrative  
 121.19 law judge may provide that the notice of the adopted rule need not include the text of any  
 121.20 changes from the proposed rule. However, the notice of adoption must state in detail the  
 121.21 substance of the changes made from the proposed rule, and must state that a free copy of  
 121.22 the portion of the adopted rule that was the subject of the rulemaking proceeding, not  
 121.23 including any material adopted by reference as permitted by section 14.07, is available upon  
 121.24 request to the agency.

121.25 Sec. 22. Minnesota Statutes 2016, section 14.19, is amended to read:

121.26 **14.19 DEADLINE TO COMPLETE RULEMAKING.**

121.27 Within 180 days after issuance of the administrative law judge's report or that of the  
 121.28 chief administrative law judge, the agency shall submit its notice of adoption, amendment,  
 121.29 or repeal to the State Register for publication. If the agency has not submitted its notice to  
 121.30 the State Register within 180 days, the rule is automatically withdrawn. The agency may  
 121.31 not adopt the withdrawn rules without again following the procedures of sections 14.05 to  
 121.32 14.28, with the exception of section 14.101, if the noncompliance is approved by the chief  
 121.33 administrative law judge. The agency shall report to the Legislative Coordinating

122.1 Commission, other appropriate committees of the legislature, and the governor its failure  
 122.2 to adopt rules and the reasons for that failure. The 180-day time limit of this section does  
 122.3 not include:

122.4 (1) any days used for review by the chief administrative law judge or the commission  
 122.5 if the review is required by law; or

122.6 (2) days during which the rule cannot be adopted, because of votes by legislative  
 122.7 committees under section 14.126; ~~or.~~

122.8 (3) ~~days during which the rule cannot be adopted because approval of the legislature is~~  
 122.9 ~~required under section 14.127.~~

122.10 Sec. 23. Minnesota Statutes 2016, section 14.22, subdivision 1, is amended to read:

122.11 Subdivision 1. **Contents.** (a) ~~Unless an agency proceeds directly to a public hearing on~~  
 122.12 ~~a proposed rule and gives the notice prescribed in section 14.14, subdivision 1a, the agency~~  
 122.13 ~~shall give notice of its intention to adopt a rule without public hearing. The agency shall~~  
 122.14 ~~give the notice required by this section, unless the agency gives notice of a hearing under~~  
 122.15 ~~section 14.14 or a notice under section 14.389, subdivision 2. The agency shall give notice~~  
 122.16 ~~must be given~~ of its intention to adopt a rule by publication in the State Register and by  
 122.17 United States mail or electronic mail to persons who have registered their names with the  
 122.18 agency under section ~~14.14, subdivision 1a~~ 14.105. ~~The mailed notice must include either~~  
 122.19 ~~a copy of the proposed rule or an easily readable and understandable description of its nature~~  
 122.20 ~~and effect and an announcement that a free copy of the proposed rule is available on request~~  
 122.21 ~~from the agency. In addition, each agency shall make reasonable efforts to notify persons~~  
 122.22 ~~or classes of persons who may be significantly affected by the rule by giving notice of its~~  
 122.23 ~~intention in newsletters, newspapers, or other publications, or through other means of~~  
 122.24 ~~communication.~~ The notice in the State Register must include the proposed rule or ~~the~~  
 122.25 amended rule in the form required by the revisor under section 14.07<sub>2</sub>; an easily readable  
 122.26 and understandable summary of the overall nature and effect of the proposed rule<sub>2</sub>; a citation  
 122.27 to the most specific statutory authority for the proposed rule<sub>2</sub>; a statement that a free copy  
 122.28 of the statement of need and reasonableness may be requested from the agency; a statement  
 122.29 that persons may register with the agency ~~for the purpose of receiving~~ to receive notice of  
 122.30 rule proceedings ~~and notice that a rule has been submitted to the chief administrative law~~  
 122.31 ~~judge~~<sub>2</sub>; and other information required by law or rule. When an entire rule is proposed to  
 122.32 be repealed, the notice need only state that fact, along with an easily readable and  
 122.33 understandable summary of the overall nature of the ~~rules~~ rule proposed for repeal, and a  
 122.34 citation to the rule to be repealed. The notice must include a statement advising the public:

123.1 (1) that the public has at least 30 days in which to submit comment in support of or in  
 123.2 opposition to the proposed rule and that comment is encouraged;

123.3 (2) that each comment should identify the ~~portion~~ part and subpart, if any, of the proposed  
 123.4 rule addressed, the reason for the comment, and any change proposed;

123.5 (3) that the requester is encouraged to propose any change desired;

123.6 ~~(3)~~ (4) that if 25 or more persons submit a written request for a public hearing within  
 123.7 the ~~30-day~~ comment period, a public hearing will be held and the agency will use the process  
 123.8 under section 14.14;

123.9 ~~(4)~~ (5) of the manner in which persons must request a public hearing on the proposed  
 123.10 rule, including the requirements contained in section 14.25 relating to a written request for  
 123.11 a public hearing; and

123.12 ~~(5) of the requirements contained in section 14.25 relating to a written request for a~~  
 123.13 ~~public hearing, and that the requester is encouraged to propose any change desired;~~

123.14 (6) that the agency may modify the proposed rule ~~may be modified~~ if the modifications  
 123.15 are supported by the data and views submitted; ~~and,~~

123.16 ~~(7) that if a hearing is not required, notice of the date of submission of the proposed rule~~  
 123.17 ~~to the chief administrative law judge for review will be mailed to any person requesting to~~  
 123.18 ~~receive the notice.~~

123.19 In connection with the statements required in clauses (1) and ~~(3)~~ (4), the notice must  
 123.20 also include the date on which the ~~30-day~~ comment period ends. The mailed notice of intent  
 123.21 to adopt a rule must be the same as the notice published in the State Register, except that  
 123.22 the mailed notice may omit the text of the proposed rule if it includes an announcement of  
 123.23 where a copy of the proposed rule may be obtained.

123.24 (b) The chief administrative law judge may authorize an agency to omit from the notice  
 123.25 of intent to adopt the text of any proposed rule, the publication of which would be unduly  
 123.26 cumbersome, expensive, or otherwise inexpedient if:

123.27 (1) knowledge of the rule is likely to be important to only a small class of persons;

123.28 (2) the notice of intent to adopt states that a free copy of the entire rule is available upon  
 123.29 request to the agency; and

123.30 (3) the notice of intent to adopt states in detail the specific subject matter of the omitted  
 123.31 rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose  
 123.32 and motivation.

124.1 Sec. 24. Minnesota Statutes 2016, section 14.23, is amended to read:

124.2 **14.23 STATEMENT OF NEED AND REASONABLENESS.**

124.3 By the date of the section 14.22 notice, the agency shall prepare a statement of need and  
124.4 reasonableness, which must be available to the public. The statement of need and  
124.5 reasonableness must include the analysis information required in section 14.131. ~~The~~  
124.6 ~~statement must also describe the agency's efforts to provide additional notification under~~  
124.7 ~~section 14.22 to persons or classes of persons who may be affected by the proposed rules~~  
124.8 ~~or must explain why these efforts were not made. For at least 30 days following the notice,~~  
124.9 ~~the agency shall afford the public an opportunity to request a public hearing and to submit~~  
124.10 ~~data and views on the proposed rule in writing.~~

124.11 The agency shall send a copy of the statement of need and reasonableness to the  
124.12 Legislative Reference Library no later than when the notice of intent to adopt is mailed sent.

124.13 Sec. 25. Minnesota Statutes 2016, section 14.25, subdivision 1, is amended to read:

124.14 Subdivision 1. **Requests for hearing.** If, during the ~~30-day~~ period allowed for comment  
124.15 under section 14.22, 25 or more persons submit to the agency a written request for a public  
124.16 hearing of the proposed rule, the agency shall proceed under the provisions of sections 14.14  
124.17 to 14.20. The written request must include:

124.18 (1) the name and address of the person requesting the public hearing; ~~and~~

124.19 (2) the ~~portion or portions~~ part or subpart, if any, of the rule to which the person objects  
124.20 ~~or a statement that the person opposes the entire rule. If not previously published under~~  
124.21 ~~section 14.22, subdivision 2, a notice of the public hearing must be published in the State~~  
124.22 ~~Register and mailed to those persons who submitted a written request for the public hearing.~~  
124.23 ~~Unless the agency has modified the proposed rule, the notice need not include the text of~~  
124.24 ~~the proposed rule but only a citation to the State Register pages where the text appears; and~~

124.25 (3) the reasons for the objection to each portion of the rule identified.

124.26 A written request for a public hearing that does not comply with the requirements of this  
124.27 section is invalid and may not be counted by the agency for purposes of determining whether  
124.28 a public hearing must be held. A written request for a public hearing is not invalid due to  
124.29 failure of the request to correctly identify the portion of the rule to which the person objects  
124.30 if the agency reasonably can determine which portion of the rule is the basis for the objection.

125.1 Sec. 26. Minnesota Statutes 2016, section 14.26, is amended to read:

125.2 **14.26 ADOPTION OF PROPOSED RULE; SUBMISSION TO ADMINISTRATIVE**  
125.3 **LAW JUDGE.**

125.4 Subdivision 1. **Submission.** If no hearing is required, the agency shall submit to an  
125.5 administrative law judge assigned by the chief administrative law judge the proposed rule  
125.6 and notice as published, the rule as adopted, any written comments received by the agency,  
125.7 and a statement of need and reasonableness for the rule. The agency shall give notice to all  
125.8 persons who requested to be informed that these materials have been submitted to the  
125.9 administrative law judge. This notice must be given on the same day that the record is  
125.10 submitted. If the proposed rule has been modified, the notice must state that fact, and must  
125.11 also state that a free copy of the proposed rule, as modified, is available upon request from  
125.12 the agency. The rule and these materials must be submitted to the administrative law judge  
125.13 within 180 days of the day that the comment period for the rule is over or the rule is  
125.14 automatically withdrawn. The agency may not adopt the withdrawn rules without again  
125.15 following the procedures of sections 14.05 to 14.28, with the exception of section 14.101,  
125.16 if the noncompliance is approved by the chief administrative law judge. The agency shall  
125.17 report its failure to adopt the rules and the reasons for that failure to the Legislative  
125.18 Coordinating Commission, other appropriate legislative committees, and the governor.

125.19 ~~Subd. 2. **Resubmission.** Even if the 180-day period expires while the administrative~~  
125.20 ~~law judge reviews the rule, if the administrative law judge rejects the rule, the agency may~~  
125.21 ~~resubmit it after taking corrective action. The resubmission must occur within 30 days of~~  
125.22 ~~when the agency receives written notice of the disapproval. If the rule is again disapproved,~~  
125.23 ~~the rule is withdrawn. An agency may resubmit at any time before the expiration of the~~  
125.24 ~~180-day period. If the agency withholds some of the proposed rule, it may not adopt the~~  
125.25 ~~withheld portion without again following the procedures of sections 14.14 to 14.28.~~

125.26 Subd. 3. **Review.** (a) Within 14 days of receiving a submission under subdivision 1, the  
125.27 administrative law judge shall approve or disapprove the rule as to its legality and its form  
125.28 to the extent that the form relates to legality, including the issues of whether the rule if  
125.29 modified is substantially different, as determined under section 14.05, subdivision 2, from  
125.30 the rule as originally proposed, whether the agency has the authority to adopt the rule, and  
125.31 whether the record demonstrates a rational basis for the need for and reasonableness of the  
125.32 proposed rule. ~~If the rule is approved, the administrative law judge shall promptly file four~~  
125.33 ~~paper copies or an electronic copy of the adopted rule in the Office of the Secretary of State.~~  
125.34 ~~The secretary of state shall forward one copy of each rule to the revisor of statutes, to the~~  
125.35 ~~agency, and to the governor.~~ If the rule is disapproved, the administrative law judge shall

126.1 state in writing the reasons for the disapproval and make recommendations to overcome  
126.2 the defects.

126.3 Subd. 3b. Harmless error. The administrative law judge shall disregard any error or  
126.4 defect in the proceeding due to the agency's failure to satisfy any procedural requirements  
126.5 imposed by law or rule if the administrative law judge finds:

126.6 (1) that the failure did not deprive any person or entity of an opportunity to participate  
126.7 meaningfully in the rulemaking process; or

126.8 (2) that the agency has taken corrective action to cure the error or defect so that the  
126.9 failure did not deprive any person or entity of an opportunity to participate meaningfully  
126.10 in the rulemaking process.

126.11 Subd. 3c. Correction of defects. ~~(b)~~ (a) The written disapproval must be submitted to  
126.12 the chief administrative law judge for approval. If the chief administrative law judge approves  
126.13 of the findings of the administrative law judge, the chief administrative law judge shall send  
126.14 the statement of the reasons for disapproval of the rule to the agency, the Legislative  
126.15 Coordinating Commission, the house of representatives and senate policy committees with  
126.16 primary jurisdiction over state governmental operations, and the revisor of statutes and  
126.17 advise the agency and the revisor of statutes of actions that will correct the defects. The rule  
126.18 may not be filed in the Office of the Secretary of State, nor be published, until the chief  
126.19 administrative law judge determines that the defects have been corrected or, if applicable,  
126.20 that the agency has satisfied the rule requirements for the adoption of a substantially different  
126.21 rule.

126.22 (b) The agency may resubmit the disapproved rule under paragraph (a) to the chief  
126.23 administrative law judge after correcting the defects. If the 180-day period expires while  
126.24 the chief administrative law judge is reviewing the rule, the agency may resubmit the rule  
126.25 within 30 days of the date the agency received written notice of disapproval. In all other  
126.26 cases, the agency may resubmit the rule at any time before the expiration of the 180-day  
126.27 period in subdivision 1. If the resubmitted rule is disapproved by the chief administrative  
126.28 law judge, the rule is withdrawn. If the agency does not resubmit a portion of the rule, it  
126.29 may not adopt that portion of the rule without again following the procedures of sections  
126.30 14.14 to 14.28.

126.31 Subd. 3d. Need or reasonableness not established. ~~(c)~~ If the chief administrative law  
126.32 judge determines that the need for or reasonableness of the rule has not been established,  
126.33 and if the agency does not elect to follow the suggested actions of the chief administrative  
126.34 law judge to correct that defect, then the agency shall submit the proposed rule to the

127.1 Legislative Coordinating Commission and to the house of representatives and senate policy  
127.2 committees with primary jurisdiction over state governmental operations for advice and  
127.3 comment. The agency may not adopt the rule until it has received and considered the advice  
127.4 of the commission and committees. However, the agency need not wait for advice for more  
127.5 than 60 days after the commission and committees have received the agency's submission.

127.6 ~~(d) The administrative law judge shall disregard any error or defect in the proceeding~~  
127.7 ~~due to the agency's failure to satisfy any procedural requirements imposed by law or rule~~  
127.8 ~~if the administrative law judge finds:~~

127.9 ~~(1) that the failure did not deprive any person or entity of an opportunity to participate~~  
127.10 ~~meaningfully in the rulemaking process; or~~

127.11 ~~(2) that the agency has taken corrective action to cure the error or defect so that the~~  
127.12 ~~failure did not deprive any person or entity of an opportunity to participate meaningfully~~  
127.13 ~~in the rulemaking process.~~

127.14 ~~Subd. 3a. **Filing.** If the rule is approved, the administrative law judge shall promptly~~  
127.15 ~~file four paper copies or an electronic copy of the adopted rule in the Office of the Secretary~~  
127.16 ~~of State. The secretary of state shall forward one copy of each rule to the revisor of statutes,~~  
127.17 ~~to the agency, and to the governor.~~

127.18 ~~Subd. 4. **Costs.** The Office of Administrative Hearings shall assess an agency for the~~  
127.19 ~~actual cost of processing rules under this section. Each agency shall include in its budget~~  
127.20 ~~money to pay the assessment. Receipts from the assessment must be deposited in the~~  
127.21 ~~administrative hearings account created in section 14.54.~~

127.22 ~~Subd. 5. **Filing.** If the rule is approved, the chief administrative law judge shall promptly~~  
127.23 ~~file four paper copies or an electronic copy of it in the Office of the Secretary of State. The~~  
127.24 ~~secretary of state shall forward one copy of the rule to the revisor of statutes, one copy to~~  
127.25 ~~the agency, and one copy to the governor.~~

127.26 ~~Subd. 6. **Costs.** The Office of Administrative Hearings shall assess an agency for the~~  
127.27 ~~actual cost of processing rules under this section. Each agency shall include in its budget~~  
127.28 ~~money to pay the assessment. Receipts from the assessment must be deposited in the~~  
127.29 ~~administrative hearings account created in section 14.54.~~

127.30 Sec. 27. Minnesota Statutes 2016, section 14.27, is amended to read:

127.31 **14.27 PUBLICATION OF ADOPTED RULE; EFFECTIVE DATE.**

128.1 (a) Except as provided in paragraph (b), the rule is effective upon after publication of  
 128.2 the notice of adoption in the State Register in the same manner as provided for adopted  
 128.3 rules in section 14.18.

128.4 (b) A rule is effective after publication of the notice of adoption in the State Register  
 128.5 and after approval by law in the same manner as provided for adopted rules in section 14.18,  
 128.6 if any of the following applies:

128.7 (1) the rule is enacted without a specific authorization of rulemaking to enact rules to  
 128.8 implement a specific statute section;

128.9 (2) a sanction or penalty can be imposed for failure to comply with the rule; or

128.10 (3) the regulating agency has the authority to adjudicate a dispute with a regulated entity  
 128.11 about enforcement of or violation of the rule.

128.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 128.13 applies to rules for which a notice of adoption is published on or after that date.

128.14 Sec. 28. Minnesota Statutes 2016, section 14.365, is amended to read:

128.15 **14.365 OFFICIAL RULEMAKING RECORD.**

128.16 The agency shall maintain the official rulemaking record for every rule adopted under  
 128.17 sections 14.05 to ~~14.389~~ 14.3895. The record must be available for public inspection. The  
 128.18 record required by this section constitutes the official and exclusive agency rulemaking  
 128.19 record with respect to agency action on or judicial review of the rule. The record must  
 128.20 contain:

128.21 (1) copies of all publications in the State Register pertaining to the rule;

128.22 (2) all written petitions, and all requests, submissions, or comments received by the  
 128.23 agency or the administrative law judge after publication of the notice of intent to adopt or  
 128.24 the notice of hearing in the State Register pertaining to the rule;

128.25 (3) the statement of need and reasonableness for the rule;

128.26 (4) any report prepared by the peer review panel pursuant to section 14.129;

128.27 ~~(4)~~ (5) the official transcript of the hearing if one was held, or the tape recording of the  
 128.28 hearing if a transcript was not prepared;

128.29 ~~(5)~~ (6) the report of the administrative law judge, if any;

129.1 ~~(6)~~ (7) the rule in the form last submitted to the administrative law judge under sections  
 129.2 14.14 to 14.20 or first submitted to the administrative law judge under sections 14.22 to  
 129.3 14.28;

129.4 ~~(7)~~ (8) the administrative law judge's written statement of required modifications and  
 129.5 of approval or disapproval by the chief administrative law judge, if any;

129.6 ~~(8)~~ (9) any documents required by applicable rules of the Office of Administrative  
 129.7 Hearings;

129.8 ~~(9)~~ (10) the agency's order adopting the rule;

129.9 ~~(10)~~ (11) the revisor's certificate approving the form of the rule; and

129.10 ~~(11)~~ (12) a copy of the adopted rule as filed with the secretary of state.

129.11 Sec. 29. Minnesota Statutes 2016, section 14.381, subdivision 3, is amended to read:

129.12 Subd. 3. **Costs.** The agency is liable for all Office of Administrative Hearings costs  
 129.13 associated with review of the petition. If the administrative law judge rules in favor of the  
 129.14 agency, the agency may recover all or a portion of the costs from the petitioner unless the  
 129.15 petitioner is entitled to proceed in forma pauperis under section 563.01 or the administrative  
 129.16 law judge determines that the petition was brought in good faith and that an assessment of  
 129.17 the costs would constitute an undue hardship for the petitioner. ~~If an agency has reason to~~  
 129.18 ~~believe it will prevail in the consideration of a petition, and that an effort to recover costs~~  
 129.19 ~~from the petitioner will be unsuccessful, it may request the chief administrative law judge~~  
 129.20 ~~to require the petitioner to provide bond or a deposit to the agency in an amount the chief~~  
 129.21 ~~administrative law judge estimates will be the cost to the Office of Administrative Hearings~~  
 129.22 ~~to review the petition.~~

129.23 Sec. 30. Minnesota Statutes 2016, section 14.388, subdivision 1, is amended to read:

129.24 Subdivision 1. **Requirements.** If an agency for good cause finds that the rulemaking  
 129.25 provisions of this chapter are unnecessary, impracticable, or contrary to the public interest  
 129.26 when adopting, amending, or repealing a rule to:

129.27 (1) address a serious and immediate threat to the public health, safety, or welfare;

129.28 (2) comply with a court order or a requirement in federal law in a manner that does not  
 129.29 allow for compliance with sections 14.14 to 14.28;

129.30 (3) incorporate specific changes set forth in applicable statutes when no interpretation  
 129.31 of law is required; or

130.1 (4) make changes that do not alter the sense, meaning, or effect of a rule,  
130.2 the agency may adopt, amend, or repeal the rule after satisfying the requirements of  
130.3 subdivision 2 and section 14.386, paragraph (a), clauses (1) to (4). The agency shall  
130.4 incorporate its findings and a brief statement of its supporting reasons in its order adopting,  
130.5 amending, or repealing the rule.

130.6 After considering the agency's statement and any comments received, the Office of  
130.7 Administrative Hearings shall determine whether the agency has provided adequate  
130.8 justification for its use of this section.

130.9 Rules adopted, amended, or repealed under ~~clauses~~ clause (1) ~~and (2)~~ are effective for  
130.10 a period of two years from the date of publication of the rule in the State Register.

130.11 Rules adopted, amended, or repealed under clause (2), (3), or (4) are effective upon  
130.12 publication in the State Register.

130.13 Sec. 31. Minnesota Statutes 2016, section 14.388, subdivision 2, is amended to read:

130.14 Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this section  
130.15 must give notice to the chairs and ranking minority members of the legislative policy and  
130.16 budget committees with jurisdiction over the subject matter of the proposed rules and to  
130.17 the Legislative Coordinating Commission, must give electronic notice of its intent in  
130.18 accordance with section 16E.07, subdivision 3, and must give notice by United States mail  
130.19 or electronic mail to persons who have registered their names with the agency under section  
130.20 14.14, subdivision 1a. The notice must be given no later than the date the agency submits  
130.21 the proposed rule to the Office of Administrative Hearings for review of its legality and  
130.22 must include:

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

130.24 (2) an explanation of why the rule meets the requirements of the good cause exemption  
130.25 under subdivision 1; and

130.26 (3) a statement that interested parties have five business days after the date of the notice  
130.27 to submit comments to the Office of Administrative Hearings.

130.28 Sec. 32. Minnesota Statutes 2016, section 14.389, subdivision 3, is amended to read:

130.29 Subd. 3. **Adoption.** (a) The agency may modify a proposed rule if the modifications do  
130.30 not result in a substantially different rule, as defined in section 14.05, subdivision 2,  
130.31 paragraphs (b) and (c). If the final rule is identical to the rule originally published in the

131.1 State Register, the agency must publish a notice of adoption in the State Register. If the  
 131.2 final rule is different from the rule originally published in the State Register, the agency  
 131.3 must publish a copy of the changes in the State Register. The agency must also file a copy  
 131.4 of the rule with the governor. ~~The rule is effective upon publication in the State Register.~~

131.5 (b) Except as provided in paragraph (c), the rule is effective upon publication in the  
 131.6 State Register.

131.7 (c) The rule is effective upon publication of the notice of adoption if it has been approved  
 131.8 by a law enacted after publication of the notice of adoption, if any of the following applies:

131.9 (1) the rule is enacted without a specific authorization of rulemaking to enact rules to  
 131.10 implement a specific statute section;

131.11 (2) a sanction or penalty can be imposed for failure to comply with the rule; or

131.12 (3) the regulating agency has the authority to adjudicate a dispute with a regulated entity  
 131.13 about enforcement of or violation of the rule.

131.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 131.15 applies to rules for which a notice of adoption is published on or after that date.

131.16 Sec. 33. Minnesota Statutes 2016, section 14.44, is amended to read:

131.17 **14.44 DETERMINATION OF VALIDITY OF RULE.**

131.18 (a) The validity of any rule, or the validity of any agency policy, guideline, bulletin,  
 131.19 criterion, manual standard, or similar pronouncement that the petitioner believes is a rule  
 131.20 as defined in section 14.02, subdivision 4, may be determined upon the petition for a  
 131.21 declaratory judgment thereon, addressed to the Court of Appeals, when it appears that the  
 131.22 rule or pronouncement, or its threatened application, interferes with or impairs, or threatens  
 131.23 to interfere with or impair the legal rights or privileges of the petitioner. The agency shall  
 131.24 be made a party to the proceeding. The declaratory judgment may be rendered whether or  
 131.25 not the petitioner has first requested the agency to pass upon the validity of the rule in  
 131.26 question, whether or not the petitioner has petitioned the Office of Administrative Hearings  
 131.27 under section 14.381, and whether or not the agency has commenced an action against the  
 131.28 petitioner to enforce the rule.

131.29 (b) If the subject of the petition is an agency policy, guideline, bulletin, criterion, manual  
 131.30 standard, or similar pronouncement, the agency must cease enforcement of the  
 131.31 pronouncement upon filing of the petition until the Court of Appeals rules on the matter.  
 131.32 The agency is liable for all costs associated with review of the petition. If the Court of

132.1 Appeals rules in favor of the agency, the agency may recover all or a portion of the cost  
132.2 from the petitioner unless the petitioner is entitled to proceed in a forma pauperis under  
132.3 section 563.01, or the court determines that the petition was brought in good faith or the  
132.4 assessment of the costs would constitute an undue hardship for the petitioner.

132.5 Sec. 34. Minnesota Statutes 2016, section 14.45, is amended to read:

132.6 **14.45 RULE DECLARED INVALID.**

132.7 In proceedings under section 14.44, the court shall declare the rule or agency policy,  
132.8 guideline, bulletin, criterion, manual standard, or similar pronouncement invalid if it finds  
132.9 that it violates constitutional provisions or exceeds the statutory authority of the agency or  
132.10 if the rule was adopted or the policy, guideline, bulletin, criterion, manual standard, or  
132.11 similar pronouncement was improperly implemented without compliance with statutory  
132.12 rulemaking procedures. Any party to proceedings under section 14.44, including the agency,  
132.13 may appeal an adverse decision of the Court of Appeals to the Supreme Court as in other  
132.14 civil cases.

132.15 Sec. 35. Minnesota Statutes 2016, section 14.51, is amended to read:

132.16 **14.51 PROCEDURAL RULES.**

132.17 The chief administrative law judge shall adopt rules to govern: (1) the procedural conduct  
132.18 of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings,  
132.19 contested case hearings, and workers' compensation hearings, and to govern the conduct of  
132.20 voluntary mediation sessions for rulemaking and contested cases other than those within  
132.21 the jurisdiction of the Bureau of Mediation Services; and (2) the review of rules adopted  
132.22 without a public hearing. The chief administrative law judge may adopt rules to govern the  
132.23 procedural conduct of other hearings conducted by the Office of Administrative Hearings.  
132.24 The procedural rules shall be binding upon all agencies and shall supersede any other agency  
132.25 procedural rules with which they may be in conflict. The procedural rules shall include in  
132.26 addition to normal procedural matters provisions relating to the procedure to be followed  
132.27 when the proposed final rule of an agency is substantially different, as determined under  
132.28 section 14.05, subdivision 2, from that which was proposed. The procedural rules shall  
132.29 establish a procedure whereby the proposed final rule of an agency shall be reviewed by  
132.30 the chief administrative law judge on the issue of whether the proposed final rule of the  
132.31 agency is substantially different than that which was proposed or failure of the agency to  
132.32 meet the requirements of chapter 14. The rules must also provide: (1) an expedited procedure,  
132.33 consistent with section 14.001, clauses (1) to (5), for the adoption of substantially different

133.1 rules by agencies; and (2) a procedure to allow an agency to receive prior binding approval  
 133.2 of its plan regarding the additional notice contemplated under sections 14.101, 14.131,  
 133.3 14.14, 14.22, ~~and 14.23~~, and 14.389. Upon the chief administrative law judge's own initiative  
 133.4 or upon written request of an interested party, the chief administrative law judge may issue  
 133.5 a subpoena for the attendance of a witness or the production of books, papers, records or  
 133.6 other documents as are material to any matter being heard by the Office of Administrative  
 133.7 Hearings. The subpoenas shall be enforceable through the district court in the district in  
 133.8 which the subpoena is issued.

133.9 Sec. 36. Minnesota Statutes 2016, section 14.57, is amended to read:

133.10 **14.57 INITIATION; DECISION; AGREEMENT TO ARBITRATE.**

133.11 (a) An agency shall initiate a contested case proceeding when one is required by law.  
 133.12 ~~Unless otherwise provided by law, An agency shall decide~~ submit a contested case ~~only to~~  
 133.13 the Office of Administrative Hearings for disposition in accordance with the contested case  
 133.14 procedures of the Administrative Procedure Act. Upon initiation of a contested case  
 133.15 proceeding, ~~an agency may, by order, provide that~~ the report or order of the administrative  
 133.16 law judge constitutes the final decision in the case.

133.17 (b) As an alternative to initiating or continuing with a contested case proceeding, the  
 133.18 parties, subsequent to agency approval, may enter into a written agreement to submit the  
 133.19 issues raised to arbitration by an administrative law judge according to sections 572B.01  
 133.20 to 572B.31.

133.21 **EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to contested  
 133.22 cases initiated on or after that date.

133.23 Sec. 37. **[14.605] AFFIRMATIVE DEFENSE.**

133.24 In a contested case or any other action to enforce a rule or to sanction or penalize a  
 133.25 person for violation of a rule, a person shall have an affirmative defense if the person shows  
 133.26 by a preponderance of the evidence that the cost for the person to comply with the rule  
 133.27 exceeds \$50,000.

133.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 133.29 applies to rules for which a notice of adoption is published on or after that date.

134.1 Sec. 38. MINNESOTA ADMINISTRATIVE RULES STATUS SYSTEM (MARSS)  
134.2 WORKING GROUP.

134.3 Subdivision 1. Creation. The MARSS working group consists of the following nine  
134.4 members:

134.5 (1) the chief judge of the Office of Administrative Hearings, or a designee;

134.6 (2) the secretary of state, or a designee;

134.7 (3) a representative from the Interagency Rules Committee (IRC) appointed by the  
134.8 committee;

134.9 (4) a representative from each of the following agencies with rulemaking experience  
134.10 appointed by the appropriate commissioner:

134.11 (i) the Department of Health;

134.12 (ii) the Minnesota Pollution Control Agency;

134.13 (iii) the Department of Transportation; and

134.14 (iv) the Department of Labor and Industry;

134.15 (5) as designated by the IRC, a representative from a health-related board; and

134.16 (6) as designated by the IRC, a representative from a non-health-related board.

134.17 Subd. 2. MARSS description. The Minnesota Administrative Rules Status System  
134.18 (MARSS) is a concept for a new software application. The application would be built and  
134.19 maintained by the Revisor's Office. Executive branch agencies and others would upload  
134.20 official rulemaking record documents to the system. The goal is to improve public access,  
134.21 security, preservation, and transparency of state agencies' official rulemaking records through  
134.22 the creation of a single online records system. The system would serve as a single Internet  
134.23 location for the public to track rulemaking progress and access the official rulemaking  
134.24 record. Agencies would fulfill their requirement to maintain and preserve the official  
134.25 rulemaking record by submitting required documents to the revisor for inclusion in the  
134.26 online records system.

134.27 Subd. 3. Duties. The working group must report by February 1, 2018, to the chairs and  
134.28 ranking minority members of the committees in the house of representatives and senate  
134.29 with jurisdiction over policy and finance for the legislature. The report must identify the  
134.30 functional and nonfunctional requirements of the MARSS system. The working group must  
134.31 define a funding mechanism to share the cost to build and maintain the MARSS system  
134.32 among state agencies and departments.

135.1 Subd. 4. **Administration provisions.** (a) The revisor of statutes or the revisor's designee  
135.2 must convene the initial meeting of the working group by August 1, 2017. Upon request of  
135.3 the working group, the revisor must provide meeting space and administrative services for  
135.4 the group.

135.5 (b) The working group must elect a chair from among its members at the first meeting.

135.6 (c) Members serve without compensation and without reimbursement for expenses.

135.7 (d) The working group expires on February 1, 2018, or upon submission of documents  
135.8 fulfilling its duties, whichever is earlier.

135.9 Subd. 5. **Deadline for appointments and designations.** The appointments and  
135.10 designations authorized by this section must be completed by July 1, 2017.

135.11 **Sec. 39. REVISOR'S INSTRUCTION.**

135.12 By January 15, 2018, the revisor of statutes shall present a bill to the legislature to make  
135.13 the conforming statutory changes to incorporate changes in this article to the contested case  
135.14 procedures under Minnesota Statutes, section 14.57.

135.15 **Sec. 40. REPEALER.**

135.16 Minnesota Statutes 2016, section 14.05, subdivision 5, is repealed.

135.17 **Sec. 41. EFFECTIVE DATE; APPLICATION.**

135.18 Except where otherwise provided, this article is effective August 1, 2017, and applies  
135.19 to rules for which a notice of hearing under Minnesota Statutes, section 14.14; a notice of  
135.20 intent to adopt under Minnesota Statutes, section 14.22; or a dual notice under Minnesota  
135.21 Statutes, section 14.225, is published in the State Register on or after that date.

## 135.22 **ARTICLE 5**

### 135.23 **MILITARY AFFAIRS AND VETERANS AFFAIRS**

135.24 **Section 1.** Minnesota Statutes 2016, section 190.19, subdivision 2, is amended to read:

135.25 **Subd. 2. Uses.** (a) Money appropriated from the Minnesota "Support Our Troops" account  
135.26 to the Department of Military Affairs may be used for:

135.27 (1) grants directly to eligible individuals;

135.28 (2) grants to one or more eligible foundations for the purpose of making grants to eligible  
135.29 individuals, as provided in this section;

- 136.1 (3) veterans' services; or
- 136.2 (4) grants to family readiness groups chartered by the adjutant general.
- 136.3 (b) As used in paragraph (a), the term "eligible individual" includes any person who is:
- 136.4 (1) a member in good standing of the Minnesota National Guard or a reserve unit based
- 136.5 in Minnesota ~~who has been called to active service as defined in section 190.05, subdivision~~
- 136.6 ~~5~~;
- 136.7 (2) a Minnesota resident who is a member of a military reserve unit not based in
- 136.8 Minnesota, if the member is called to active service as defined in section 190.05, subdivision
- 136.9 5;
- 136.10 (3) any other Minnesota resident performing active service for any branch of the military
- 136.11 of the United States;
- 136.12 (4) a person who honorably served in one of the capacities listed in clause (1), (2), or
- 136.13 (3) who has current financial needs ~~directly related to that service~~; and
- 136.14 (5) a member of the immediate family of an individual identified in clause (1), (2), (3),
- 136.15 or (4). For purposes of this clause, "immediate family" means the individual's spouse and
- 136.16 minor children and, if they are dependents of the member of the military, the member's
- 136.17 parents, grandparents, siblings, stepchildren, and adult children.
- 136.18 (c) As used in paragraph (a), the term "eligible foundation" includes any organization
- 136.19 that:
- 136.20 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;
- 136.21 (2) has articles of incorporation under chapter 317A specifying the purpose of the
- 136.22 organization as including the provision of financial assistance to members of the Minnesota
- 136.23 National Guard and other United States armed forces reserves and their families and
- 136.24 survivors; and
- 136.25 (3) agrees in writing to distribute any grant money received from the adjutant general
- 136.26 under this section to eligible individuals as defined in this section and in accordance with
- 136.27 any written policies and rules the adjutant general may impose as conditions of the grant to
- 136.28 the foundation.
- 136.29 (d) The maximum grant awarded to an eligible individual under paragraph (a) in a
- 136.30 calendar year with funds from the Minnesota "Support Our Troops" account, either through
- 136.31 an eligible institution or directly from the adjutant general, may not exceed ~~\$2,000~~ \$4,000.

137.1 Sec. 2. Minnesota Statutes 2016, section 190.19, subdivision 2a, is amended to read:

137.2 Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans Affairs  
137.3 from the Minnesota "Support Our Troops" account may be used for:

137.4 (1) grants to veterans service organizations;

137.5 (2) outreach to underserved veterans;

137.6 (3) providing services and programs for veterans and their families;

137.7 (4) transfers to the vehicle services account for Gold Star license plates under section  
137.8 168.1253;

137.9 (5) grants of up to \$100,000 to any organization approved by the commissioner of  
137.10 veterans affairs for the purpose of supporting and improving the lives of veterans and their  
137.11 families; ~~and~~

137.12 (6) grants to an eligible foundation; and

137.13 (7) the agency's uncompensated burial costs for eligible dependents to whom the  
137.14 commissioner grants a no-fee or reduced-fee burial in the state's veteran cemeteries pursuant  
137.15 to section 197.236, subdivision 9, paragraph (b).

137.16 (b) For purposes of this subdivision, "eligible foundation" includes any organization  
137.17 that:

137.18 (1) is a tax-exempt organization under section 501(c) of the Internal Revenue Code; and

137.19 (2) is a nonprofit corporation under chapter 317A and the organization's articles of  
137.20 incorporation specify that a purpose of the organization includes: (i) providing assistance  
137.21 to veterans and their families; or (ii) enhancing the lives of veterans and their families.

137.22 Sec. 3. Minnesota Statutes 2016, section 196.05, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

138.29 Sec. 4. Minnesota Statutes 2016, section 197.236, subdivision 9, is amended to read:

138.30 Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee  
138.31 schedule, which may be adjusted from time to time, for the interment of eligible spouses

139.1 and dependent children. The fees shall cover as nearly as practicable the actual costs of  
139.2 interment, excluding the value of the plot.

139.3 (b) Upon application, the commissioner may waive or reduce the burial fee in the case  
139.4 of for an indigent eligible person. The commissioner shall develop a policy, eligibility  
139.5 standards, and application form for requests to waive or reduce the burial fee to indigent  
139.6 eligible applicants.

139.7 (c) No plot or interment fees may be charged for the burial of service members who die  
139.8 on active duty or eligible veterans, as defined in United States Code, title 38, section 101,  
139.9 paragraph (2).

139.10 **Sec. 5. [197.6091] VETERANS BENEFITS SERVICES; DISCLOSURE**  
139.11 **REQUIREMENTS.**

139.12 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
139.13 the meanings given.

139.14 (b)(1) "Advertising" or "advertisement" means any of the following:

139.15 (i) any written or printed communication made for the purpose of soliciting business for  
139.16 veterans benefits appeal services, including but not limited to a brochure, letter, pamphlet,  
139.17 newspaper, telephone listing, periodical, or other writing;

139.18 (ii) any directory listing caused or permitted by a person and made available by that  
139.19 person indicating that veterans benefits appeal services are being offered; or

139.20 (iii) any radio, television, computer network, or similar airwave or electronic transmission  
139.21 that solicits business for or promotes a person offering veterans benefits appeal services.

139.22 (2) "Advertising" or "advertisement" does not include any of the following:

139.23 (i) any printing or writing used on buildings, uniforms, or badges, where the purpose of  
139.24 the writing is for identification; or

139.25 (ii) any printing or writing in a memorandum or other communication used in the ordinary  
139.26 course of business where the sole purpose of the writing is other than soliciting business  
139.27 for veterans benefits appeal services.

139.28 (c) "Veterans benefits appeal services" means services that a veteran might reasonably  
139.29 require in order to appeal a denial of federal or state veterans benefits, including but not  
139.30 limited to denials of disability, limited income, home loan, insurance, education and training,  
139.31 burial and memorial, and dependent and survivor benefits.

140.1 (d) "Veterans benefits services" means services that a veteran or a family member of a  
140.2 veteran might reasonably use in order to obtain federal, state, or county veterans benefits.

140.3 (e) "Written disclosure statement" means the written disclosure statement developed by  
140.4 the commissioner of veterans affairs pursuant to section 196.05, subdivision 1.

140.5 Subd. 2. **Advertising disclosure requirements.** A person advertising veterans benefits  
140.6 appeal services must conspicuously disclose in the advertisement, in similar type size or  
140.7 voice-over, that veterans benefits appeal services are also offered at no cost by county  
140.8 veterans service officers under sections 197.603 and 197.604.

140.9 Subd. 3. **Veterans benefits services disclosure requirements.** A person who provides  
140.10 veterans benefits services in exchange for compensation shall provide a written disclosure  
140.11 statement to each client or prospective client. Before a person enters into an agreement to  
140.12 provide veterans benefits services or accepts money or any other thing of value for the  
140.13 provision of veterans benefits services, the person must obtain the signature of the client  
140.14 on a written disclosure statement containing an attestation by the client that the client has  
140.15 read and understands the written disclosure statement.

140.16 Subd. 4. **Violations; penalties.** A person who fails to comply with this section is subject  
140.17 to a civil penalty not to exceed \$1,000 for each violation. Civil penalties shall be assessed  
140.18 by the district court in an action initiated by the attorney general. For the purposes of  
140.19 computing the amount of each civil penalty, each day of a continuing violation constitutes  
140.20 a separate violation. Additionally, the attorney general may accept a civil penalty as  
140.21 determined by the attorney general in settlement of an investigation of a violation of this  
140.22 section regardless of whether an action has been filed under this section. Any civil penalty  
140.23 recovered shall be deposited in the Support Our Troops account established under section  
140.24 190.19.

140.25 Subd. 5. **Nonapplicability.** This section does not apply to the owner or personnel of any  
140.26 medium in which an advertisement appears or through which an advertisement is  
140.27 disseminated.

140.28 Sec. 6. Minnesota Statutes 2016, section 197.791, subdivision 2, is amended to read:

140.29 Subd. 2. **Program established.** The Minnesota GI Bill program is established to provide  
140.30 postsecondary educational assistance, apprenticeship and on-the-job training benefits, and  
140.31 other professional and educational benefits to eligible Minnesota veterans and to the children  
140.32 and spouses of deceased and severely disabled Minnesota veterans.

141.1 The commissioner, in cooperation with eligible postsecondary educational institutions,  
141.2 shall administer the program for the purpose of providing postsecondary educational  
141.3 assistance to eligible persons in accordance with this section. Each public postsecondary  
141.4 educational institution in the state must participate in the program and each private  
141.5 postsecondary educational institution in the state is encouraged to participate in the program.  
141.6 Any participating private institution may suspend or terminate its participation in the program  
141.7 at the end of any semester or other academic term.

141.8 Sec. 7. Minnesota Statutes 2016, section 197.791, subdivision 3, is amended to read:

141.9 Subd. 3. **Duties; responsibilities.** (a) The commissioner shall establish policies and  
141.10 procedures including, but not limited to, procedures for student application record keeping,  
141.11 information sharing, payment of educational assistance benefits under subdivision 5, payment  
141.12 of apprenticeship or on-the-job training benefits under subdivision 5a, payment of other  
141.13 educational or professional benefits under subdivision 5, and other procedures the  
141.14 commissioner considers appropriate and necessary for effective and efficient administration  
141.15 of the program established in this section.

141.16 (b) The commissioner may delegate part or all of the administrative procedures for the  
141.17 program to responsible representatives of participating eligible institutions. The commissioner  
141.18 may execute an interagency agreement with the Minnesota Office of Higher Education for  
141.19 services the commissioner determines necessary to administer the program.

141.20 Sec. 8. Minnesota Statutes 2016, section 197.791, subdivision 4, is amended to read:

141.21 Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under ~~this section~~  
141.22 subdivisions 5 and 5a if:

141.23 (1) the person is:

141.24 (i) a veteran who is serving or has served honorably in any branch or unit of the United  
141.25 States armed forces at any time;

141.26 (ii) a nonveteran who has served honorably for a total of five years or more cumulatively  
141.27 as a member of the Minnesota National Guard or any other active or reserve component of  
141.28 the United States armed forces, and any part of that service occurred on or after September  
141.29 11, 2001;

141.30 (iii) the surviving spouse or child of a person who has served in the military and who  
141.31 has died as a direct result of that military service, only if the surviving spouse or child is

142.1 eligible to receive federal education benefits under United States Code, title 38, chapter 33,  
142.2 as amended, or United States Code, title 38, chapter 35, as amended; or

142.3 (iv) the spouse or child of a person who has served in the military at any time and who  
142.4 has a total and permanent service-connected disability as rated by the United States Veterans  
142.5 Administration, only if the spouse or child is eligible to receive federal education benefits  
142.6 under United States Code, title 38, chapter 33, as amended, or United States Code, title 38,  
142.7 chapter 35, as amended; and

142.8 (2) the person receiving the educational assistance is a Minnesota resident, as defined  
142.9 in section 136A.101, subdivision 8; and

142.10 (3) the person receiving the educational assistance:

142.11 (i) is an undergraduate or graduate student at an eligible institution;

142.12 (ii) is maintaining satisfactory academic progress as defined by the institution for students  
142.13 participating in federal Title IV programs;

142.14 (iii) is enrolled in an education program leading to a certificate, diploma, or degree at  
142.15 an eligible institution;

142.16 (iv) has applied for educational assistance under this section prior to the end of the  
142.17 academic term for which the assistance is being requested;

142.18 (v) is in compliance with child support payment requirements under section 136A.121,  
142.19 subdivision 2, clause (5); and

142.20 (vi) has completed the Free Application for Federal Student Aid (FAFSA).

142.21 (b) A person's eligibility terminates when the person becomes eligible for benefits under  
142.22 section 135A.52.

142.23 (c) To determine eligibility, the commissioner may require official documentation,  
142.24 including the person's federal form DD-214 or other official military discharge papers;  
142.25 correspondence from the United States Veterans Administration; birth certificate; marriage  
142.26 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency;  
142.27 proof of identity; or any other official documentation the commissioner considers necessary  
142.28 to determine eligibility.

142.29 (d) The commissioner may deny eligibility or terminate benefits under this section to  
142.30 any person who has not provided sufficient documentation to determine eligibility for the  
142.31 program. An applicant may appeal the commissioner's eligibility determination or termination  
142.32 of benefits in writing to the commissioner at any time. The commissioner must rule on any

143.1 application or appeal within 30 days of receipt of all documentation that the commissioner  
143.2 requires. The decision of the commissioner regarding an appeal is final. However, an  
143.3 applicant whose appeal of an eligibility determination has been rejected by the commissioner  
143.4 may submit an additional appeal of that determination in writing to the commissioner at  
143.5 any time that the applicant is able to provide substantively significant additional information  
143.6 regarding the applicant's eligibility for the program. An approval of an applicant's eligibility  
143.7 by the commissioner following an appeal by the applicant is not retroactively effective for  
143.8 more than one year or the semester of the person's original application, whichever is later.

143.9 (e) Upon receiving an application with insufficient documentation to determine eligibility,  
143.10 the commissioner must notify the applicant within 30 days of receipt of the application that  
143.11 the application is being suspended pending receipt by the commissioner of sufficient  
143.12 documentation from the applicant to determine eligibility.

143.13 Sec. 9. Minnesota Statutes 2016, section 197.791, subdivision 5, is amended to read:

143.14 Subd. 5. ~~Benefit~~ Educational assistance amount. (a) On approval by the commissioner  
143.15 of eligibility for the program, the applicant shall be awarded, on a funds-available basis,  
143.16 the educational assistance under the program for use at any time according to program rules  
143.17 at any eligible institution.

143.18 (b) The amount of educational assistance in any semester or term for an eligible person  
143.19 must be determined by subtracting from the eligible person's cost of attendance the amount  
143.20 the person received or was eligible to receive in that semester or term from:

143.21 (1) the federal Pell Grant;

143.22 (2) the state grant program under section 136A.121; and

143.23 (3) any federal military or veterans educational benefits including but not limited to the  
143.24 Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational  
143.25 rehabilitation benefits, and any other federal benefits associated with the person's status as  
143.26 a veteran, except veterans disability payments from the United States Veterans Administration  
143.27 and payments made under the Veterans Retraining Assistance Program (VRAP).

143.28 (c) The amount of educational assistance for any eligible person who is a full-time  
143.29 student must not exceed the following:

143.30 ~~(1) \$1,000 per semester or term of enrollment;~~

143.31 ~~(2) (1) \$3,000 per state fiscal year; and~~

143.32 ~~(3) (2) \$10,000 in a lifetime.~~

144.1 (d) A person eligible under this subdivision may use the benefit amounts for the following  
144.2 purposes:

144.3 (1) licensing or certification tests, the successful completion of which demonstrates an  
144.4 individual's possession of the knowledge or skill required to enter into, maintain, or advance  
144.5 in employment in a predetermined and identified vocation or profession, provided that the  
144.6 tests and the licensing or credentialing organizations or entities that offer the tests are  
144.7 approved by the commissioner;

144.8 (2) tests for admission to institutions of higher learning or graduate schools;

144.9 (3) national tests providing an opportunity for course credit at institutions of higher  
144.10 learning;

144.11 (4) a preparatory course for a test that is required or used for admission to an institution  
144.12 of higher education or a graduate program; and

144.13 (5) any fee associated with the pursuit of a professional or educational objective specified  
144.14 in clauses (1) to (4).

144.15 (e) If an eligible person receives benefits under subdivision 5, the eligible person's  
144.16 aggregate benefits under this subdivision and subdivision 5 must not exceed \$10,000 in the  
144.17 eligible person's lifetime.

144.18 (f) If an eligible person receives benefits under subdivision 5a, the eligible person's  
144.19 aggregate benefits under this subdivision and subdivision 5a must not exceed \$10,000 in  
144.20 the eligible person's lifetime.

144.21 For a part-time student, the amount of educational assistance must not exceed \$500 per  
144.22 semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate  
144.23 student is a student taking fewer than 12 credits or the equivalent for a semester or term of  
144.24 enrollment and a part-time graduate student is a student considered part time by the eligible  
144.25 institution the graduate student is attending. The minimum award for undergraduate and  
144.26 graduate students is \$50 per term.

144.27 Sec. 10. Minnesota Statutes 2016, section 197.791, subdivision 5a, is amended to read:

144.28 Subd. 5a. **Apprenticeship and on-the-job training.** (a) The commissioner, in  
144.29 consultation with the commissioners of employment and economic development and labor  
144.30 and industry, shall develop and implement an apprenticeship and on-the-job training program  
144.31 to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible  
144.32 applicants persons, as provided in this subdivision.

145.1 (b) An "eligible employer" means an employer operating a qualifying apprenticeship or  
 145.2 on-the-job training program that has been approved by the commissioner.

145.3 (c) A person is eligible for apprenticeship and on-the-job training assistance under this  
 145.4 subdivision if the person meets the criteria established under subdivision 4, ~~paragraphs~~  
 145.5 paragraph (a), clause (1), and (e) to (e). The commissioner may determine eligibility as  
 145.6 provided in subdivision 4, paragraph (c), and may deny or terminate benefits as prescribed  
 145.7 under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf  
 145.8 of an eligible individual under this subdivision must not exceed the following:

145.9 (1) ~~\$2,000~~ \$3,000 per fiscal year for apprenticeship expenses;

145.10 (2) ~~\$2,000~~ \$3,000 per fiscal year for on-the-job training;

145.11 (3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and  
 145.12 completion of six consecutive months' employment of a person receiving assistance under  
 145.13 this subdivision; and

145.14 (4) \$1,000 for a job placement credit payable to an eligible employer after a person  
 145.15 receiving assistance under this subdivision has been employed by the eligible employer for  
 145.16 at least 12 consecutive months as a full-time employee.

145.17 No more than ~~\$3,000~~ \$5,000 in aggregate benefits under this paragraph may be paid to or  
 145.18 on behalf of an individual in one fiscal year, and not more than ~~\$9,000~~ \$10,000 in aggregate  
 145.19 benefits under this paragraph may be paid to or on behalf of an individual over any period  
 145.20 of time.

145.21 (d) Assistance for apprenticeship expenses and on-the-job training is available for  
 145.22 qualifying programs, which must, at a minimum, meet the following criteria:

145.23 (1) the training must be with an eligible employer;

145.24 (2) the training must be documented and reported;

145.25 (3) the training must reasonably be expected to lead to an entry-level position; and

145.26 (4) the position must require at least six months of training to become fully trained.

145.27

## ARTICLE 6

145.28

### CAMPAIGN FINANCE AND ELECTIONS

145.29 Section 1. Minnesota Statutes 2016, section 10A.01, subdivision 12, is amended to read:

145.30 Subd. 12. **Depository.** "Depository" means a bank, savings association, or credit union  
 145.31 organized under federal or state law and transacting business within this state. The

146.1 depositories of a political committee or political fund include any depository in which the  
 146.2 committee or fund has a savings, checking, or similar account, or purchases a money market  
 146.3 certificate or certificate of deposit.

146.4 Sec. 2. Minnesota Statutes 2016, section 10A.01, subdivision 16, is amended to read:

146.5 Subd. 16. **Election cycle.** "Election cycle" means the period from January 1 following  
 146.6 a general election for an office to December 31 following the next general election for that  
 146.7 office, except that "election cycle" for a special election means the period from the date the  
 146.8 special election writ is issued to ~~60~~ 15 days after the special election is held. For a regular  
 146.9 election, the period from January 1 of the year prior to an election year through December  
 146.10 31 of the election year is the "election segment" of the election cycle. Each other two-year  
 146.11 segment of an election cycle is a "nonelection segment" of the election cycle. An election  
 146.12 cycle that consists of two calendar years has only an election segment. The election segment  
 146.13 of a special election cycle includes the entire special election cycle.

146.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 146.15 applies to any special election cycle that starts on or after that date.

146.16 Sec. 3. Minnesota Statutes 2016, section 10A.01, subdivision 26, is amended to read:

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

146.21 (1) payment for accounting and legal services;

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

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

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

146.25 ~~(5)~~ (4) payment for food, beverages, and necessary utensils and supplies, entertainment,  
 146.26 and facility rental for a fund-raising event;

146.27 ~~(6)~~ (5) services for a constituent by a member of the legislature or a constitutional officer  
 146.28 in the executive branch, including the costs of preparing and distributing a suggestion or  
 146.29 idea solicitation to constituents, performed from the beginning of the term of office to  
 146.30 adjournment sine die of the legislature in the election year for the office held, and half the  
 146.31 cost of services for a constituent by a member of the legislature or a constitutional officer

- 147.1 in the executive branch performed from adjournment sine die to 60 days after adjournment  
147.2 sine die;
- 147.3 ~~(7)~~ (6) payment for food and beverages consumed by a candidate or volunteers while  
147.4 they are engaged in campaign activities;
- 147.5 ~~(8)~~ (7) payment for food or a beverage consumed while attending a reception or meeting  
147.6 directly related to legislative duties;
- 147.7 ~~(9)~~ (8) payment of expenses incurred by elected or appointed leaders of a legislative  
147.8 caucus in carrying out their leadership responsibilities;
- 147.9 ~~(10)~~ (9) payment by a principal campaign committee of the candidate's expenses for  
147.10 serving in public office, other than for personal uses;
- 147.11 ~~(11)~~ (10) costs of child care for the candidate's children when campaigning;
- 147.12 ~~(12)~~ (11) fees paid to attend a campaign school;
- 147.13 ~~(13)~~ (12) costs of a postelection party during the election year when a candidate's name  
147.14 will no longer appear on a ballot or the general election is concluded, whichever occurs  
147.15 first;
- 147.16 ~~(14)~~ (13) interest on loans paid by a principal campaign committee on outstanding loans;
- 147.17 ~~(15)~~ (14) filing fees;
- 147.18 ~~(16)~~ (15) post-general election holiday or seasonal cards, thank-you notes, or  
147.19 advertisements in the news media mailed or published prior to the end of the election cycle;
- 147.20 ~~(17)~~ (16) the cost of campaign material purchased to replace defective campaign material,  
147.21 if the defective material is destroyed without being used;
- 147.22 ~~(18)~~ (17) contributions to a party unit;
- 147.23 ~~(19)~~ (18) payments for funeral gifts or memorials;
- 147.24 ~~(20)~~ (19) the cost of a magnet less than six inches in diameter containing legislator  
147.25 contact information and distributed to constituents;
- 147.26 ~~(21)~~ (20) costs associated with a candidate attending a political party state or national  
147.27 convention in this state;
- 147.28 ~~(22)~~ (21) other purchases or payments specified in board rules or advisory opinions as  
147.29 being for any purpose other than to influence the nomination or election of a candidate or  
147.30 to promote or defeat a ballot question; and

148.1 ~~(23)~~ (22) costs paid to a third party for processing contributions made by a credit card,  
148.2 debit card, or electronic check.

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

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

148.7 **EFFECTIVE DATE.** This section is effective July 1, 2017, and applies to elections  
148.8 held on or after that date.

148.9 Sec. 4. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

148.10 Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry  
148.11 out the purposes of this chapter, if, before June 1, 2017, the board has published a notice  
148.12 of intent to adopt a rule without public hearing under section 14.22, subdivision 1, paragraph  
148.13 (a); 14.389, subdivision 2; or 14.3895, subdivision 3; a dual notice under section 14.22,  
148.14 subdivision 2; or a notice of hearing on a proposed rule under section 14.14.

148.15 (b) After May 31, 2017, the board may only adopt rules that (1) incorporate specific  
148.16 changes set forth in applicable statutes when no interpretation of law is required, or (2)  
148.17 make changes to rules that do not alter the sense, meaning, or effect of a rule.

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

148.22 (1) publication of a notice of intent to adopt rules or a notice of hearing;

148.23 (2) publication of proposed rules in the State Register;

148.24 (3) issuance of a statement of need and reasonableness; or

148.25 (4) adoption of final rules.

148.26 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
148.27 rules for which a notice of intent to adopt a rule without public hearing under Minnesota  
148.28 Statutes, section 14.22, subdivision 1, paragraph (a); 14.389, subdivision 2; or 14.3895,  
148.29 subdivision 3; a dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a  
148.30 notice of hearing on a proposed rule under Minnesota Statutes, section 14.14, was published  
148.31 before June 1, 2017.

149.1 Sec. 5. Minnesota Statutes 2016, section 10A.025, subdivision 1a, is amended to read:

149.2 Subd. 1a. **Electronic filing.** (a) A report or statement required to be filed under this  
149.3 chapter may be filed electronically. The board shall adopt rules to regulate on the technical  
149.4 aspects of regulating electronic filing and to ensure ensuring that the electronic filing process  
149.5 is secure.

149.6 (b) A document filed by facsimile transmission or electronic filing system has the same  
149.7 force and effect as filing an original paper document.

149.8 (c) In order to provide a secure environment for the submission of electronic files, the  
149.9 board must require that a filer use a personal identification code when submitting an  
149.10 electronic file. The board may also request the filer to provide a valid e-mail address in  
149.11 order to receive confirmation and verification messages from the board.

149.12 (d) After an electronic file is processed by the board, the information contained in the  
149.13 electronic file becomes the property of the state subject to the terms of the Data Practices  
149.14 Act under chapter 13.

149.15 (e) In the case of a filing by facsimile transmission, the filer must retain the original of  
149.16 the filed document and a record of the date and time of the transmission. If an electronic  
149.17 filing system is used to submit an electronic file to the board, the filer must retain as  
149.18 documentation the database and information on which the electronic submission of data is  
149.19 based. The database and records are subject to audit as provided in this chapter.

149.20 (f) Within five days of a request by the board, any person filing a document by facsimile  
149.21 transmission or electronic filing system shall refile the document by one of the other filing  
149.22 methods provided in Minnesota Rules, part 4501.0500, subpart 1.

149.23 (g) Technical problems that prevent the successful submission of a facsimile transmission  
149.24 or electronic file do not relieve the filer of the responsibility of meeting the requirements  
149.25 of this chapter. An audit trail that demonstrates that the facsimile transmission or electronic  
149.26 file was successfully submitted in a timely fashion may be used by the board to waive late  
149.27 filing fees.

149.28 Sec. 6. Minnesota Statutes 2016, section 10A.04, is amended by adding a subdivision to  
149.29 read:

149.30 Subd. 9. **Reporting by multiple lobbyists representing the same entity.** Clauses (1)  
149.31 to (6) apply when a single individual, association, political subdivision, or public higher  
149.32 education system is represented by more than one lobbyist.

150.1 (1) The entity must appoint one designated lobbyist to report lobbyist disbursements  
150.2 made by the entity. The designated lobbyist must indicate that status on the periodic reports  
150.3 of lobbyist disbursements.

150.4 (2) A reporting lobbyist may consent to report on behalf of one or more other lobbyists  
150.5 for the same entity, in which case, the other lobbyists are persons whose activities the  
150.6 reporting lobbyist must disclose and are subject to the disclosure requirements of subdivision  
150.7 3. Lobbyist disbursement reports filed by a reporting lobbyist must include the names and  
150.8 registration numbers of the other lobbyists whose activities are included in the report.

150.9 (3) Lobbyists whose activities are accounted for by a reporting lobbyist are not required  
150.10 to file lobbyist disbursement reports.

150.11 (4) A lobbyist whose lobbying disbursements are provided to the board through a  
150.12 reporting lobbyist must supply all relevant information on disbursements to the reporting  
150.13 lobbyist no later than five days before the prescribed filing date.

150.14 (5) The reporting periods and due dates for a reporting lobbyist are those provided in  
150.15 subdivision 2. The late filing provisions in subdivision 5 apply to reports required by this  
150.16 subdivision.

150.17 (6) The reporting lobbyist must indicate the names and registration numbers of any  
150.18 lobbyists who did not provide their lobbying disbursements for inclusion in a report. The  
150.19 late filing provisions in subdivision 5 apply to lobbyists who fail to report information to  
150.20 the reporting lobbyist.

150.21 Sec. 7. Minnesota Statutes 2016, section 10A.071, subdivision 1, is amended to read:

150.22 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

150.23 (b) "Gift" means money, real or personal property, a service, a loan, a forbearance or  
150.24 forgiveness of indebtedness, or a promise of future employment, that is given and received  
150.25 without the giver receiving consideration of equal or greater value in return.

150.26 (c) "Official" means a public official, an employee of the legislature, or a local official  
150.27 of a metropolitan governmental unit.

150.28 (d) "Plaque" means a decorative item with an inscription recognizing an individual for  
150.29 an accomplishment.

151.1 Sec. 8. Minnesota Statutes 2016, section 10A.09, subdivision 5, is amended to read:

151.2 Subd. 5. **Form.** (a) A statement of economic interest required by this section must be  
151.3 on a form prescribed by the board. The individual filing must provide the following  
151.4 information:

151.5 (1) name, address, occupation, and principal place of business;

151.6 (2) the name of each associated business and the nature of that association;

151.7 (3) a listing of all real property within the state, excluding homestead property, in which  
151.8 the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or  
151.9 seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of  
151.10 \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

151.11 (4) a listing of all real property within the state in which a partnership of which the  
151.12 individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as  
151.13 buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of  
151.14 the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property  
151.15 has a fair market value of more than \$50,000. A listing under this clause or clause (3) must  
151.16 indicate the street address and the municipality or the section, township, range and  
151.17 approximate acreage, whichever applies, and the county in which the property is located;

151.18 (5) a listing of any investments, ownership, or interests in property connected with  
151.19 pari-mutuel horse racing in the United States and Canada, including a racehorse, in which  
151.20 the individual directly or indirectly holds a partial or full interest or an immediate family  
151.21 member holds a partial or full interest;

151.22 (6) a listing of the principal business or professional activity category of each business  
151.23 from which the individual receives more than \$50 in any month as an employee, if the  
151.24 individual has an ownership interest of 25 percent or more in the business; ~~and~~

151.25 (7) a listing of each principal business or professional activity category from which the  
151.26 individual received compensation of more than \$2,500 in the past 12 months as an  
151.27 independent contractor; and

151.28 (8) the full name of each security with a value of more than \$2,500 owned in part or in  
151.29 full by the public official at any time during the reporting period.

151.30 (b) The business or professional categories for purposes of paragraph (a), clauses (6)  
151.31 and (7), must be the general topic headings used by the federal Internal Revenue Service  
151.32 for purposes of reporting self-employment income on Schedule C. This paragraph does not  
151.33 require an individual to report any specific code number from that schedule. Any additional

152.1 principal business or professional activity category may only be adopted if the category is  
152.2 enacted by law.

152.3 (c) For the purpose of an original statement of economic interest, "compensation in any  
152.4 month" includes only compensation received in the calendar month immediately preceding  
152.5 the date of appointment as a public official or filing as a candidate.

152.6 (d) For the purpose of calculating the amount of compensation received from any single  
152.7 source in a single month, the amount shall include the total amount received from the source  
152.8 during the month, whether or not the amount covers compensation for more than one month.

152.9 Sec. 9. Minnesota Statutes 2016, section 10A.09, subdivision 6, is amended to read:

152.10 Subd. 6. **Annual statement.** (a) Each individual who is required to file a statement of  
152.11 economic interest must also file an annual statement by the last Monday in January of each  
152.12 year that the individual remains in office. The annual statement must cover the period  
152.13 through December 31 of the year prior to the year when the statement is due. The annual  
152.14 statement must include the amount of each honorarium in excess of \$50 received since the  
152.15 previous statement and the name and address of the source of the honorarium. The board  
152.16 must maintain each annual statement of economic interest submitted by an officeholder in  
152.17 the same file with the statement submitted as a candidate.

152.18 (b) For the purpose of annual statements of economic interest to be filed, "compensation  
152.19 in any month" includes compensation and honoraria received in any month between the  
152.20 end of the period covered in the preceding statement of economic interest and the end of  
152.21 the current period.

152.22 (c) An individual must file the annual statement of economic interest required by this  
152.23 subdivision to cover the period for which the individual served as a public official even  
152.24 though at the time the statement was filed, the individual is no longer holding that office as  
152.25 a public official.

152.26 Sec. 10. Minnesota Statutes 2016, section 10A.105, subdivision 1, is amended to read:

152.27 Subdivision 1. **Single committee.** A candidate must not accept contributions from a  
152.28 source, other than self, in aggregate in excess of \$750 ~~or accept a public subsidy~~ unless the  
152.29 candidate designates and causes to be formed a single principal campaign committee for  
152.30 each office sought. A candidate may not authorize, designate, or cause to be formed any  
152.31 other political committee bearing the candidate's name or title or otherwise operating under

153.1 the direct or indirect control of the candidate. However, a candidate may be involved in the  
153.2 direct or indirect control of a party unit.

153.3 **EFFECTIVE DATE.** This section is effective July 1, 2017, and applies to elections  
153.4 held on or after that date.

153.5 Sec. 11. Minnesota Statutes 2016, section 10A.15, subdivision 1, is amended to read:

153.6 Subdivision 1. **Anonymous contributions.** A political committee, political fund, principal  
153.7 campaign committee, or party unit may not retain an anonymous contribution in excess of  
153.8 \$20, but must forward it to the board for deposit in the general ~~account of the state elections~~  
153.9 ~~campaign account~~ fund.

153.10 Sec. 12. Minnesota Statutes 2016, section 10A.15, is amended by adding a subdivision to  
153.11 read:

153.12 **Subd. 6. Contributions from Hennepin County registered associations.** In lieu of  
153.13 registration with the board, an association registered with the Hennepin County filing officer  
153.14 under sections 383B.041 to 383B.058 that makes contributions of more than \$500 to a  
153.15 committee or fund in a calendar year may notify the recipient committee of its registration  
153.16 with Hennepin County, including its registration number, and instruct the recipient committee  
153.17 to include the notice when the recipient committee discloses receipt of the contribution.

153.18 Sec. 13. **[10A.155] VALUE OF CONTRIBUTIONS OF AUTOMOBILE USE.**

153.19 Automobile use provided to a committee by an individual may be valued at the lowest  
153.20 rate used by the state to reimburse its employees for automobile use. Alternatively, the value  
153.21 of the automobile may be calculated as the actual cost of fuel, maintenance, repairs, and  
153.22 insurance directly related to the use of the automobile. An automobile provided by an  
153.23 association must be valued at the fair market value for renting an equivalent automobile.

153.24 Sec. 14. Minnesota Statutes 2016, section 10A.20, subdivision 3, is amended to read:

153.25 Subd. 3. **Contents of report.** (a) The report required by this section must include each  
153.26 of the items listed in paragraphs (b) to ~~(o)~~ (q) that are applicable to the filer. The board shall  
153.27 prescribe forms based on filer type indicating which of those items must be included on the  
153.28 filer's report.

153.29 (b) The report must disclose the amount of liquid assets on hand at the beginning of the  
153.30 reporting period.

154.1 (c) The report must disclose the name, address, employer, or occupation if self-employed,  
154.2 and registration number if registered with the board, of each individual or association that  
154.3 has made one or more contributions to the reporting entity, including the purchase of tickets  
154.4 for a fund-raising effort, that in aggregate within the year exceed \$200 for legislative or  
154.5 statewide candidates or more than \$500 for ballot questions, together with the amount and  
154.6 date of each contribution, and the aggregate amount of contributions within the year from  
154.7 each source so disclosed. A donation in kind must be disclosed at its fair market value. An  
154.8 approved expenditure must be listed as a donation in kind. A donation in kind is considered  
154.9 consumed in the reporting period in which it is received. The names of contributors must  
154.10 be listed in alphabetical order. Contributions from the same contributor must be listed under  
154.11 the same name. When a contribution received from a contributor in a reporting period is  
154.12 added to previously reported unitemized contributions from the same contributor and the  
154.13 aggregate exceeds the disclosure threshold of this paragraph, the name, address, and  
154.14 employer, or occupation if self-employed, of the contributor must then be listed on the  
154.15 report.

154.16 (d) The report must disclose the sum of contributions to the reporting entity during the  
154.17 reporting period.

154.18 (e) The report must disclose each loan made or received by the reporting entity within  
154.19 the year in aggregate in excess of \$200, continuously reported until repaid or forgiven,  
154.20 together with the name, address, occupation, principal place of business, if any, and  
154.21 registration number if registered with the board of the lender and any endorser and the date  
154.22 and amount of the loan. If a loan made to the principal campaign committee of a candidate  
154.23 is forgiven or is repaid by an entity other than that principal campaign committee, it must  
154.24 be reported as a contribution for the year in which the loan was made.

154.25 (f) The report must disclose each receipt over \$200 during the reporting period not  
154.26 otherwise listed under paragraphs (c) to (e).

154.27 (g) The report must disclose the sum of all receipts of the reporting entity during the  
154.28 reporting period.

154.29 (h) The report must disclose the name, address, and registration number if registered  
154.30 with the board of each individual or association to whom aggregate expenditures, approved  
154.31 expenditures, independent expenditures, and ballot question expenditures have been made  
154.32 by or on behalf of the reporting entity within the year in excess of \$200, together with the  
154.33 amount, date, and purpose of each expenditure and the name and address of, and office  
154.34 sought by, each candidate on whose behalf the expenditure was made, identification of the

155.1 ballot question that the expenditure was intended to promote or defeat and an indication of  
155.2 whether the expenditure was to promote or to defeat the ballot question, and in the case of  
155.3 independent expenditures made in opposition to a candidate, the candidate's name, address,  
155.4 and office sought. A reporting entity making an expenditure on behalf of more than one  
155.5 candidate for state or legislative office must allocate the expenditure among the candidates  
155.6 on a reasonable cost basis and report the allocation for each candidate.

155.7 (i) The report must disclose the sum of all expenditures made by or on behalf of the  
155.8 reporting entity during the reporting period.

155.9 (j) The report must disclose the amount and nature of an advance of credit incurred by  
155.10 the reporting entity, continuously reported until paid or forgiven. If an advance of credit  
155.11 incurred by the principal campaign committee of a candidate is forgiven by the creditor or  
155.12 paid by an entity other than that principal campaign committee, it must be reported as a  
155.13 donation in kind for the year in which the advance of credit was made.

155.14 (k) The report must disclose the name, address, and registration number if registered  
155.15 with the board of each political committee, political fund, principal campaign committee,  
155.16 or party unit to which contributions have been made that aggregate in excess of \$200 within  
155.17 the year and the amount and date of each contribution.

155.18 (l) The report must disclose the sum of all contributions made by the reporting entity  
155.19 during the reporting period.

155.20 (m) The report must disclose the name, address, and registration number if registered  
155.21 with the board of each individual or association to whom noncampaign disbursements have  
155.22 been made that aggregate in excess of \$200 within the year by or on behalf of the reporting  
155.23 entity and the amount, date, and purpose of each noncampaign disbursement.

155.24 (n) The report must disclose the sum of all noncampaign disbursements made within  
155.25 the year by or on behalf of the reporting entity.

155.26 (o) The report must disclose the name and address of a nonprofit corporation that provides  
155.27 administrative assistance to a political committee or political fund as authorized by section  
155.28 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate  
155.29 fair market value of each type of assistance provided to the political committee or political  
155.30 fund during the reporting period.

155.31 (p) Legislative, statewide, and judicial candidates, party units, and political committees  
155.32 and funds must itemize contributions that in aggregate within the year exceed \$200 for  
155.33 legislative or statewide candidates or more than \$500 for ballot questions on reports submitted

156.1 to the board. The itemization must include the date on which the contribution was received,  
 156.2 the individual or association that provided the contribution, and the address of the contributor.  
 156.3 Additionally, the itemization for a donation in kind must provide a description of the item  
 156.4 or service received. Contributions that are less than the itemization amount must be reported  
 156.5 as an aggregate total.

156.6 (q) Legislative, statewide, and judicial candidates, party units, political committees and  
 156.7 funds, and committees to promote or defeat a ballot question must itemize expenditures and  
 156.8 noncampaign disbursements that in aggregate exceed \$200 in a calendar year on reports  
 156.9 submitted to the board. The itemization must include the date on which the committee made  
 156.10 or became obligated to make the expenditure or disbursement, the name and address of the  
 156.11 vendor that provided the service or item purchased, and a description of the service or item  
 156.12 purchased. Expenditures and noncampaign disbursements must be listed on the report  
 156.13 alphabetically by vendor.

156.14 Sec. 15. Minnesota Statutes 2016, section 10A.20, subdivision 15, is amended to read:

156.15 Subd. 15. **Equitable relief.** A candidate whose opponent does not timely file the report  
 156.16 due 15 days before the primary, or the report due ten days before the general election, ~~or~~  
 156.17 ~~the notice required under section 10A.25, subdivision 10,~~ may petition the district court for  
 156.18 immediate equitable relief to enforce the filing requirement. A prevailing party under this  
 156.19 subdivision may be awarded attorney fees and costs by the court.

156.20 Sec. 16. Minnesota Statutes 2016, section 10A.245, subdivision 2, is amended to read:

156.21 Subd. 2. **Termination by board.** The board may terminate the registration of a principal  
 156.22 campaign committee, party unit, political committee, or political fund found to be inactive  
 156.23 under this section 60 days after sending written notice of inactivity by certified mail to the  
 156.24 affected association at the last address on record with the board for that association. Within  
 156.25 60 days after the board sends notice under this section, the affected association must dispose  
 156.26 of its assets as provided in this subdivision. The assets of the principal campaign committee,  
 156.27 party unit, or political committee must be used for the purposes authorized by this chapter  
 156.28 or section 211B.12 or must be liquidated and deposited in the general ~~account of the state~~  
 156.29 ~~elections campaign account~~ fund. The assets of an association's political fund that were  
 156.30 derived from the association's general treasury money revert to the association's general  
 156.31 treasury. Assets of a political fund that resulted from contributions to the political fund must  
 156.32 be used for the purposes authorized by this chapter or section 211B.12 or must be liquidated  
 156.33 and deposited in the general ~~account of the state elections campaign account~~ fund.

157.1 Sec. 17. Minnesota Statutes 2016, section 10A.25, subdivision 1, is amended to read:

157.2 Subdivision 1. **Limits are voluntary.** The expenditure limits imposed by this section  
157.3 apply only to a candidate who has signed ~~an agreement~~ a pledge under section 10A.322 ~~to~~  
157.4 ~~be bound by them as a condition of receiving a public subsidy for the candidate's campaign.~~

157.5 Sec. 18. Minnesota Statutes 2016, section 10A.25, subdivision 2, is amended to read:

157.6 Subd. 2. **Amounts.** (a) In a segment of an election cycle, the principal campaign  
157.7 committee of the candidate must not make campaign expenditures nor permit approved  
157.8 expenditures to be made on behalf of the candidate that result in aggregate expenditures in  
157.9 excess of the following:

157.10 (1) for governor and lieutenant governor, running together, \$3,651,200 in the election  
157.11 segment and \$1,564,800 in the nonelection segment;

157.12 (2) for attorney general, \$626,000 in the election segment and \$208,700 in the nonelection  
157.13 segment;

157.14 (3) for secretary of state and state auditor, separately, \$417,300 in the election segment  
157.15 and \$104,400 in the nonelection segment;

157.16 (4) for state senator, \$94,700 in the election segment and \$31,600 in a nonelection  
157.17 segment;

157.18 (5) for state representative, \$63,100 in the election segment.

157.19 (b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement  
157.20 for the office of lieutenant governor at the convention of a political party may make campaign  
157.21 expenditures and approved expenditures of five percent of that amount to seek endorsement.

157.22 (c) If a special election cycle occurs during a general election cycle, expenditures by or  
157.23 on behalf of a candidate in the special election do not count as expenditures by or on behalf  
157.24 of the candidate in the general election.

157.25 (d) The expenditure limits in this subdivision for an office are increased by ten percent  
157.26 for a candidate who has not previously held the same office, whose name has not previously  
157.27 been on the primary or general election ballot for that office, and who has not in the past  
157.28 ten years raised or spent more than \$750 in a run for any other office whose territory now  
157.29 includes a population that is more than one-third of the population in the territory of the  
157.30 new office. Candidates who qualify for first-time candidate status receive a ten percent  
157.31 increase in the campaign expenditure limit in all segments of the applicable election cycle.

158.1 In the case of a legislative candidate, the office is that of a member of the house of  
158.2 representatives or senate without regard to any specific district.

158.3 Sec. 19. Minnesota Statutes 2016, section 10A.25, subdivision 10, is amended to read:

158.4 Subd. 10. **Effect of opponent's conduct.** (a) After the deadline for filing a ~~spending~~  
158.5 ~~limit agreement~~ pledge under section 10A.322, a candidate who has ~~agreed~~ pledged to be  
158.6 bound by the expenditure limits imposed by this section ~~as a condition of receiving a public~~  
158.7 ~~subsidy~~ for the candidate's campaign may choose to be released from the expenditure limits  
158.8 ~~but remain eligible to receive a public subsidy~~ if the candidate has an opponent who has  
158.9 not ~~agreed~~ pledged to be bound by the limits and has received contributions or made or  
158.10 become obligated to make expenditures during that election cycle in excess of the following  
158.11 limits:

158.12 (1) up to the close of the reporting period before the primary election, receipts or  
158.13 expenditures equal to 20 percent of the election segment expenditure limit for that office  
158.14 as set forth in subdivision 2; or

158.15 (2) after the close of the reporting period before the primary election, cumulative receipts  
158.16 or expenditures during that election cycle equal to 50 percent of the election cycle expenditure  
158.17 limit for that office as set forth in subdivision 2.

158.18 Before the primary election, a candidate's "opponents" are only those who will appear  
158.19 on the ballot of the same party in the primary election.

158.20 (b) A candidate who has not ~~agreed~~ pledged to be bound by expenditure limits, or the  
158.21 candidate's principal campaign committee, must file written notice with the board and  
158.22 provide written notice to any opponent of the candidate for the same office within 24 hours  
158.23 of exceeding the limits in paragraph (a). The notice must state only that the candidate or  
158.24 candidate's principal campaign committee has received contributions or made or become  
158.25 obligated to make campaign expenditures in excess of the limits in paragraph (a).

158.26 (c) Upon receipt of the notice, a candidate who had ~~agreed~~ pledged to be bound by the  
158.27 limits may file with the board a notice that the candidate chooses to be no longer bound by  
158.28 the expenditure limits. A notice of a candidate's choice not to be bound by the expenditure  
158.29 limits that is based on the conduct of an opponent in the state primary election may not be  
158.30 filed more than one day after the State Canvassing Board has declared the results of the  
158.31 state primary.

158.32 (d) A candidate who has ~~agreed~~ pledged to be bound by the expenditure limits imposed  
158.33 by this section and whose opponent in the general election has chosen, as provided in

159.1 paragraph (c), not to be bound by the expenditure limits because of the conduct of an  
159.2 opponent in the primary election is no longer bound by the limits ~~but remains eligible to~~  
159.3 ~~receive a public subsidy.~~

159.4 Sec. 20. Minnesota Statutes 2016, section 10A.257, subdivision 1, is amended to read:

159.5 Subdivision 1. **Unused funds.** For election cycles ending on or before December 31,  
159.6 2018, after all campaign expenditures and noncampaign disbursements for an election cycle  
159.7 have been made, an amount up to 25 percent of the 2016 election cycle expenditure limit  
159.8 for the office may be carried forward. Any remaining amount up to the total amount of the  
159.9 2016 public subsidy from the state elections campaign fund must be returned to the state  
159.10 treasury for credit to the general fund under Minnesota Statutes 2016, section 10A.324. Any  
159.11 remaining amount in excess of the total 2016 public subsidy must be contributed to the state  
159.12 elections campaign account or a political party for multicandidate expenditures as defined  
159.13 in section 10A.275.

159.14 **EFFECTIVE DATE.** This section is effective July 1, 2017, and applies to elections  
159.15 held on or after that date.

159.16 Sec. 21. Minnesota Statutes 2016, section 10A.27, subdivision 10, is amended to read:

159.17 Subd. 10. **Limited personal contributions.** A candidate who signs ~~an agreement~~ a  
159.18 pledge under section 10A.322 may not contribute to the candidate's own campaign during  
159.19 a segment of an election cycle more than five times the candidate's contribution limit for  
159.20 that segment under subdivision 1.

159.21 Sec. 22. Minnesota Statutes 2016, section 10A.27, is amended by adding a subdivision to  
159.22 read:

159.23 Subd. 11a. **Contributions from the sale of goods or services.** Proceeds from the sale  
159.24 of goods or services by a political committee must be reported as a contribution to that  
159.25 committee, as provided in section 10A.13. A political committee selling goods or services  
159.26 must disclose to each purchaser, prior to a sale, that proceeds may be used to make a  
159.27 contribution to an independent expenditure political committee or fund, or may be used by  
159.28 the committee for other political purposes as authorized by law, and must offer the purchaser  
159.29 an opportunity to review the committee's most recent report submitted to the board under  
159.30 section 10A.20. A copy of the report must be clearly posted in a conspicuous location on  
159.31 at least 8.5-inch by 11-inch sized paper and available for public inspection at the point of  
159.32 sale.

160.1 Sec. 23. Minnesota Statutes 2016, section 10A.27, is amended by adding a subdivision to  
160.2 read:

160.3 Subd. 16a. **Return of contributions after merger of governor and lieutenant governor**  
160.4 **funds.** Funds transferred to the joint committee for candidates for governor and lieutenant  
160.5 governor that result in aggregate contributions in excess of the applicable limits may be  
160.6 returned to the contributor within 90 days of the transfer of funds to the joint committee.

160.7 Sec. 24. Minnesota Statutes 2016, section 10A.27, is amended by adding a subdivision to  
160.8 read:

160.9 Subd. 16b. **Special election contribution limits.** Election segment contribution limits  
160.10 set forth in this section apply to a special election cycle.

160.11 Sec. 25. Minnesota Statutes 2016, section 10A.27, is amended by adding a subdivision to  
160.12 read:

160.13 Subd. 16c. **Contribution limits apply independently.** Contribution limits apply  
160.14 independently for election segments, nonelection segments, and special election cycles.

160.15 Sec. 26. Minnesota Statutes 2016, section 10A.28, subdivision 3, is amended to read:

160.16 Subd. 3. **Conciliation agreement.** If the board finds that there is reason to believe that  
160.17 ~~excess expenditures have been made or~~ excess contributions have been accepted contrary  
160.18 to subdivision ~~1 or~~ 2, the board must make every effort for a period of at least 14 days after  
160.19 its finding to correct the matter by informal methods of conference and conciliation and to  
160.20 enter a conciliation agreement with the person involved. A conciliation agreement under  
160.21 this subdivision is a matter of public record. Unless violated, a conciliation agreement is a  
160.22 bar to any civil proceeding under subdivision 4.

160.23 Sec. 27. Minnesota Statutes 2016, section 10A.31, is amended by adding a subdivision to  
160.24 read:

160.25 Subd. 7b. **Failure to repay.** A candidate who fails to repay money required by the  
160.26 agreement cannot be paid additional public subsidy funds during the current or future election  
160.27 cycles until the entirety of the unexpended funds and any associated collection fees are  
160.28 either repaid to the board or discharged by court action.

161.1 Sec. 28. Minnesota Statutes 2016, section 10A.322, subdivision 1, is amended to read:

161.2 Subdivision 1. **Agreement Pledge by candidate.** (a) ~~As a condition of receiving a public~~  
 161.3 ~~subsidy,~~ A candidate ~~must~~ may sign and file with the board a written agreement pledge in  
 161.4 which the candidate agrees that the candidate will comply with sections 10A.25; 10A.27,  
 161.5 subdivision 10; ~~10A.324;~~ and 10A.38 until the dissolution of the principal campaign  
 161.6 committee of the candidate or the end of the first election cycle completed after the pledge  
 161.7 was filed, whichever occurs first.

161.8 (b) Before the first day of filing for office, the board must forward agreement pledge  
 161.9 forms to all filing officers. The board must also provide agreement pledge forms to candidates  
 161.10 on request at any time. The candidate must file the agreement pledge with the board at least  
 161.11 three weeks before the candidate's state primary. ~~An agreement~~ A pledge may not be filed  
 161.12 after that date. ~~An agreement~~ The board must post a copy of each pledge filed by a candidate  
 161.13 on the board's Web site. For purposes of public posting, a pledge once filed may not be  
 161.14 rescinded.

161.15 (c) ~~The board must notify the commissioner of revenue of any agreement signed under~~  
 161.16 ~~this subdivision.~~

161.17 (d) ~~Notwithstanding paragraph (b), if a vacancy occurs that will be filled by means of~~  
 161.18 ~~a special election and the filing period does not coincide with the filing period for the general~~  
 161.19 ~~election, a candidate may sign and submit a spending limit agreement not later than the day~~  
 161.20 ~~after the close of the filing period for the special election for which the candidate filed.~~

161.21 (c) A pledge filed by a candidate under this subdivision is a voluntary agreement by the  
 161.22 candidate to comply with the sections listed in paragraph (a). Compliance with the terms  
 161.23 of a pledge, or any provisions of law cited within the pledge, may not be the subject of an  
 161.24 advisory opinion issued under section 10A.02, subdivision 12, and is not subject to an audit,  
 161.25 investigation, or enforcement action by the board under section 10A.02, 10A.022, or any  
 161.26 other applicable law.

161.27 Sec. 29. Minnesota Statutes 2016, section 10A.38, is amended to read:

161.28 **10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.**

161.29 (a) This section applies to a campaign advertisement by a candidate who ~~is governed~~  
 161.30 ~~by an agreement~~ has filed a pledge under section 10A.322.

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

162.1 (c) A campaign advertisement that is disseminated as an advertisement by broadcast or  
162.2 cable television must include closed captioning for deaf and hard-of-hearing viewers, unless  
162.3 the candidate has filed with the board before the advertisement is disseminated a statement  
162.4 setting forth the reasons for not doing so. A campaign advertisement that is disseminated  
162.5 as an advertisement to the public on the candidate's Web site must include closed captioning  
162.6 for deaf and hard-of-hearing viewers, unless the candidate has posted on the Web site a  
162.7 transcript of the spoken content of the advertisement or the candidate has filed with the  
162.8 board before the advertisement is disseminated a statement setting forth the reasons for not  
162.9 doing so. A campaign advertisement must not be disseminated as an advertisement by radio  
162.10 unless the candidate has posted on the candidate's Web site a transcript of the spoken content  
162.11 of the advertisement or the candidate has filed with the board before the advertisement is  
162.12 disseminated a statement setting forth the reasons for not doing so.

162.13 **Sec. 30. VOTING EQUIPMENT GRANT.**

162.14 **Subdivision 1. Voting equipment grant account.** A voting equipment grant program  
162.15 is established. The secretary of state must use money appropriated for the program to provide  
162.16 grants to counties and municipalities as authorized by this section. Funds appropriated for  
162.17 the grant are available until June 30, 2020.

162.18 **Subd. 2. Authorized equipment.** (a) A county or municipality may apply to receive a  
162.19 grant under this section for the purchase or lease of the following equipment:

162.20 (1) electronic roster equipment and software that meets the technology requirements of  
162.21 Minnesota Statutes, section 201.225, subdivision 2;

162.22 (2) assistive voting technology; or

162.23 (3) automatic tabulating equipment.

162.24 A purchase or lease of equipment is eligible for a grant under this section if the purchase  
162.25 is made, or lease entered, on or after July 1, 2017. A county or municipality that has  
162.26 purchased or leased eligible equipment before July 1, 2017, may apply for reimbursement.

162.27 (b) The grant funds must not be used for maintenance or repair of voting equipment.

162.28 **Subd. 3. Amount of grant.** A county or municipal government is eligible to receive a  
162.29 grant equal to 75 percent of the total cost of the electronic roster equipment and software  
162.30 or 50 percent of the total cost for assistive voting technology or automatic tabulating  
162.31 equipment. The secretary of state must first award grants to counties and municipalities  
162.32 leasing or purchasing new equipment or software. If funds remain after awarding grants for  
162.33 new equipment or software, the secretary of state must use the remaining funds for grants

163.1 to counties and municipalities seeking reimbursement for equipment or software already  
163.2 purchased.

163.3 Subd. 4. **Application for grant; certification of costs.** (a) To receive a grant, a county  
163.4 or municipality must submit an application to the secretary of state. The secretary of state  
163.5 shall prescribe a form for this purpose. At a minimum, the application must describe:

163.6 (1) the type of equipment or software proposed for purchase or lease;

163.7 (2) the expected total cost of the equipment or software, and sources of funding that will  
163.8 be used for the purchase or lease in addition to the grant funding provided by this section;

163.9 (3) the county's or municipality's plan to address the long-term maintenance, repair, and  
163.10 eventual replacement costs for the equipment or software without using any funds from the  
163.11 grant for these purposes; and

163.12 (4) any other information required by the secretary of state.

163.13 (b) The secretary of state must establish:

163.14 (1) a deadline for receipt of grant applications;

163.15 (2) a procedure for awarding and distributing grants;

163.16 (3) criteria for the fair, proportional distribution of grants if the funds do not completely  
163.17 cover the requests for a particular type of equipment; and

163.18 (4) a process for verifying the proper use of the grants after distribution.

163.19 Subd. 5. **Report to legislature.** No later than January 15, 2018, and annually thereafter  
163.20 until the appropriations provided for grants under this section have been exhausted, the  
163.21 secretary of state must submit a report to the legislative committees with jurisdiction over  
163.22 elections policy on grants awarded by this section. The report must detail each grant awarded,  
163.23 including the jurisdiction, the amount of the grant, and the type of equipment or software  
163.24 purchased.

163.25 Sec. 31. **REPEALER.**

163.26 Subdivision 1. **Campaign subsidy.** Minnesota Statutes 2016, sections 10A.28,  
163.27 subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b,  
163.28 and 11; 10A.315; 10A.321; 10A.322, subdivisions 2 and 4; 10A.323; and 10A.324,  
163.29 subdivisions 1 and 3, and Minnesota Rules, parts 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, and  
163.30 9; and 4503.1450, are repealed effective July 1, 2017, and apply to elections held on or after  
163.31 that date. Money in the account under Minnesota Statutes, section 10A.30, on June 30,

164.1 2017, cancels to the general fund, and amounts designated under Minnesota Statutes, section  
 164.2 10A.31, on income tax and property tax refund returns filed after June 30, 2017, are not  
 164.3 effective and remain in the general fund.

164.4 Subd. 2. Rules. Minnesota Rules, parts 4501.0300, subpart 3; 4501.0500, subpart 2;  
 164.5 4503.0200, subpart 6; 4503.0300, subpart 4; 4503.0400, subpart 1; 4503.0500, subparts 5  
 164.6 and 8; 4503.0700, subparts 2 and 3; 4503.1300, subpart 5; 4503.1600; 4503.1700; 4503.1800;  
 164.7 4505.0100, subpart 3; 4505.0900, subparts 2, 3, 4, 5, 6, and 7; 4511.0500, subpart 2;  
 164.8 4512.0100, subparts 2, 4, and 5; and 4525.0210, subpart 1, are repealed."

164.9 Renumber the sections in sequence and correct the internal references

164.10 Amend the title accordingly

164.11 Delete the title and insert:

164.12 "A bill for an act

164.13 relating to the operation of state government; appropriating money for the  
 164.14 legislature, governor's office, state auditor, attorney general, secretary of state,  
 164.15 certain agencies, boards, councils, and retirement funds; changing provisions in  
 164.16 state government operations; making technical changes to state budgeting terms;  
 164.17 changing administrative rules provisions; changing provisions in veterans affairs,  
 164.18 campaign finance, and elections; amending Minnesota Statutes 2016, sections  
 164.19 3.305, subdivision 1; 3.842, subdivision 4a; 3.855, subdivision 2; 3.8843,  
 164.20 subdivision 7; 3.971, subdivisions 2, 6; 3.972, by adding a subdivision; 3.98,  
 164.21 subdivisions 1, 4; 3.987, subdivision 1; 6.481, subdivisions 3, 6; 6.56, subdivision  
 164.22 2; 6.581, subdivision 4; 10A.01, subdivisions 12, 16, 26; 10A.02, subdivision 13;  
 164.23 10A.025, subdivision 1a; 10A.04, by adding a subdivision; 10A.071, subdivision  
 164.24 1; 10A.09, subdivisions 5, 6; 10A.105, subdivision 1; 10A.15, subdivision 1, by  
 164.25 adding a subdivision; 10A.20, subdivisions 3, 15; 10A.245, subdivision 2; 10A.25,  
 164.26 subdivisions 1, 2, 10; 10A.257, subdivision 1; 10A.27, subdivision 10, by adding  
 164.27 subdivisions; 10A.28, subdivision 3; 10A.31, by adding a subdivision; 10A.322,  
 164.28 subdivision 1; 10A.38; 14.002; 14.02, by adding a subdivision; 14.05, subdivisions  
 164.29 1, 2, 6, 7, by adding subdivisions; 14.101, subdivision 1; 14.116; 14.125; 14.127;  
 164.30 14.131; 14.14, subdivisions 1a, 2a; 14.18, subdivision 1; 14.19; 14.22, subdivision  
 164.31 1; 14.23; 14.25, subdivision 1; 14.26; 14.27; 14.365; 14.381, subdivision 3; 14.388,  
 164.32 subdivisions 1, 2; 14.389, subdivision 3; 14.44; 14.45; 14.51; 14.57; 15.0596;  
 164.33 15.191, subdivisions 1, 3; 16A.065; 16A.13, subdivision 2a; 16A.134; 16A.15,  
 164.34 subdivision 3; 16A.17, subdivision 5; 16A.272, subdivision 3; 16A.40; 16A.42,  
 164.35 subdivisions 2, 4, by adding a subdivision; 16A.56; 16A.671, subdivision 1; 16A.90;  
 164.36 16B.04, subdivision 2; 16B.055, subdivision 1; 16B.335, subdivision 1; 16B.37,  
 164.37 subdivision 4; 16B.371; 16B.4805, subdivisions 2, 4; 16B.97, by adding a  
 164.38 subdivision; 16D.03, subdivision 2; 16D.09, subdivision 1; 16E.016; 16E.0466;  
 164.39 21.116; 43A.17, subdivision 11; 43A.24, by adding a subdivision; 43A.30,  
 164.40 subdivision 2; 43A.49; 49.24, subdivisions 13, 16; 69.031, subdivision 1; 80A.65,  
 164.41 subdivision 9; 84A.23, subdivision 4; 84A.33, subdivision 4; 84A.40; 84A.52;  
 164.42 88.12, subdivision 1; 94.522; 94.53; 116J.64, subdivision 7; 126C.55, subdivisions  
 164.43 2, 9; 126C.68, subdivision 3; 126C.69, subdivision 14; 127A.34, subdivision 1;  
 164.44 127A.40; 136F.46, subdivision 1; 136F.70, subdivision 3; 138.69; 155A.30,  
 164.45 subdivision 5; 162.08, subdivisions 10, 11; 162.14, subdivisions 4, 5; 162.18,  
 164.46 subdivision 4; 162.181, subdivision 4; 163.051, subdivision 3; 176.181, subdivision  
 164.47 2; 176.581; 176.591, subdivision 3; 179A.20, by adding a subdivision; 190.19,  
 164.48 subdivisions 2, 2a; 192.55; 196.05, subdivision 1; 196.052; 197.236, subdivision  
 164.49 9; 197.791, subdivisions 2, 3, 4, 5, 5a; 198.16; 237.30; 241.13, subdivision 1;

165.1 244.19, subdivision 7; 256B.20; 260B.331, subdivision 2; 260C.331, subdivision  
165.2 2; 270C.13, subdivision 1; 273.121, subdivision 1; 287.08; 297I.10, subdivision  
165.3 1; 299C.21; 348.05; 352.04, subdivision 9; 352.05; 352.115, subdivision 12; 352.12,  
165.4 subdivision 13; 353.05; 353.27, subdivisions 3c, 7; 353.505; 354.42, subdivision  
165.5 7; 354.52, subdivisions 4, 4b; 401.15, subdivision 1; 446A.086, subdivision 4;  
165.6 446A.16, subdivision 1; 462A.18, subdivision 1; 471.6161, subdivision 8; 471.617,  
165.7 subdivision 2; 475A.04, subdivision 1; 508.12, subdivision 1; 518A.79, by adding  
165.8 a subdivision; 525.841; Laws 2016, chapter 127, section 8; proposing coding for  
165.9 new law in Minnesota Statutes, chapters 2; 3; 6; 10A; 14; 15; 16A; 16B; 43A;  
165.10 118A; 197; repealing Minnesota Statutes 2016, sections 4.46; 6.581, subdivision  
165.11 1; 10A.28, subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7,  
165.12 7a, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 2, 4; 10A.323;  
165.13 10A.324, subdivisions 1, 3; 14.05, subdivision 5; Minnesota Rules, parts 4501.0300,  
165.14 subpart 3; 4501.0500, subpart 2; 4503.0200, subpart 6; 4503.0300, subpart 4;  
165.15 4503.0400, subpart 1; 4503.0500, subparts 5, 8; 4503.0700, subparts 2, 3;  
165.16 4503.1300, subpart 5; 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, 9; 4503.1450;  
165.17 4503.1600; 4503.1700; 4503.1800; 4505.0100, subpart 3; 4505.0900, subparts 2,  
165.18 3, 4, 5, 6, 7; 4511.0500, subpart 2; 4512.0100, subparts 2, 4, 5; 4525.0210, subpart  
165.19 1."