

179.2 **ARTICLE 8**  
179.3 **STATE GOVERNMENT**

152.8 **ARTICLE 10**  
152.9 **STATE GOVERNMENT APPROPRIATIONS**

179.4 Section 1. **APPROPRIATIONS.**

179.5 The sums shown in the columns marked "Appropriations" are added to the  
179.6 appropriations in Laws 2015, chapter 77, article 1, to the agencies and for the purposes  
179.7 specified in this article. The appropriations are from the general fund or another named  
179.8 fund. The figures "2016" and "2017" used in this article mean that the addition to the  
179.9 appropriation listed under them are available for the fiscal year ending June 30, 2016, or  
179.10 June 30, 2017, respectively. Supplemental appropriations for the fiscal year ending June  
179.11 30, 2016, are effective the day following final enactment.

179.12	<b><u>APPROPRIATIONS</u></b>	
179.13	<b><u>Available for the Year</u></b>	
179.14	<b><u>Ending June 30</u></b>	
179.15	<b><u>2016</u></b>	<b><u>2017</u></b>

152.10Section 1. **APPROPRIATIONS**

152.11 The sums shown in the columns marked "Appropriations" are added to or subtracted  
152.12 from the appropriations in Laws 2015, chapter 77, article 1, to the agencies and for the  
152.13 purposes specified in this article. The appropriations are from the general fund, or another  
152.14 named fund, and are available for the fiscal years indicated for each purpose. The figures  
152.15 "2016" and "2017" used in this article mean that the addition to the appropriation listed  
152.16 under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,  
152.17 respectively.

152.18	<b><u>APPROPRIATIONS</u></b>		
152.19	<b><u>Available for the Year</u></b>		
152.20	<b><u>Ending June 30</u></b>		
152.21	<b><u>2016</u></b>	<b><u>2017</u></b>	

152.22	Sec. 2. <b><u>LEGISLATURE</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>185,000</u></b>
152.23	<u>\$3,140,000 from the senate carryforward</u>				
152.24	<u>account cancels to the general fund on July</u>				
152.25	<u>1, 2016.</u>				
152.26	<u>\$440,000 from the Legislative Coordinating</u>				
152.27	<u>Commission carryforward account cancels to</u>				
152.28	<u>the general fund on July 1, 2016.</u>				

<p>179.16Sec. 2. <u>ADMINISTRATION</u></p>		<p>152.29 <u>\$318,000 is appropriated to the Office of the</u>                  152.30 <u>Legislative Auditor for new duties related</u>                  152.31 <u>to fiscal notes, revenue estimates, and local</u>                  152.32 <u>impact notes.</u></p>	
		<p>153.1 <u>The appropriation to the Legislative</u>                  153.2 <u>Coordinating Commission for the fiscal</u>                  153.3 <u>year ending June 30, 2017, is reduced by</u>                  153.4 <u>\$133,000.</u></p>	
		<p>153.5 Sec. 3. <u>STATE AUDITOR</u></p>	<p>\$ -0- \$ <u>6,951,000</u></p>
<p>179.17Subdivision 1. <u>Total Appropriation</u></p>	<p>\$ -0- \$ <u>528,000</u></p>	<p>153.10Sec. 5. <u>ADMINISTRATION</u></p>	<p>\$ -0- \$ <u>148,000</u></p>
<p>179.18Subd. 2. <u>Government and Citizen Services -</u>                  179.19<u>Olmstead Plan Increased Capacity</u></p>	<p>-0- <u>148,000</u></p>	<p>153.11 <u>This appropriation is for continued</u>                  153.12 <u>implementation of the state's Olmstead plan.</u></p>	
<p>179.20 <u>For administrative costs to expand services</u>                  179.21 <u>provided under the Olmstead Plan serving</u>                  179.22 <u>people with disabilities.</u></p>			
<p>179.23Subd. 3. <u>Government and Citizen Services</u>                  179.24- <u>Targeted Group and Veterans Business</u>                  179.25<u>Preference Program</u></p>	<p>-0- <u>20,000</u></p>		
<p>179.26 <u>For implementing the preference program</u>                  179.27 <u>in Minnesota Statutes, section 16C.165,</u>                  179.28 <u>subdivisions 2, 3, and 4, for businesses that</u>                  179.29 <u>are not small, but otherwise are eligible</u>                  179.30 <u>for preference as a designated business</u>                  179.31 <u>under Minnesota Statutes, section 16C.16,</u>                  179.32 <u>subdivision 5, or as a veteran-owned</u>                  179.33 <u>business under Minnesota Statutes, section</u>                  180.1 <u>16C.16, subdivision 6a. This is a onetime</u>                  180.2 <u>appropriation.</u></p>			

180.3 Subd. 4. **Strategic Management Services -**  
 180.4 **Capitol Complex Child Care Facility**

-0-                      300,000

180.5 To predesign a child care facility on the  
 180.6 Capitol complex. \$150,000 is added to the  
 180.7 base appropriation beginning in fiscal year  
 180.8 2018 and continuing in each fiscal year  
 180.9 thereafter for operating the child care facility.

180.10Subd. 5. **Fiscal Agent - Capitol Workers**  
 180.11**Memorial Plaque**

-0-                      10,000

180.12 To design, construct, and install the plaque  
 180.13 or marker authorized in section 28 to honor  
 180.14 those who constructed and died during the  
 180.15 building of the Capitol, as well as those who  
 180.16 worked on subsequent projects to preserve  
 180.17 the building. This amount may be expended  
 180.18 in either year of the biennium. This is a  
 180.19 onetime appropriation.

180.20Subd. 6. **Fiscal Agent - Veterans' Voices**

-0-                      50,000

180.21 For a grant to the Association of Minnesota  
 180.22 Public Educational Radio Stations for  
 180.23 statewide programming to promote the  
 180.24 Veterans' Voices program. This is a onetime  
 180.25 appropriation.

**FROM ARTICLE 6 EQUITY**

112.16Subd. 3. **Department of Administration**

-0-                      2,500,000

112.17 \$2,500,000 is to assess, upgrade, and enhance  
 112.18 accounting and procurement software to  
 112.19 facilitate targeted group business utilization  
 112.20 and data reporting. This is a onetime  
 112.21 appropriation and is available until June 30,  
 112.22 2019.

180.26Sec. 3. **MN.IT SERVICES**

\$                      -0- \$                      5,000,000

153.6 Sec. 4. **MN.IT SERVICES**

\$                      -0- \$                      500,000

180.27 To enhance cybersecurity across state  
 180.28 government and is available until June 30,  
 180.29 2019. \$47,000 of this appropriation is for  
 180.30 information technology enhancements for the  
 180.31 Gambling Control Board. This is a onetime  
 180.32 appropriation.

180.33Sec. 4. **MINNESOTA MANAGEMENT AND**  
 180.34**BUDGET** \$ -0- \$ 2,500,000

181.1 For statewide information technology  
 181.2 systems and is available until June 30, 2018.  
 181.3 This is a onetime appropriation.

181.4 Sec. 5. **REVENUE** \$ -0- \$ 1,871,000

181.5 **Tax System Management.** \$500,000 is for  
 181.6 tax refund fraud protection software and  
 181.7 services.

181.8 \$1,371,000 is for (1) communication and  
 181.9 outreach; and (2) technology, audit, and  
 181.10 fraud staff.

181.11 \$2,125,000 is added to the base in fiscal year  
 181.12 2018 and \$2,125,000 in fiscal year 2019.

181.13Sec. 6. **AMATEUR SPORTS COMMISSION**

181.14Subdivision 1. **Total Appropriation** \$ -0- \$ 16,000,000

181.15Subd. 2. **Mighty Ducks** -0- 15,000,000

153.7 This appropriation is for a study of enhanced  
 153.8 cybersecurity across state government. This  
 153.9 is a onetime appropriation.

153.13Sec. 6. **MINNESOTA MANAGEMENT AND**  
 153.14**BUDGET** \$ -0- \$ (318,000)

153.15 To the extent possible, the appropriation  
 153.16 reduction in this section must be  
 153.17 implemented through savings achieved in  
 153.18 not administering the fiscal note process.

153.19Sec. 7. **REVENUE**

153.20 \$1,000,000 of money previously appropriated  
 153.21 to the department for fiscal year 2017 must  
 153.22 be used for efforts to identify and reject  
 153.23 attempted tax refund fraud.

181.16 For the purposes of making grants under  
 181.17 Minnesota Statutes, section 240A.09,  
 181.18 paragraph (b). This appropriation is a  
 181.19 onetime appropriation and is added to the  
 181.20 appropriations in Laws 2015, chapter 77,  
 181.21 article 1, section 18, and Laws 2015, First  
 181.22 Special Session chapter 5, article 1, section 9.

181.23Subd. 3. **Red Wing Ski Jump** -0- 1,000,000

181.24 For a grant to the city of Red Wing for  
 181.25 construction of a ski jump that meets  
 181.26 standards for an Olympic training or  
 181.27 qualifying jump. This is a onetime  
 181.28 appropriation. This appropriation is not  
 181.29 available until \$3,000,000 is committed from  
 181.30 nonstate sources.

181.31Sec. 7. **HUMANITIES CENTER** \$ -0- \$ 95,000

182.1 To expand education efforts around the  
 182.2 Veterans' Voices program, and to work  
 182.3 with veterans to educate and engage the  
 182.4 community regarding veterans' contributions,  
 182.5 knowledge, skills, and experiences through  
 182.6 the Veterans' Voices program. This is a  
 182.7 onetime appropriation.

182.8 Sec. 8. **MINNESOTA HISTORICAL**  
 182.9 **SOCIETY; DIGITAL PRESERVATION** \$ -0- \$ 170,000

182.10 For digital preservation and access, including  
 182.11 planning and implementation of a program to  
 182.12 preserve and make available resources related  
 182.13 to Minnesota history. This appropriation  
 182.14 is a onetime appropriation and is added to  
 182.15 the appropriation in Laws 2015, chapter 77,  
 182.16 article 1, section 23.

182.17Sec. 9. **MINNESOTA STATE RETIREMENT**  
 182.18**SYSTEM** \$ -0- \$ 2,000,000

182.19 **Judges Retirement Plan.** In fiscal year  
 182.20 2017 for transfer to the judges' retirement  
 182.21 fund defined in Minnesota Statutes, section  
 182.22 490.123. This appropriation is included in  
 182.23 the base and the transfer continues each fiscal  
 182.24 year until the judges retirement plan reaches  
 182.25 100 percent funding as determined by an  
 182.26 actuarial valuation prepared under Minnesota  
 182.27 Statutes, section 356.214.

**FROM ARTICLE 9 PUBLIC SAFETY AND CORRECTIONS**

195.20Sec. 5. **HUMAN RIGHTS** \$ -0- \$ 400,000

195.21 To enhance statewide outreach, education,  
 195.22 and enforcement of the Human Rights Act.

153.24Sec. 8. **HUMAN RIGHTS** \$ -0- \$ 180,000

153.25 \$180,000 is appropriated for a St. Cloud  
 153.26 office. This amount is added to the base  
 153.27 appropriation, for purposes of the St. Cloud  
 153.28 office.

153.29 Notwithstanding any law to the contrary,  
 153.30 federal funds received by the Department of  
 154.1 Human Rights during the biennium ending  
 154.2 June 30, 2017, must be deposited in the  
 154.3 state general fund, to the extent permitted  
 154.4 by agreements with the federal government.  
 154.5 If agreements with the federal government  
 154.6 do not permit federal funds received by the  
 154.7 department to be deposited in the state general  
 154.8 fund, the general fund appropriation to the  
 154.9 department for the biennium ending June 30,  
 154.10 2017, is reduced by the amount of the federal  
 154.11 funds received during the biennium.

182.28Sec. 10. **MILITARY AFFAIRS**

154.25Sec. 10. **MILITARY AFFAIRS** \$ 1,562,000 \$ 248,000

182.29	Subdivision 1. <b>Total Appropriation</b>	\$	<u>-0-</u>	\$	<u>1,348,000</u>
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182.30 The amounts that may be spent for each  
 182.31 purpose are specified in the following  
 182.32 subdivisions.

182.33	Subd. 2. <b>Maintenance of Training Facilities</b>		<u>-0-</u>		<u>1,100,000</u>
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183.1 For security upgrades. This is a onetime  
 183.2 appropriation.

183.3	Subd. 3. <b>Security Improvement - General</b>				
183.4	<b>Support</b>		<u>-0-</u>		<u>248,000</u>

183.5 For payroll costs and contracted costs of  
 183.6 training and testing to provide security at  
 183.7 state-owned Minnesota National Guard  
 183.8 facilities.

183.9 Sec. 11. **VETERANS AFFAIRS**

183.10	Subdivision 1. <b>Total Appropriation</b>	\$	<u>-0-</u>	\$	<u>488,000</u>
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183.11	Subd. 2. <b>Veterans Homes Domiciliary Increase</b>		<u>-0-</u>		<u>88,000</u>
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183.12 To increase the personal needs allowance  
 183.13 for residents of veterans homes. \$110,000  
 183.14 is added to the base in fiscal year 2018 and  
 183.15 \$114,000 is added to the base in fiscal year  
 183.16 2019.

183.17	Subd. 3. <b>Mental Health Study</b>		<u>-0-</u>		<u>150,000</u>
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183.18 For the study and report in section 26. This  
 183.19 is a onetime appropriation.

154.26 This appropriation is for security  
 154.27 improvements at National Guard facilities.  
 154.28 Any unencumbered balance remaining at the  
 154.29 end of the first year does not cancel, but is  
 154.30 available for the second year of the biennium.

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

154.12	Sec. 9. <b>VETERANS AFFAIRS</b>	\$	<u>-0-</u>	\$	<u>500,000</u>
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154.13 \$100,000 is for a grant to Eagle's Healing Nest  
 154.14 for assisting veterans who are reintegrating  
 154.15 back into civilian and family life.

154.16 \$300,000 is for the state soldiers assistance  
 154.17 fund, for housing assistance and health  
 154.18 assistance to veterans.

154.19 \$100,000 is to support nonprofit organizations  
 154.20 in providing rent subsidies for housing for  
 154.21 veterans and their families at the Cottages  
 154.22 of Anoka.





- 155.17 (2) hiring freeze; and
- 155.18 (3) reductions in agency expenditures on nonessential travel and advertising.
- 155.19 (b) The commissioner of management and budget must report to the chairs  
155.20 and ranking minority members of the senate Finance Committee and the house of  
155.21 representatives Ways and Means and Finance Committees regarding the amount of  
155.22 reductions in spending by each agency under this section.
- 155.23 (c) Reductions made in fiscal year 2017 must be reflected as reductions in agency  
155.24 base budgets for fiscal years 2018 and 2019.
- 155.25 Sec. 13. **HIRING FREEZE.**
- 155.26 Subdivision 1. **Application of freeze.** A state employer may not hire any permanent  
155.27 or temporary employees before July 1, 2017. For purposes of this section, "state employer"  
155.28 means state elected officials, departments, boards, agencies, commissions, offices, and  
155.29 other hiring entities in the executive and legislative branches of state government, as those  
155.30 branches are defined in Minnesota Statutes, section 43A.02. State employer does not  
155.31 include the Minnesota State Colleges and Universities system.
- 155.32 Subd. 2. **Freeze exceptions.** (a) Subdivision 1 does not apply to:
- 155.33 (1) a student in a work-study position; or
- 155.34 (2) a position that is necessary to perform essential government services.
- 156.1 (b) A determination under paragraph (a), clause (2), must be made by the speaker  
156.2 of the house with respect to house employees, the chair of the Committee on Rules  
156.3 and Administration with respect to senate employees, and the Legislative Coordinating  
156.4 Commission with respect to its employees, by a constitutional officer with respect to  
156.5 employees of the constitutional office, and by the governor with respect to any other  
156.6 employee covered by this section. Exceptions granted under paragraph (a), clause (2),  
156.7 must be reported monthly by the entity granting the exception. The reports must be  
156.8 published on the entity's Web site, and copies must be provided to the chairs of the house  
156.9 of representatives Ways and Means and senate finance committees and to the Legislative  
156.10 Reference Library.
- 156.11 Sec. 14. **NO NONESSENTIAL TRAVEL.**
- 156.12 During the biennium ending June 30, 2017, state funds may not be used to pay  
156.13 for nonessential travel for employees of executive agencies. The governor must report  
156.14 any travel monthly on the governor's Web site, and by providing copies to the chairs  
156.15 of the house of representatives Ways and Means and senate finance committees and to  
156.16 the Legislative Reference Library.
- 156.17 Sec. 15. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

156.18 During the fiscal year ending June 30, 2017, an executive branch agency's spending  
156.19 on advertising and promotions may not exceed 90 percent of the amount the agency  
156.20 spent on advertising and promotions during the fiscal year ending June 30, 2016. The  
156.21 commissioner of management and budget must ensure compliance with this limit, and  
156.22 may issue guidelines and policies to executive agencies. The commissioner may forbid  
156.23 an agency from engaging in advertising as the commissioner determines is necessary to  
156.24 ensure compliance with this section. This section does not apply to the Minnesota Lottery  
156.25 or Explore Minnesota Tourism. Spending during the biennium ending June 30, 2017, on  
156.26 advertising relating to a declared emergency, an emergency, or a disaster, as those terms  
156.27 are defined in Minnesota Statutes, section 12.03, is excluded for purposes of this section.

156.28 Sec. 16. **EXECUTIVE AGENCY MANAGERS.**

156.29 The salaries for the heads of all departments or agencies listed in Minnesota  
156.30 Statutes, section 15.06, subdivision 1, are reduced by five percent. The salaries for  
156.31 all deputy commissioners and assistant commissioners of agencies listed in Minnesota  
156.32 Statutes, section 15.06, subdivision 1, are reduced by five percent. The commissioner  
156.33 of management and budget must reduce the number of deputy commissioner and  
157.1 assistant commissioner positions in agencies listed in Minnesota Statutes, section 15.06,  
157.2 subdivision 1, by five percent.

157.3 Sec. 17. **TRANSITION; STATE AUDITOR ENTERPRISE FUND.**

157.4 Notwithstanding any law to the contrary, receipts from examinations conducted by  
157.5 the state auditor must be credited to the general fund beginning July 1, 2016. Amounts in  
157.6 the state auditor enterprise fund are transferred to the general fund on July 1, 2016.

157.7 Sec. 18. **PUBLIC SUBSIDY PROGRAM SUSPENDED.**

157.8 Notwithstanding any law to the contrary, the public subsidy program for state  
157.9 elections does not apply for the remainder of the biennium ending June 30, 2017. During  
157.10 this period:

157.11 (1) no appropriations or transfers shall be made from the general fund to the state  
157.12 elections campaign account;

157.13 (2) no public subsidy payments shall be made from the state elections campaign  
157.14 account for any general or special election; and

157.15 (3) any written agreements made by a candidate as a condition of receiving a  
157.16 payment are not effective for that election.

157.17 Amounts designated on income tax and property tax refund returns filed after the effective  
157.18 date of this section and before June 30, 2017, are not effective and remain in the general  
157.19 fund.

157.20 **ARTICLE 11**

157.21 **STATE GOVERNMENT**

157.22 Section 1. Minnesota Statutes 2014, section 3.3005, is amended by adding a  
157.23 subdivision to read:

157.24 Subd. 1a. **Application.** This section applies to the expenditure of all federal money  
157.25 whether that federal money is appropriated under section 4.07 or another section, unless  
157.26 that federal money is specifically excluded from the requirements of this section.

157.27 Sec. 2. Minnesota Statutes 2014, section 3.3005, subdivision 3, is amended to read:

157.28 Subd. 3. **State match.** If a request to spend federal money is included in the  
157.29 governor's budget or spending the money is authorized by law but the amount of federal  
157.30 money ~~received~~ that has been awarded requires a state match greater than ~~that the amount~~  
157.31 that was included in the budget request or authorized by law, the amount federal funds  
158.1 that have been awarded that requires require an additional state match may be allotted for  
158.2 expenditure after the requirements of subdivision 5 or 6 are met.

158.3 Sec. 3. Minnesota Statutes 2014, section 3.3005, subdivision 3b, is amended to read:

158.4 Subd. 3b. **Increase in amount.** If a request to spend federal money is included in a  
158.5 governor's budget request and approved according to subdivision 2 or 5 and the amount  
158.6 of money awarded and available to be expended increases after the request is made and  
158.7 authorized, the additional amount may be allotted for expenditure after a revised request is  
158.8 submitted according to subdivision 2, or the requirements of subdivision 5 or 6 are met.

158.9 Sec. 4. Minnesota Statutes 2014, section 3.3005, subdivision 4, is amended to read:

158.10 Subd. 4. **Interim procedures; urgencies.** If federal money ~~becomes available~~  
158.11 is awarded to the state for expenditure after the deadline in subdivision 2 or while the  
158.12 legislature is not in session, and the availability of money from that source or for that  
158.13 purpose or in that fiscal year could not reasonably have been anticipated and included in  
158.14 the governor's budget request, and an urgency requires that all or part of the money be  
158.15 ~~allotted~~ encumbered or expended before the legislature reconvenes or prior to the end of  
158.16 the 20-day period specified in subdivision 2, it may be allotted to a state agency after the  
158.17 ~~requirements of subdivision 5 are met.~~ Legislative Advisory Commission has reviewed  
158.18 the request. If the members of the commission make a positive recommendation or no  
158.19 recommendation, or if the commission has not reviewed the request within ten days after  
158.20 the date the request was submitted, the commissioner may approve the request and the  
158.21 federal money may be allotted for expenditure. If the commission makes a negative  
158.22 recommendation or a recommendation for further review on a request within ten days after  
158.23 the date the request was submitted, the commissioner shall not approve the expenditure of  
158.24 the federal money. If a request to expend federal money submitted under this subdivision  
158.25 receives a negative recommendation or a recommendation for further review, the request  
158.26 may be submitted again under subdivision 2 or 6. For the purposes of this subdivision, a  
158.27 recommendation of the commission must be made at a meeting of the commission unless  
158.28 a written recommendation is signed by all members entitled to vote on the item. For the

158.29 purposes of this subdivision, an urgency means: (1) the expenditure of the federal funds  
158.30 would prevent imminent harm to life or property; or (2) failure to encumber or spend the  
158.31 federal funds before the expiration of the earliest time provided under this subdivision  
158.32 would clearly result in a loss of the federal funds.

158.33 Sec. 5. Minnesota Statutes 2014, section 3.3005, subdivision 5, is amended to read:

159.1 Subd. 5. **Legislative Advisory Commission review.** Federal money that is awarded  
159.2 and becomes available under subdivision 3, 3a, ~~or 3b,~~ or 4 may be allotted after the  
159.3 commissioner of management and budget has submitted the request to the members of  
159.4 the Legislative Advisory Commission for their review and recommendation ~~for further~~  
159.5 ~~review. If a recommendation is not made within ten days, no further review by the~~  
159.6 ~~Legislative Advisory Commission is required, and the commissioner shall approve or~~  
159.7 ~~disapprove the request. If a recommendation by any member is for further review the~~  
159.8 ~~governor shall submit the request to the Legislative Advisory Commission for its review~~  
159.9 ~~and recommendation. Failure or refusal of the commission to make a recommendation~~  
159.10 ~~promptly is a negative recommendation. If a member of the commission makes a negative~~  
159.11 ~~recommendation or requests further review on a request within 20 days after the date~~  
159.12 ~~the request was submitted, the commissioner shall not approve the expenditure of that~~  
159.13 ~~federal money. If a request to expend federal money submitted under this subdivision~~  
159.14 ~~receives a negative recommendation or a request for further review, the request may be~~  
159.15 ~~submitted again under subdivision 2. If the members of a commission make a positive~~  
159.16 ~~recommendation or no recommendation, the commissioner may approve the request and~~  
159.17 ~~the federal money may be allotted for expenditure.~~

159.18 Sec. 6. Minnesota Statutes 2014, section 3.3005, subdivision 6, is amended to read:

159.19 Subd. 6. **Interim procedures; nonurgencies.** If federal money is awarded and  
159.20 becomes available to the state ~~for expenditure~~ after the deadline in subdivision 2 or while  
159.21 the legislature is not in session, and subdivision 4 does not apply, a request to expend the  
159.22 ~~that~~ federal money may be submitted by the commissioner of management and budget to  
159.23 members of the Legislative Advisory Commission for their review and recommendation.  
159.24 This request must be submitted by ~~the later of~~ October 1 ~~of any year~~ or 100 days before the  
159.25 ~~start of the next legislative session.~~ If any member of the commission makes a negative  
159.26 recommendation or a recommendation for further review on a request ~~by October 20 of~~  
159.27 ~~the same year~~ during the 20-day period beginning the day the commissioner submits  
159.28 the request, the commissioner shall not approve expenditure of that federal money. If a  
159.29 request to expend federal money submitted under this subdivision receives a negative  
159.30 recommendation or a recommendation for further review, ~~the commissioner shall not~~  
159.31 ~~approve the request until~~ the request may be submitted again under subdivision 2. If the  
159.32 members of the commission make a positive recommendation or no recommendation, the  
159.33 commissioner ~~shall~~ may approve ~~or disapprove~~ the request and the federal money may be  
159.34 allotted for expenditure.

160.1 Sec. 7. Minnesota Statutes 2014, section 3.3005, is amended by adding a subdivision  
160.2 to read:

160.3 Subd. 9. **Withdrawal.** The commissioner of management and budget may, with  
160.4 written notice, withdraw any request to spend federal money under this section. The  
160.5 commissioner of an agency requesting to expend federal money under this section may,  
160.6 with written notice, withdraw any request to spend federal money under this section that  
160.7 was submitted by the commissioner's agency.

160.8 Sec. 8. Minnesota Statutes 2014, section 3.971, is amended by adding a subdivision to  
160.9 read:

160.10 Subd. 8a. **Fiscal notes and revenue estimates.** The legislative auditor shall  
160.11 participate in the fiscal note and revenue estimate process in the manner described in  
160.12 section 3.98. Authority of the legislative auditor and duties of employees and entities  
160.13 under section 3.978, subdivision 2, apply to the legislative auditor's work on fiscal notes  
160.14 and revenue estimates.

160.15 Sec. 9. Minnesota Statutes 2014, section 3.98, is amended to read:

160.16 **3.98 FISCAL NOTES AND REVENUE ESTIMATES.**

160.17 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~  
160.18 ~~department or agency of the state government, including the Supreme Court, shall prepare~~  
160.19 ~~a fiscal note at the request of the chair of the standing committee to which a bill has been~~  
160.20 ~~referred, or the chair of the house of representatives Ways and Means Committee, or the~~  
160.21 ~~chair of the senate Committee on Finance.~~

160.22 ~~For purposes of this subdivision, "Supreme Court" includes all agencies, committees,~~  
160.23 ~~and commissions supervised or appointed by the state Supreme Court or the state court~~  
160.24 ~~administrator. (a) The chair of the standing committee to which a bill has been referred,~~  
160.25 ~~the chair of the house of representatives Ways and Means Committee, and the chair~~  
160.26 ~~of the senate Finance Committee may request a fiscal note. The chair of the house of~~  
160.27 ~~representatives or senate Tax Committee may request a revenue estimate. A request for a~~  
160.28 ~~fiscal note or revenue estimate must be filed with the legislative auditor.~~

160.29 (b) Upon receiving a request for a fiscal note or revenue estimate, the legislative  
160.30 auditor shall request appropriate agencies, offices, boards, or commissions in the executive,  
160.31 judicial, or legislative branch to provide the legislative auditor with an analysis of the  
160.32 financial and personnel impacts of the bill. The analysis must include a clear statement  
160.33 of the assumptions used in the analysis and the extent to which alternative assumptions  
160.34 were considered. Agencies, offices, boards, or commissions shall, after receiving a request  
161.1 from the legislative auditor, submit the analysis in the time and manner requested by the  
161.2 auditor. The legislative auditor may require agencies, offices, boards, or commissions to  
161.3 use the fiscal note tracking system developed and maintained by the commissioner of  
161.4 management and budget for submitting fiscal note information and analysis.

161.5 (c) The legislative auditor shall review the analysis submitted by agencies, offices,  
161.6 boards, or commissions and assess the reasonableness of the analysis, particularly the  
161.7 reasonableness of the assumptions used in the analysis. The auditor may require agencies,  
161.8 offices, boards, or commissions to resubmit their analysis under new assumptions or  
161.9 calculation parameters as defined by the auditor.

161.10 (d) When the legislative auditor accepts the final analysis from all relevant agencies,  
161.11 offices, boards, or commissions, the legislative auditor shall deliver the completed  
161.12 fiscal note or revenue estimate. The note or estimate must contain the final analysis  
161.13 and assumptions submitted to the legislative auditor by agencies, offices, boards, or  
161.14 commissions, and a statement by the legislative auditor as to whether the legislative  
161.15 auditor agrees with the final analysis and assumptions. The auditor must state the  
161.16 reasons for any disagreements and may offer alternative analysis and assumptions for  
161.17 consideration by the legislature. If the legislative auditor deems these disagreements  
161.18 sufficiently large, the legislative auditor may submit an unofficial "unapproved" fiscal note  
161.19 to the legislature for public consideration of both the analysis of the agencies, offices,  
161.20 boards, or commissions, and of the legislative auditor.

161.21 Subd. 2. **Contents.** (a) The A fiscal note, where possible, shall:

161.22 (1) cite the effect in dollar amounts;

161.23 (2) cite the statutory provisions affected;

161.24 (3) estimate the increase or decrease in revenues or expenditures;

161.25 (4) include the costs which may be absorbed without additional funds;

161.26 (5) include the assumptions used in determining the cost estimates; and

161.27 (6) specify any long-range implication.

161.28 (b) The A revenue estimate must estimate the effect of a bill on state tax revenues.

161.29 (c) A fiscal note or revenue estimate may comment on technical or mechanical  
161.30 defects in the bill but shall express no opinions concerning the merits of the proposal.

161.31 Subd. 3. **Distribution.** A copy of the a fiscal note shall be delivered to the chair  
161.32 of the Ways and Means Committee of the house of representatives, the chair of the  
161.33 Finance Committee of the senate, the chair of the standing committee to which the bill  
161.34 has been referred, to the chief author of the bill and to the commissioner of management  
161.35 and budget. A copy of a revenue estimate shall be delivered to the chairs of the house  
162.1 of representatives and senate tax committees, to the chief author of the bill, and to the  
162.2 commissioner of revenue.

162.3 Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~  
162.4 legislative auditor shall prescribe a uniform procedure to govern the departments and  
162.5 agencies of the state in complying with the requirements of this section.

162.6 Subd. 5. **Tracking system.** The commissioner of management and budget shall  
162.7 provide the legislative auditor with manuals and other documentation requested by the  
162.8 auditor for the fiscal note tracking system that is maintained by the commissioner.

162.9 Sec. 10. Minnesota Statutes 2014, section 3.987, subdivision 1, is amended to read:

162.10 Subdivision 1. **Local impact notes.** The ~~commissioner of management and budget~~  
162.11 legislative auditor shall coordinate the development of a local impact note for any proposed  
162.12 ~~legislation introduced after June 30, 1997,~~ upon request of the chair or the ranking minority  
162.13 member of either legislative Tax, Finance, or Ways and Means Committee. Upon receipt  
162.14 of a request to prepare a local impact note, the ~~commissioner~~ auditor must notify the  
162.15 authors of the proposed legislation that the request has been made. The local impact note  
162.16 must be made available to the public upon request. If the action is among the exceptions  
162.17 listed in section 3.988, a local impact note need not be requested nor prepared. The  
162.18 ~~commissioner~~ auditor shall make a reasonable and timely estimate of the local fiscal impact  
162.19 on each type of political subdivision that would result from the proposed legislation. The  
162.20 ~~commissioner of management and budget~~ auditor may require any political subdivision or  
162.21 the commissioner of an administrative agency of the state to supply in a timely manner  
162.22 any information determined to be necessary to determine local fiscal impact. The political  
162.23 subdivision, its representative association, or commissioner shall convey the requested  
162.24 information to the ~~commissioner of management and budget~~ auditor with a signed  
162.25 statement to the effect that the information is accurate and complete to the best of its ability.  
162.26 The political subdivision, its representative association, or commissioner, when requested,  
162.27 shall update its determination of local fiscal impact based on actual cost or revenue figures,  
162.28 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ auditor must  
162.29 provide a copy to the authors of the proposed legislation and to the chair and ranking  
162.30 minority member of each committee to which the proposed legislation is referred.

162.31 Sec. 11. Minnesota Statutes 2015 Supplement, section 6.481, subdivision 6, is  
162.32 amended to read:

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

163.4 Sec. 12. Minnesota Statutes 2014, section 6.56, subdivision 2, is amended to read:

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

163.15 Sec. 13. Minnesota Statutes 2014, section 6.581, subdivision 4, is amended to read:

163.16 Subd. 4. **Reports to legislature.** At least 30 days before implementing increased  
163.17 charges for examinations, the state auditor must report the proposed increases to the  
163.18 chairs and ranking minority members of the committees in the house of representatives  
163.19 and the senate with jurisdiction over the budget of the state auditor. By January 15 of  
163.20 each odd-numbered year, the state auditor must report to the chairs and ranking minority  
163.21 members of the legislative committees and divisions with primary jurisdiction over the  
163.22 budget of the state auditor a summary of ~~the state auditor enterprise fund~~ anticipated  
163.23 revenues, and expenditures related to examinations for the biennium ending June 30  
163.24 of that year. The report must also include for the biennium the number of full-time  
163.25 equivalents ~~paid by the fund in the audit practice division~~, any audit rate changes stated as  
163.26 a percentage, the number of audit reports issued, and the number of counties audited.

163.27 Sec. 14. **[16A.0565] CENTRALIZED TRACKING LIST OF AGENCY**  
163.28 **PROJECTS.**

163.29 Subdivision 1. **Centralized tracking.** The commissioner must maintain a  
163.30 centralized tracking list of new agency projects estimated to cost more than \$100,000 that  
163.31 are paid for from the general fund.

163.32 Subd. 2. **New agency project.** (a) For purposes of this section a "new agency  
163.33 project" means:

164.1 (1) any new agency program or activity with more than \$100,000 in funding from  
164.2 the general fund; and

164.3 (2) any preexisting agency program or activity with an increase of \$100,000 or more  
164.4 above the base level in general fund support.

164.5 (b) For purposes of this section, a new agency project does not include:

164.6 (1) general aid programs for units of local government, or entitlement programs  
164.7 providing assistance to individuals; or



164.8 (2) a new program or activity or increase in a program or activity that is mandated  
164.9 by law.

164.10 Subd. 3. **Transparency requirements.** The centralized tracking list maintained by  
164.11 the commissioner must report the following for each new agency project:

164.12 (1) the name of the agency and title of the project;

164.13 (2) a brief description of the project and its purposes;

164.14 (3) the extent to which the project has been implemented; and

164.15 (4) the amount of money that has been spent on the project.

164.16 Subd. 4. **Timing and reporting.** The commissioner must display the information  
164.17 required by subdivision 3 on the department's Web site. The list shall be maintained in a  
164.18 widely available and common document format such as a spreadsheet that does not require  
164.19 any new costs to develop. The commissioner must report this information to the chairs of  
164.20 the house of representatives Ways and Means Committee and senate Finance Committee  
164.21 quarterly, and must update the information on the Web site at least quarterly.

164.22 Sec. 15. Minnesota Statutes 2014, section 16A.103, is amended by adding a  
164.23 subdivision to read:

164.24 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report  
164.25 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in  
164.26 Minnesota's general fund revenue projections. The report shall present information on: (1)  
164.27 the estimated range of forecast error for revenues; and (2) the data and methods used to  
164.28 construct those measurements.

164.29 Sec. 16. **[16A.104] FEDERAL FUNDS REPORT.**

164.30 The commissioner must report to the chairs and ranking minority members of the  
164.31 house of representatives Ways and Means and senate Finance Committee on receipt of  
164.32 federal funds by the state. The report must be submitted with the governor's detailed  
164.33 operating budget in accordance with section 16A.11, subdivision 1, in an odd-numbered  
164.34 year and within ten days prior to the start of the regular session in accordance with section  
165.1 3.3005, subdivision 2, in an even-numbered year. The report must include the total amount  
165.2 of federal funds received by the state in the fiscal year ending the prior June 30 and the  
165.3 total amount of federal funds anticipated to be received by the state in the current fiscal  
165.4 year. For each category of federal funding, the report must list:

165.5 (1) the name of the federal grant or federal funding source, the federal agency  
165.6 providing the funding, a federal identification number, and a brief description of the  
165.7 purpose of the federal funding;

165.8 (2) the amount of federal funding the state received through that grant or source in  
165.9 the fiscal year ending the prior June 30 and the total amount of federal funds anticipated to  
165.10 be received by the state in the current fiscal year;

165.11 (3) if there is a federal maintenance-of-effort requirement associated with the funding;

165.12 (4) the number of full-time equivalent state employees needed to implement the  
165.13 federal funding; and

165.14 (5) the amount of state funds spent, as a match or otherwise, in conjunction with  
165.15 receipt of the federal funding in the fiscal year ending the prior June 30, and the amount of  
165.16 state funds anticipated to be spent in the current fiscal year.

165.17 Sec. 17. Minnesota Statutes 2014, section 16A.1283, is amended to read:

165.18 **16A.1283 LEGISLATIVE APPROVAL REQUIRED FOR FEES.**

165.19 (a) Notwithstanding any law to the contrary, an executive branch state agency may  
165.20 not impose a new fee or increase an existing fee unless the new fee or increase is approved  
165.21 by law. An agency must not propose a fee or fine increase of more than ten percent  
165.22 in a biennium over the same fee or fine in law at the start of the same biennium. For  
165.23 purposes of this section, a fee is any charge for goods, services, regulation, or licensure,  
165.24 and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for  
165.25 use of public facilities owned by the state.

165.26 (b) This section does not apply to:

165.27 (1) charges billed within or between state agencies, or billed to federal agencies;

165.28 (2) the Minnesota State Colleges and Universities system;

165.29 (3) charges for goods and services provided for the direct and primary use of a  
165.30 private individual, business, or other entity;

165.31 (4) charges that authorize use of state-owned lands and minerals administered by  
165.32 the commissioner of natural resources by the issuance of leases, easements, cooperative  
165.33 farming agreements, and land and water crossing licenses and charges for sales of  
165.34 state-owned lands administered by the commissioner of natural resources; or

165.35 (5) state park fees and charges established by commissioner's order.

166.1 (c) An executive branch agency may reduce a fee that was set by rule before July  
166.2 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under  
166.3 this paragraph.

## FROM HF2749-2 ARTICLE 1 STATE FINANCES

### H2749-2

2.26 Section 1. Minnesota Statutes 2015 Supplement, section 16A.152, subdivision 2,  
2.27 is amended to read:

2.28 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general  
2.29 fund revenues and expenditures, the commissioner of management and budget determines  
2.30 that there will be a positive unrestricted budgetary general fund balance at the close of  
2.31 the biennium, the commissioner of management and budget must allocate money to the  
2.32 following accounts and purposes in priority order:

2.33 (1) the cash flow account established in subdivision 1 until that account reaches  
2.34 \$350,000,000;

2.35 (2) the budget reserve account established in subdivision 1a until that account  
2.36 reaches ~~\$810,992,000~~ \$1,596,522,000;

2.37 (3) the amount necessary to increase the aid payment schedule for school district  
2.38 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the  
2.39 nearest tenth of a percent without exceeding the amount available and with any remaining  
2.40 funds deposited in the budget reserve; and

2.41 (4) the amount necessary to restore all or a portion of the net aid reductions under  
2.42 section 127A.441 and to reduce the property tax revenue recognition shift under section  
2.43 123B.75, subdivision 5, by the same amount;

3.1 ~~(5) the closed landfill investment fund established in section 115B.421 until  
3.2 \$63,215,000 has been transferred into the account. This clause expires after the entire  
3.3 amount of the transfer has been made; and~~

3.4 ~~(6) the metropolitan landfill contingency action trust account established in section  
3.5 473.845 until \$8,100,000 has been transferred into the account. This clause expires after  
3.6 the entire amount of the transfer has been made.~~

3.7 (b) The amounts necessary to meet the requirements of this section are appropriated  
3.8 from the general fund within two weeks after the forecast is released or, in the case of  
3.9 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
3.10 schedules otherwise established in statute.

3.11 (c) The commissioner of management and budget shall certify the total dollar  
3.12 amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of  
3.13 education. The commissioner of education shall increase the aid payment percentage and  
3.14 reduce the property tax shift percentage by these amounts and apply those reductions to  
3.15 the current fiscal year and thereafter.

### H3467-3

166.4 Sec. 18. **[16A.6415] FEDERAL PENALTIES RELATING TO PURCHASE OR**  
166.5 **SALE OF STATE BONDS.**

166.6 (a) The commissioner must disclose to the legislative auditor any situation that the  
166.7 commissioner believes potentially could subject the state or a state agency to payment of a  
166.8 penalty to the federal government in connection with the purchase or sale of bonds issued  
166.9 by the state. This disclosure must be made within ten days of the commissioner learning  
166.10 of the situation that has potential to subject the state to a federal penalty.

166.11 (b) Payment of a penalty to the federal government in connection with the purchase  
166.12 or sale of state bonds issued by the state must be made from funds appropriated for general  
166.13 operations of the department. If the commissioner determines that it is not feasible to pay  
166.14 the penalty from these funds, the commissioner may seek approval under the process in  
166.15 section 3.30 for use of contingent account appropriations.

166.16 (c) The commissioner must disclose to the legislative auditor and to the chairs and  
166.17 ranking minority members of the house of representatives Ways and Means Committee,  
166.18 senate Finance Committee, and house of representatives and senate committees with  
166.19 jurisdiction over capital investment the payment of a penalty by the commissioner or a  
166.20 state agency to the federal government in connection with the purchase or sale of bonds  
166.21 issued by the state. A disclosure under this paragraph must be made within ten days of the  
166.22 commissioner or a state agency paying the penalty.

184.3 Sec. 12. Minnesota Statutes 2014, section 16B.33, subdivision 3, is amended to read:

184.4 Subd. 3. **Agencies must request designer.** (a) **Application.** Upon undertaking a  
184.5 project with an estimated cost greater than ~~\$2,000,000~~ \$10,000,000 or a planning project  
184.6 with estimated fees greater than ~~\$200,000~~ \$1,000,000, every user agency, except the  
184.7 Capitol Area Architectural and Planning Board, shall submit a written request for a  
184.8 primary designer for its project to the commissioner, who shall forward the request to the  
184.9 board. The University of Minnesota and the Minnesota State Colleges and Universities  
184.10 shall follow the process in subdivision 3a to select designers for their projects. The written  
184.11 request must include a description of the project, the estimated cost of completing the  
184.12 project, a description of any special requirements or unique features of the proposed  
184.13 project, and other information which will assist the board in carrying out its duties and  
184.14 responsibilities set forth in this section.

184.15 (b) **Reactivated project.** If a project for which a designer has been selected by the  
184.16 board becomes inactive, lapses, or changes as a result of project phasing, insufficient  
184.17 appropriations, or other reasons, the commissioner, the Minnesota State Colleges and  
184.18 Universities, or the University of Minnesota may, if the project is reactivated, retain  
184.19 the same designer to complete the project.

184.20 (c) **Fee limit reached after designer selected.** If a project initially estimated to  
184.21 be below the cost and planning fee limits of this subdivision has its cost or planning  
184.22 fees revised so that the limits are exceeded, the project must be referred to the board for  
184.23 designer selection even if a primary designer has already been selected. In this event, the  
184.24 board may, without conducting interviews, elect to retain the previously selected designer  
184.25 if it determines that the interests of the state are best served by that decision and shall  
184.26 notify the commissioner of its determination.

184.27 Sec. 13. Minnesota Statutes 2014, section 16B.33, subdivision 4, is amended to read:

184.28 Subd. 4. **Designer selection process.** (a) **Publicity.** Upon receipt of a request  
184.29 from a user agency for a primary designer, the board shall publicize the proposed  
184.30 project in order to determine the identity of designers interested in the design work on  
184.31 the project. The board shall establish criteria for the selection process and make this  
184.32 information public, and shall compile data on and conduct interviews of designers. The  
184.33 board's selection criteria must include consideration of the geographic proximity of each  
184.34 interested designer's primary place of business to the location of the project and each  
185.1 interested designer's performance on previous projects for the state or any other person.  
185.2 Upon completing the process, the board shall select the primary designer and shall state its  
185.3 reasons in writing. If the board's vote for the selection of a primary designer results in a tie  
185.4 vote, the nonvoting member appointed under subdivision 2, paragraph (b), must vote for  
185.5 the selection of the primary designer. Notification to the commissioner of the selection  
185.6 shall be made not more than 60 days after receipt from a user agency of a request for a  
185.7 primary designer. The commissioner shall promptly notify the designer and the user  
185.8 agency. The commissioner shall negotiate the designer's fee and prepare the contract to  
185.9 be entered into between the designer and the user agency.

185.10 (b) **Conflict of interest.** A board member may not participate in the review,  
185.11 discussion, or selection of a designer or firm in which the member has a financial interest.

185.12 (c) **Selection by commissioner.** In the event the board receives a request for a  
185.13 primary designer on a project, the estimated cost of which is less than the limit established  
185.14 by subdivision 3, or a planning project with estimated fees of less than the limit established  
185.15 by subdivision 3, the board may submit the request to the commissioner of administration,  
185.16 with or without recommendations, and the commissioner shall thereupon select the  
185.17 primary designer for the project.

185.18 (d) **Second selection.** If the designer selected for a project declines the appointment  
185.19 or is unable to reach agreement with the commissioner on the fee or the terms of the  
185.20 contract, the commissioner shall, within 60 days after the first appointment, request the  
185.21 board to make another selection.

185.22 (e) **Sixty days to select.** If the board fails to make a selection and forward its  
185.23 recommendation to the commissioner within 60 days of the user agency's request  
185.24 for a designer, the commissioner may appoint a designer to the project without the  
185.25 recommendation of the board.

185.26 (f) **Less than satisfactory performance.** The commissioner, or the University of  
185.27 Minnesota and the Minnesota State Colleges and Universities for projects under their  
185.28 supervision, shall forward to the board a written report describing each instance in which  
185.29 the performance of a designer selected by the board or the commissioner has been less  
185.30 than satisfactory. Criteria for determining satisfaction include the ability of the designer to  
185.31 complete design work on time, to provide a design responsive to program needs within  
185.32 the constraints of the budget, to solve design problems and achieve a design consistent  
185.33 with the proposed function of the building, to avoid costly design errors or omissions,  
185.34 and to observe the construction work. These reports are public data and are available for  
185.35 inspection under section 13.03.

166.23 Sec. 19. Minnesota Statutes 2014, section 16B.335, subdivision 1, is amended to read:

166.24 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or  
166.25 any other recipient to whom an appropriation is made to acquire or better public lands  
166.26 or buildings or other public improvements of a capital nature, must not prepare final  
166.27 plans and specifications for any construction, major remodeling, or land acquisition in  
166.28 anticipation of which the appropriation was made until the agency that will use the  
166.29 project has presented the program plan and cost estimates for all elements necessary to  
166.30 complete the project to the chair of the senate Finance Committee and the chair of the  
166.31 house of representatives Ways and Means Committee and the chairs have made their  
166.32 recommendations, and the chair and ranking minority member of the senate Capital  
166.33 Investment Committee and the chair and ranking minority member of the house of  
166.34 representatives Capital Investment Committee are notified. "Construction or major  
167.1 remodeling" means construction of a new building, a substantial addition to an existing  
167.2 building, or a substantial change to the interior configuration of an existing building. The  
167.3 presentation must note any significant changes in the work that will be done, or in its cost,  
167.4 since the appropriation for the project was enacted or from the predesign submittal. The  
167.5 program plans and estimates must be presented for review at least two weeks before a  
167.6 recommendation is needed. The recommendations are advisory only. Failure or refusal to  
167.7 make a recommendation is considered a negative recommendation.

167.8 (b) The chairs and ranking minority members of the senate Finance and Capital  
167.9 Investment Committees and, the house of representatives Capital Investment and Ways  
167.10 and Means Committees, and the house of representatives and senate budget committees or  
167.11 divisions with jurisdiction over the agency that will use the project must also be notified  
167.12 whenever there is a substantial change in a construction or major remodeling project, or in  
167.13 its cost. This notice must include the nature and reason for the change, and the anticipated  
167.14 cost of the change. The notice must be given no later than ten days after signing a change  
167.15 order or other document authorizing a change in the project, or if there is not a change  
167.16 order or other document, no later than ten days after the project owner becomes aware of a  
167.17 substantial change in the project or its cost.

167.18 ~~(b)~~ (c) Capital projects exempt from the requirements of this subdivision in  
167.19 paragraph (a) to seek recommendations before preparing final plans and specifications  
167.20 include demolition or decommissioning of state assets, hazardous material projects, utility  
167.21 infrastructure projects, environmental testing, parking lots, parking structures, park and  
167.22 ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior  
167.23 lighting, fencing, highway rest areas, truck stations, storage facilities not consisting  
167.24 primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds,  
167.25 athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer  
167.26 separation projects, water and wastewater facilities, port development projects for which  
167.27 the commissioner of transportation has entered into an assistance agreement under section  
167.28 457A.04, ice centers, a local government project with a construction cost of less than  
167.29 \$1,500,000, or any other capital project with a construction cost of less than \$750,000.  
167.30 The requirements in paragraph (b) to give notice of changes applies to these projects.

167.31 Sec. 20. **[16B.336] NEW STATE BUILDINGS.**

167.32 Any requirement for legislative approval of construction of a state building may be  
167.33 fulfilled only by approval of the entire legislature in a bill enacted into law, and may not be  
167.34 fulfilled by approval of one or more committees of the legislature.

168.1 Sec. 21. **[16B.991] TERMINATION OF GRANT.**

168.2 Each grant agreement subject to sections 16B.97 and 16B.98 must provide that  
168.3 the agreement will immediately be terminated if the recipient is convicted of a criminal  
168.4 offense relating to a state grant agreement.

168.5 Sec. 22. **[16B.992] NO FEES FOR GENERAL FUND GRANT**  
168.6 **ADMINISTRATION.**

168.7 An agency may not charge a recipient of a grant from the general fund a fee and  
168.8 may not deduct money from the grant to pay administrative expenses incurred by the  
168.9 agency in administering the grant.

168.10 Sec. 23. Minnesota Statutes 2014, section 16C.03, subdivision 16, is amended to read:

168.11 Subd. 16. **Delegation of duties.** (a) The commissioner may delegate duties imposed  
168.12 by this chapter to the head of an agency and to any subordinate of the agency head. At  
168.13 least once every three years the commissioner must audit use of authority under this  
168.14 chapter by each employee whom the commissioner has delegated duties.

168.15 (b) The commissioner must develop guidelines for agencies and employees to whom  
168.16 authority is delegated under this chapter that protect state legal interests. These guidelines  
168.17 may provide for review by the commissioner when a specific contract has potential to put  
168.18 the state's legal interests at risk.

168.19 Sec. 24. **[16C.067] CONFLICT-FREE MINERALS.**

- 168.20 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
168.21 have the meanings given them.
- 168.22 (b) "Conflict mineral" means a mineral or mineral derivative determined under  
168.23 federal law to be financing human conflict. Conflict mineral includes columbite-tantalite  
168.24 (coltan), cassiterite, gold, wolframite, or derivatives of those minerals.
- 168.25 (c) "Noncompliant person" means a person:  
168.26 (1) who is required to disclose under federal law information relating to conflict  
168.27 minerals that originated in the Democratic Republic of the Congo or its neighboring  
168.28 countries; and  
168.29 (2) for whom the disclosure is not filed, is considered under federal law to be an  
168.30 unreliable determination, or contains false information.
- 168.31 Subd. 2. **Prohibition.** No commissioner, head, or chief administrative officer of an  
168.32 agency may knowingly procure goods or services from a noncompliant person.
- 169.1 Subd. 3. **Notice.** In any solicitation for goods or services, a commissioner, head,  
169.2 or chief administrative officer of an agency shall provide notice of the requirements of  
169.3 this section.
- 169.4 Sec. 25. Minnesota Statutes 2015 Supplement, section 16C.073, subdivision 2, is  
169.5 amended to read:
- 169.6 Subd. 2. **Purchases.** (a) Whenever practicable, a public entity shall:  
169.7 (1) purchase uncoated copy paper, office paper, and printing paper;  
169.8 (2) purchase recycled content copy paper with at least 30 percent postconsumer  
169.9 material by weight and purchase printing and office paper with at least ten percent  
169.10 postconsumer material by weight;  
169.11 (3) purchase copy, office, and printing paper which has not been dyed with colors,  
169.12 excluding pastel colors;  
169.13 (4) purchase recycled content copy, office, and printing paper that is manufactured  
169.14 using little or no chlorine bleach or chlorine derivatives;  
169.15 (5) use reusable binding materials or staples and bind documents by methods that do  
169.16 not use glue;  
169.17 (6) use soy-based inks;  
169.18 (7) purchase printer or duplication cartridges that:  
169.19 (i) have ten percent postconsumer material; or  
169.20 (ii) are purchased as remanufactured; or



169.21 (iii) are backed by a vendor-offered program that will take back the printer cartridges  
 169.22 after their useful life, ensure that the cartridge is recycled, and comply with the definition  
 169.23 of recycling in section 115A.03, subdivision 25b;

169.24 (7) (8) produce reports, publications, and periodicals that are readily recyclable; and

169.25 (8) (9) purchase paper which has been made on a paper machine located in Minnesota.

169.26 (b) Paragraph (a), clause (1), does not apply to coated paper that is made with at  
 169.27 least 50 percent postconsumer material.

169.28 (c) A public entity shall print documents on both sides of the paper where commonly  
 169.29 accepted publishing practices allow.

169.30 Sec. 26. Minnesota Statutes 2014, section 16C.16, subdivision 5, is amended to read:

169.31 Subd. 5. **Designation of targeted groups.** (a) The commissioner of administration  
 169.32 shall periodically designate businesses that are majority owned and operated by women,  
 169.33 persons with a substantial physical disability, or specific minorities as targeted group  
 169.34 businesses within purchasing categories as determined by the commissioner. A group  
 170.1 may be targeted within a purchasing category if the commissioner determines there is a  
 170.2 statistical disparity between the percentage of purchasing from businesses owned by  
 170.3 group members and the representation of businesses owned by group members among all  
 170.4 businesses in the state in the purchasing category.

170.5 (b) In addition to designations under paragraph (a); (1) an individual business may  
 170.6 be included as a targeted group business if the commissioner determines that inclusion is  
 170.7 necessary to remedy discrimination against the owner based on race, gender, or disability  
 170.8 in attempting to operate a business that would provide goods or services to public  
 170.9 agencies; and (2) an individual business must be included as a targeted group business if  
 170.10 the business agrees that its workforce will be composed of at least 40 percent minority  
 170.11 persons or veterans, and that this agreement will be expressed as a condition of any  
 170.12 contract between the state and the business.

170.13 (c) The designations of purchasing categories and businesses under paragraphs  
 170.14 (a) and (b) are not rules for purposes of chapter 14, and are not subject to rulemaking  
 170.15 procedures of that chapter.

## FROM SENATE ARTICLE 6 EQUITY

118.8 Sec. 3. Minnesota Statutes 2014, section 16C.10, subdivision 6, is amended to read:

118.9 Subd. 6. **Expenditures under specified amounts.** A competitive solicitation

118.10 process described in this chapter is not required for the acquisition of goods, services,

118.11 construction, and utilities in an amount of \$5,000 or less or as authorized by section

118.12 16C.16, subdivisions 6, paragraph (b), 6a, paragraph (b), and 7, paragraph (b).

118.13 Sec. 4. Minnesota Statutes 2014, section 16C.16, subdivision 6, is amended to read:

118.14 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a six

118.15 percent preference ~~in the amount bid~~ for specified goods or services to small targeted

118.16 group businesses.

118.17 (b) ~~The commissioner may award a contract for goods, services, or construction~~

118.18 directly to a small business or small targeted group business without going through a

118.19 competitive solicitation process up to a total contract award value, including extension

118.20 options, of \$25,000.

118.21 ~~(b)~~ (c) The commissioner may designate a purchase of goods or services for

118.22 award only to small businesses or small targeted group businesses if the commissioner

118.23 determines that at least three small businesses or small targeted group businesses are likely

118.24 to ~~bid~~ respond to a solicitation.

118.25 ~~(e)~~ (d) The commissioner, as a condition of awarding a construction contract or

118.26 approving a contract for professional or technical services, may set goals that require

118.27 the prime contractor to subcontract a portion of the contract to small businesses or

118.28 small targeted group businesses. The commissioner must establish a procedure for

118.29 granting waivers from the subcontracting requirement when qualified small businesses

118.30 or small targeted group businesses are not reasonably available. The commissioner may

118.31 establish financial incentives for prime contractors who exceed the goals for use of small

118.32 business or small targeted group business subcontractors and financial penalties for prime

118.33 contractors who fail to meet goals under this paragraph. The subcontracting requirements

119.1 of this paragraph do not apply to prime contractors who are small businesses or small

119.2 targeted group businesses.

119.3 Sec. 5. Minnesota Statutes 2015 Supplement, section 16C.16, subdivision 6a, is

119.4 amended to read:

119.5 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the

119.6 federal government as a condition of receiving federal funds, the commissioner shall

119.7 award up to a six percent preference, but no less than the percentage awarded to any

119.8 other group under this section, ~~in the amount bid~~ on state procurement to certified small

119.9 businesses that are majority-owned and operated by veterans.

119.10 (b) The commissioner may award a contract for goods, services, or construction

119.11 directly to a veteran-owned small business without going through a competitive solicitation

119.12 process up to a total contract award value, including extension options, of \$25,000.

119.13 (c) The commissioner may designate a purchase of goods or services for award only

119.14 to a veteran-owned small business if the commissioner determines that at least three

119.15 veteran-owned small businesses are likely to respond to a solicitation.

119.16 (d) The commissioner, as a condition of awarding a construction contract or  
119.17 approving a contract for professional or technical services, may set goals that require  
119.18 the prime contractor to subcontract a portion of the contract to a veteran-owned small  
119.19 business. The commissioner must establish a procedure for granting waivers from the  
119.20 subcontracting requirement when qualified veteran-owned small businesses are not  
119.21 reasonably available. The commissioner may establish financial incentives for prime  
119.22 contractors who exceed the goals for use of veteran-owned small business subcontractors  
119.23 and financial penalties for prime contractors who fail to meet goals under this paragraph.  
119.24 The subcontracting requirements of this paragraph do not apply to prime contractors  
119.25 who are veteran-owned small businesses.

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

119.30 ~~(e)~~ (f) Before the commissioner certifies that a small business is majority-owned and  
119.31 operated by a veteran, the commissioner of veterans affairs must verify that the owner of  
119.32 the small business is a veteran, as defined in section 197.447.

119.33 Sec. 6. Minnesota Statutes 2014, section 16C.16, subdivision 7, is amended to read:

120.1 Subd. 7. **Economically disadvantaged areas.** (a) ~~Except as otherwise provided in~~  
120.2 ~~paragraph (b),~~ The commissioner may award up to a six percent preference ~~in the amount~~  
120.3 ~~bid~~ on state procurement to small businesses located in an economically disadvantaged area.

120.4 ~~(b) The commissioner may award up to a four percent preference in the amount bid~~  
120.5 ~~on state construction to small businesses located in an economically disadvantaged area.~~

120.6 (b) The commissioner may award a contract for goods, services, or construction  
120.7 directly to a small business located in an economically disadvantaged area without going  
120.8 through a competitive solicitation process up to a total contract award value, including  
120.9 extension options, of \$25,000.

120.10 (c) The commissioner may designate a purchase of goods or services for award only  
120.11 to a small business located in an economically disadvantaged area if the commissioner  
120.12 determines that at least three small businesses located in an economically disadvantaged  
120.13 area are likely to respond to a solicitation.

120.14 (d) The commissioner, as a condition of awarding a construction contract or  
120.15 approving a contract for professional or technical services, may set goals that require the  
120.16 prime contractor to subcontract a portion of the contract to a small business located in  
120.17 an economically disadvantaged area. The commissioner must establish a procedure for  
120.18 granting waivers from the subcontracting requirement when qualified small businesses  
120.19 located in an economically disadvantaged area are not reasonably available. The  
120.20 commissioner may establish financial incentives for prime contractors who exceed the  
120.21 goals for use of subcontractors that are small businesses located in an economically  
120.22 disadvantaged area and financial penalties for prime contractors who fail to meet goals  
120.23 under this paragraph. The subcontracting requirements of this paragraph do not apply to  
120.24 prime contractors who are small businesses located in an economically disadvantaged area.

120.25 (e) (e) A business is located in an economically disadvantaged area if:

120.26 (1) the owner resides in or the business is located in a county in which the median  
120.27 income for married couples is less than 70 percent of the state median income for married  
120.28 couples;

120.29 (2) the owner resides in or the business is located in an area designated a labor  
120.30 surplus area by the United States Department of Labor; or

120.31 (3) the business is a certified rehabilitation facility or extended employment provider  
120.32 as described in chapter 268A.

120.33 ~~(d)~~ (f) The commissioner may designate one or more areas designated as targeted  
120.34 neighborhoods under section 469.202 or as border city enterprise zones under section  
120.35 469.166 as economically disadvantaged areas for purposes of this subdivision if the  
120.36 commissioner determines that this designation would further the purposes of this section.

121.1 If the owner of a small business resides or is employed in a designated area, the small  
121.2 business is eligible for any preference provided under this subdivision.

121.3 ~~(e)~~ (g) The Department of Revenue shall gather data necessary to make the  
121.4 determinations required by paragraph ~~(e)~~ (e), clause (1), and shall annually certify counties  
121.5 that qualify under paragraph ~~(e)~~ (e), clause (1). An area designated a labor surplus area  
121.6 retains that status for 120 days after certified small businesses in the area are notified of  
121.7 the termination of the designation by the United States Department of Labor.

121.8 Sec. 7. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision  
121.9 to read:

121.10 Subd. 7a. **Designated purchases and subcontractor goals.** (a) When designating  
121.11 purchases directly to a business in accordance with this section, the commissioner may  
121.12 also designate a purchase of goods or services directly to any combination of small  
121.13 businesses, small targeted group businesses, veteran-owned small businesses or small  
121.14 businesses located in an economically disadvantaged area if the commissioner determines  
121.15 that at least three businesses in two or more of the disadvantaged business categories  
121.16 are likely to respond.

121.17 (b) When establishing subcontractor goals under this section, the commissioner may  
 121.18 set goals that require the prime contractor to subcontract a portion of the contract to any  
 121.19 combination of a small business, small targeted group business, veteran-owned small  
 121.20 business, or small business located in an economically disadvantaged area.

121.21 Sec. 8. Minnesota Statutes 2014, section 16C.16, subdivision 11, is amended to read:

121.22 Subd. 11. **Procurement procedures.** All laws and rules pertaining to solicitations,  
 121.23 bid evaluations, contract awards, and other procurement matters apply equally to  
 121.24 procurements designated for small businesses or small targeted group businesses involving  
 121.25 any small business, small targeted group business, veteran-owned business, or small  
 121.26 business located in an economically disadvantaged area. In the event of conflict with other  
 121.27 rules, section 16C.15 and rules adopted under it govern, if section 16C.15 applies. If it  
 121.28 does not apply, sections 16C.16 to 16C.21 and rules adopted under those sections govern.

## ARTICLE 8

186.1 Sec. 14. **[16C.165] PROCUREMENT FROM OTHER TARGETED AND**

186.2 **VETERAN-OWNED BUSINESSES.**

186.3 Subdivision 1. **Designation of eligible groups.** The commissioner may designate  
 186.4 businesses that are not small but otherwise qualify under section 16C.16, subdivisions 5  
 186.5 and 6a, as eligible for preferences under this section.

186.6 Subd. 2. **Preference.** The commissioner may award up to a three percent preference  
 186.7 for specified goods, services, or construction to businesses designated under subdivision 1.

186.8 Subd. 3. **Limitations on preference.** If the application of preference under  
 186.9 subdivision 2 precludes a business designated under section 16C.16, subdivisions 5 and  
 186.10 6a, from receiving an award, the preference in subdivision 2 shall not be applied.

186.11 Subd. 4. **Subcontracting incentives and penalties.** The financial incentives for  
 186.12 prime contractors who exceed the goals for use of small business or small targeted group  
 186.13 business subcontractors and financial penalties for prime contractors who fail to meet the  
 186.14 goals for use of small business or small targeted group business subcontractors apply to  
 186.15 businesses designated under subdivision 1.

186.16 Subd. 5. **Mentoring program.** The commissioner shall collaborate with  
 186.17 organizations that represent targeted group and veteran-owned businesses to prepare  
 186.18 recommendations for establishing a targeted group and veteran-owned business mentoring  
 186.19 program that incentivizes larger businesses to mentor businesses certified under  
 186.20 subdivision 1 and section 16C.16.

186.21 Sec. 15. Minnesota Statutes 2015 Supplement, section 16C.19, is amended to read:

186.22 **16C.19 ELIGIBILITY; RULES.**

186.23 (a) A small business wishing to participate in the programs under section 16C.16,  
186.24 subdivisions 4 to 7, or 16C.165, must be certified by the commissioner or by a nationally  
186.25 recognized certifying organization authorized by the commissioner. The commissioner  
186.26 shall adopt by rule standards and procedures for certifying that small targeted group  
186.27 businesses, small businesses located in economically disadvantaged areas, and  
186.28 veteran-owned small businesses are eligible to participate under the requirements of  
186.29 sections 16C.16 to 16C.21. The commissioner shall adopt by rule under paragraph (g)  
186.30 standards and procedures for certifying that businesses designated under section 16C.165  
186.31 are eligible to participate. The commissioner shall adopt by rule standards and procedures  
186.32 for hearing appeals and grievances and other rules necessary to carry out the duties set  
186.33 forth in sections 16C.16 to 16C.21.

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

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

187.6 (d) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a  
187.7 veteran-owned small business, the principal place of business of which is in Minnesota,  
187.8 is certified if:

187.9 (1) it has been verified by the United States Department of Veterans Affairs as  
187.10 being either a veteran-owned small business or a service-disabled veteran-owned small  
187.11 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title  
187.12 38, part 74; or

187.13 (2) the veteran-owned small business supplies the commissioner with proof that the  
187.14 small business is majority-owned and operated by:

187.15 (i) a veteran as defined in section 197.447; or

187.16 (ii) a veteran with a service-connected disability, as determined at any time by the  
187.17 United States Department of Veterans Affairs.

187.18 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying  
187.19 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may  
187.20 be read to include veteran-owned small businesses. In addition to the documentation  
187.21 required in Minnesota Rules, part 1230.1700, the veteran owner must have been  
187.22 discharged under honorable conditions from active service, as indicated by the veteran  
187.23 owner's most current United States Department of Defense form DD-214.

187.24 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a  
187.25 minority- or woman-owned small business, the principal place of business of which is  
187.26 in Minnesota, is certified if it has been certified by the Minnesota unified certification  
187.27 program under the provisions of Code of Federal Regulations, title 49, part 26.

187.28 (g) The commissioner may adopt rules to implement the programs under section 187.29 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

187.30 Sec. 16. Minnesota Statutes 2014, section 16E.0466, is amended to read:

187.31 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

187.32 (a) Every state agency with an information or telecommunications project must 187.33 consult with the Office of MN.IT Services to determine the information technology cost 187.34 of the project. Upon agreement between the commissioner of a particular agency and 187.35 the chief information officer, the agency must transfer the information technology cost 188.1 portion of the project to the Office of MN.IT Services. Service level agreements must 188.2 document all project-related transfers under this section. Those agencies specified in 188.3 section 16E.016, paragraph (d), are exempt from the requirements of this section.

188.4 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating 188.5 balance appropriated to a state agency may be transferred to the information and 188.6 telecommunications technology systems and services account for the information 188.7 technology cost of a specific project, subject to the review of the Legislative Advisory 188.8 Commission, under section 16E.21, subdivision 3.

188.9 Sec. 17. Minnesota Statutes 2014, section 16E.21, subdivision 2, is amended to read:

188.10 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office of 188.11 MN.IT Services may collect a charge or receive a fund transfer under section 16E.0466 188.12 for purchases of information and telecommunications technology systems and services 188.13 by state agencies and other governmental entities through state contracts for purposes 188.14 described in subdivision 1. Charges collected under this section must be credited to the 188.15 information and telecommunications technology systems and services account.

188.16 Sec. 18. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision 188.17 to read:

188.18 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be 188.19 transferred to the information and telecommunications technology systems and services 188.20 account under subdivision 2 or section 16E.0466 until the commissioner of management 188.21 and budget has submitted the proposed transfer to the members of the Legislative 188.22 Advisory Commission for review and recommendation. If the commission makes a 188.23 positive recommendation or no recommendation, or if the commission has not reviewed 188.24 the request within 20 days after the date the request to transfer funds was submitted, 188.25 the commissioner of management and budget may approve the request to transfer the 188.26 funds. If the commission recommends further review of a request to transfer funds, the 188.27 commissioner shall provide additional information to the commission. If the commission 188.28 makes a negative recommendation on the request within ten days of receiving further 188.29 information, the commissioner shall not approve the fund transfer. If the commission 188.30 makes a positive recommendation or no recommendation within ten days of receiving 188.31 further information, the commissioner may approve the fund transfer.

170.16 Sec. 27. Minnesota Statutes 2014, section 16E.0466, is amended to read:

170.17 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

170.18 (a) Every state agency with an information or telecommunications project must 170.19 consult with the Office of MN.IT Services to determine the information technology cost 170.20 of the project. Upon agreement between the commissioner of a particular agency and 170.21 the chief information officer, the agency must transfer the information technology cost 170.22 portion of the project to the Office of MN.IT Services. Service level agreements must 170.23 document all project-related transfers under this section. Those agencies specified in 170.24 section 16E.016, paragraph (d), are exempt from the requirements of this section.

170.25 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating 170.26 balance appropriated to a state agency may be transferred to the information and 170.27 telecommunications technology systems and services account for the information 170.28 technology cost of a specific project, subject to the review of the Legislative Advisory 170.29 Commission, under section 16E.21, subdivision 3.

170.30 Sec. 28. Minnesota Statutes 2014, section 16E.21, subdivision 2, is amended to read:

170.31 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office of 170.32 MN.IT Services may collect a charge or receive a fund transfer under section 16E.0466 170.33 for purchases of information and telecommunications technology systems and services 170.34 by state agencies and other governmental entities through state contracts for purposes 171.1 described in subdivision 1. Charges collected under this section must be credited to the 171.2 information and telecommunications technology systems and services account.

171.3 Sec. 29. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision 171.4 to read:

171.5 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be 171.6 transferred to the information and telecommunications technology systems and services 171.7 account under subdivision 2 or section 16E.0466 until the commissioner of management 171.8 and budget has submitted the proposed transfer to the members of the Legislative 171.9 Advisory Commission for review and recommendation. If the commission makes a 171.10 positive recommendation or no recommendation, or if the commission has not reviewed 171.11 the request within 20 days after the date the request to transfer funds was submitted, 171.12 the commissioner of management and budget may approve the request to transfer the 171.13 funds. If the commission recommends further review of a request to transfer funds, the 171.14 commissioner shall provide additional information to the commission. If the commission 171.15 makes a negative recommendation on the request within ten days of receiving further 171.16 information, the commissioner shall not approve the fund transfer. If the commission 171.17 makes a positive recommendation or no recommendation within ten days of receiving 171.18 further information, the commissioner may approve the fund transfer.

188.32 (b) A recommendation of the commission must be made at a meeting of the  
 188.33 commission unless a written recommendation is signed by all members entitled to vote on  
 189.1 the item as specified in section 3.30, subdivision 2. A recommendation of the commission  
 189.2 must be made by a majority of the commission.

189.3 Sec. 19. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
 189.4 to read:

189.5 Subd. 4. **Lapse.** Any portion of any receipt credited to the information and  
 189.6 telecommunications technology systems and services account from a fund transfer under  
 189.7 subdivision 2 that remains unexpended and unencumbered at the close of the fiscal year  
 189.8 four years after the funds were received in the account shall lapse to the fund from which  
 189.9 the receipt was transferred.

189.10 Sec. 20. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
 189.11 to read:

189.12 Subd. 5. **Report.** The chief information officer shall report by September 15 of  
 189.13 each odd-numbered year to the chairs and ranking minority members of the legislative  
 189.14 committees and divisions with jurisdiction over the office regarding the receipts credited  
 189.15 to the account. The report must include a description of projects funded through the  
 189.16 information and telecommunications technology systems and services account and each  
 189.17 project's current status.

171.19 (b) A recommendation of the commission must be made at a meeting of the  
 171.20 commission unless a written recommendation is signed by all members entitled to vote on  
 171.21 the item as specified in section 3.30, subdivision 2. A recommendation of the commission  
 171.22 must be made by a majority of the commission.

171.23 Sec. 30. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
 171.24 to read:

171.25 Subd. 4. **Lapse.** Any portion of any receipt credited to the information and  
 171.26 telecommunications technology systems and services account from a fund transfer under  
 171.27 subdivision 2 that remains unexpended and unencumbered at the close of the fiscal year  
 171.28 four years after the funds were received in the account shall lapse to the fund from which  
 171.29 the receipt was transferred.

171.30 Sec. 31. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
 171.31 to read:

171.32 Subd. 5. **Report.** The chief information officer shall report by September 15 of  
 171.33 each odd-numbered year to the chairs and ranking minority members of the legislative  
 172.1 committees and divisions with jurisdiction over the Office of MN.IT Services regarding  
 172.2 the receipts credited to the account. The report must include a description of projects  
 172.3 funded through the information and telecommunications technology systems and services  
 172.4 account and each project's current status.

172.5 Sec. 32. **[43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**  
 172.6 **EMPLOYEES.**

172.7 The total number of full-time equivalent employees employed in all executive  
 172.8 branch agencies may not exceed 31,691. As provided in article 1, section 13, an executive  
 172.9 branch agency may not hire a new employee during the biennium ending June 30, 2017,  
 172.10 except as authorized in article 10, section 13. Any reductions in staff should prioritize  
 172.11 protecting client-facing health care workers, corrections officers, public safety workers,  
 172.12 and mental health workers. As a means of achieving compliance with this requirement,  
 172.13 the commissioner may authorize an agency to provide an early retirement incentive to an  
 172.14 executive branch employee, under which the state will continue to make the employer  
 172.15 contribution for health insurance after the employee has terminated state service. The  
 172.16 commissioner must prescribe eligibility requirements and the maximum duration of the  
 172.17 payments. For purposes of this section, an "executive agency" does not include the  
 172.18 Minnesota State Colleges and Universities or statewide pension plans.

172.19 Sec. 33. Minnesota Statutes 2014, section 154.001, subdivision 2, is amended to read:

172.20 Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber Examiners is  
 172.21 established to consist of ~~three~~ four barber members and one public member, as defined in  
 172.22 section 214.02, appointed by the governor.



172.23 (b) The barber members shall be persons who have practiced as registered barbers in  
172.24 this state for at least five years immediately prior to their appointment; shall be graduates  
172.25 from the 12th grade of a high school or have equivalent education, and shall have  
172.26 knowledge of the matters to be taught in registered barber schools, as set forth in section  
172.27 154.07. One of the barber members shall be a member of, or recommended by, a union of  
172.28 journeymen barbers that has existed at least two years, and one barber member shall be a  
172.29 member of, or recommended by, a professional organization of barbers.

172.30 Sec. 34. Minnesota Statutes 2014, section 154.002, is amended to read:

172.31 **154.002 OFFICERS; COMPENSATION; FEES; EXPENSES.**

172.32 The Board of Barber Examiners shall annually elect a chair and secretary. It shall  
172.33 adopt and use a common seal for the authentication of its orders and records. The board  
173.1 shall appoint an executive secretary or enter into an interagency agreement to procure the  
173.2 services of an executive secretary. The executive secretary shall not be a member of the  
173.3 board and shall be in the unclassified civil service. The position of executive secretary  
173.4 may be a part-time position.

173.5 The executive secretary shall keep a record of all proceedings of the board. The  
173.6 expenses of administering this chapter shall be paid from the appropriations made to  
173.7 the Board of Barber Examiners.

173.8 Each member of the board shall take the oath provided by law for public officers.

173.9 A majority of the board, in meeting assembled, may perform and exercise all the  
173.10 duties and powers devolving upon the board.

173.11 The members of the board shall receive compensation, as provided in section  
173.12 214.09, for each day spent on board activities, but not to exceed 20 days in any calendar  
173.13 month nor 100 days in any calendar year.

173.14 The board shall have authority to employ such inspectors, clerks, deputies, and other  
173.15 assistants as it may deem necessary to carry out the provisions of this chapter.

173.16 Sec. 35. Minnesota Statutes 2015 Supplement, section 154.003, is amended to read:

173.17 **154.003 FEES.**

173.18 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the  
173.19 board, shall be paid to the board. The board shall deposit the fees in the general fund  
173.20 in the state treasury.

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

173.22 (1) examination and certificate, registered barber, \$85;

173.23 (2) retake of written examination, ~~registered barber~~, \$10;

173.24 ~~(3) examination and certificate, apprentice, \$80;~~

- 173.25 ~~(4)~~ (3) retake of written examination, apprentice, \$10;
- 173.26 ~~(5)~~ (3) examination and certificate, instructor, \$180;
- 173.27 ~~(6)~~ (4) certificate, instructor, \$65;
- 173.28 ~~(7)~~ (5) temporary teacher or apprentice permit, \$80;
- 173.29 ~~(8)~~ (6) temporary registered barber, military, \$85;
- 173.30 ~~(9)~~ (7) temporary barber instructor, military, \$180;
- 173.31 ~~(10)~~ (8) temporary apprentice barber, military, \$80;
- 173.32 ~~(11)~~ (8) renewal of registration, registered barber, \$80;
- 173.33 ~~(12)~~ (8) renewal of registration, apprentice, \$70;
- 173.34 ~~(13)~~ (9) renewal of registration, instructor, \$80;
- 173.35 ~~(14)~~ (10) renewal of temporary teacher permit, \$65;
- 174.1 ~~(15)~~ (11) student permit, \$45;
- 174.2 ~~(16)~~ (12) renewal of student permit, \$25;
- 174.3 ~~(17)~~ (13) initial shop registration, \$85;
- 174.4 ~~(18)~~ (14) initial school registration, \$1,030;
- 174.5 ~~(19)~~ (15) renewal shop registration, \$85;
- 174.6 ~~(20)~~ (16) renewal school registration, \$280;
- 174.7 ~~(21)~~ (17) restoration of registered barber registration, \$95;
- 174.8 ~~(22)~~ (17) restoration of apprentice registration, \$90;
- 174.9 ~~(23)~~ (18) restoration of shop registration, \$105;
- 174.10 ~~(24)~~ (19) change of ownership or location, \$55;
- 174.11 ~~(25)~~ (20) duplicate registration, \$40;
- 174.12 ~~(26)~~ (21) home study course, \$75;
- 174.13 ~~(27)~~ (22) letter of registration verification, \$25; and
- 174.14 ~~(28)~~ (23) reinspection, \$100.
- 174.15 Sec. 36. Minnesota Statutes 2014, section 154.01, is amended to read:
- 174.16 **154.01 REGISTRATION MANDATORY.**

174.17 (a) The registration of the practice of barbering serves the public health and safety of  
174.18 the people of the state of Minnesota by ensuring that individuals seeking to practice the  
174.19 profession of barbering are appropriately trained in the use of the chemicals, tools, and  
174.20 implements of barbering and demonstrate the skills necessary to conduct barber services  
174.21 in a safe, sanitary, and appropriate environment required for infection control.

174.22 ~~(a)~~ (b) No person shall practice, offer to practice, or attempt to practice barbering  
174.23 without a current certificate of registration as a registered barber, issued pursuant to  
174.24 provisions of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to  
174.25 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners.

174.26 ~~(b)~~ No person shall serve, offer to serve, or attempt to serve as an apprentice under a  
174.27 ~~registered barber without a current certificate of registration as a registered apprentice or~~  
174.28 ~~temporary apprentice permit issued pursuant to provisions of sections 154.001, 154.002,~~  
174.29 ~~154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 by the Board of~~  
174.30 ~~Barber Examiners. The registered apprentice shall, prior to or immediately upon issuance~~  
174.31 ~~of the apprentice's certificate of registration, and immediately after changing employment,~~  
174.32 ~~advise the board of the name, address, and certificate number of the registered barber~~  
174.33 ~~under whom the registered apprentice is working.~~

174.34 (c) A registered barber must only provide barbering services in a registered barber  
174.35 shop or barber school, unless prior authorization is given by the board.

175.1 ~~(e)~~ (d) No person shall operate a barber shop unless it is at all times under the direct  
175.2 supervision and management of a registered barber and the owner or operator of the barber  
175.3 shop possesses a current shop registration card, issued to the barber shop establishment  
175.4 address, under sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to  
175.5 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners.

175.6 ~~(d)~~ (e) No person shall serve, offer to serve, or attempt to serve as an instructor  
175.7 of barbering without a current certificate of registration as a registered instructor of  
175.8 barbering or a temporary permit as an instructor of barbering, as provided for the board  
175.9 by rule, issued under sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162,  
175.10 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 by the Board of Barber Examiners. Barber  
175.11 instruction must be provided in registered barber schools only.

175.12 ~~(e)~~ (f) No person shall operate a barber school unless the owner or operator possesses  
175.13 a current certificate of registration as a barber school, issued under sections 154.001,  
175.14 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~  
175.15 154.28 by the Board of Barber Examiners.

175.16 Sec. 37. Minnesota Statutes 2014, section 154.02, is amended to read:

175.17 **154.02 WHAT CONSTITUTES BARBERING DEFINITIONS.**

175.18 Subdivision 1. **What constitutes barbering.** Any one or any combination of the  
175.19 following practices when done upon the head, face, and neck for cosmetic purposes and  
175.20 not for the treatment of disease or physical or mental ailments and when done for payment  
175.21 directly or indirectly or without payment for the public generally constitutes the practice  
175.22 of barbering within the meaning of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~  
175.23 ~~154.162~~, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28: to shave the face or neck, trim  
175.24 the beard, clean, condition, cut or bob, color, shape, or straighten the hair of any person  
175.25 of either sex for compensation or other reward received by the person performing such  
175.26 service or any other person; to give facial and scalp massage or treatments with oils,  
175.27 creams, lotions, or other preparations either by hand or mechanical appliances; to singe,  
175.28 shampoo the hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics,  
175.29 powders, oils, clays, or lotions to hair, scalp, face, or neck.

175.30 Subd. 2. **Barber school.** A "barber school" is a place that holds a registration as a  
175.31 barber school in which barbering, as defined in subdivision 1, is practiced by registered  
175.32 student barbers under the direction of registered barber instructors for the purpose of  
175.33 learning and teaching barber skills.

176.1 Subd. 3. **Barber shop.** A "barber shop" is a place other than a barber school that  
176.2 holds a registration as a barber shop under this chapter in which barbering, as defined in  
176.3 subdivision 1, is practiced.

176.4 Subd. 4. **Certificate of registration.** A "certificate of registration" means the  
176.5 certificate issued to an individual, barber shop, or barber school that is in compliance  
176.6 with the requirements of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19  
176.7 to 154.21, and 154.24 to 154.28.

176.8 Subd. 5. **Designated registered barber.** The "designated registered barber" is a  
176.9 registered barber designated as the manager of a barber shop.

176.10 Subd. 6. **Registered barber.** A "registered barber" is an individual who, for  
176.11 compensation, performs the personal services as defined in subdivision 1, in compliance  
176.12 with this chapter.

176.13 Sec. 38. Minnesota Statutes 2014, section 154.04, is amended to read:

176.14 **154.04 PERSONS EXEMPT FROM REGISTRATION.**

176.15 The following persons are exempt from the provisions of sections 154.001, 154.002,  
176.16 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 while  
176.17 in the proper discharge of their professional duties:

176.18 (1) persons authorized by the law of this state to practice medicine, surgery,  
176.19 osteopathy, and chiropractic;

176.20 (2) commissioned medical or surgical officers of the United States armed services;

176.21 (3) registered nurses, licensed practical nurses, and nursing aides performing  
176.22 services under the direction and supervision of a licensed physician or licensed registered  
176.23 nurse, provided, however, that no additional compensation shall be paid for such service  
176.24 and patients who are so attended shall not be charged for barbering;

176.25 (4) licensed cosmetologists, when providing cosmetology services as defined  
176.26 in section 155A.23, subdivision 3, provided, however, that cosmetologists shall not  
176.27 hold themselves out as barbers or, ~~except in the case of nail technicians,~~ practice their  
176.28 occupation in a barber shop; and

176.29 (5) persons who perform barbering services for charitable purposes in nursing  
176.30 homes, shelters, missions, individual homes, or other similar facilities, provided, however,  
176.31 that no direct or indirect compensation is received for the services, and that persons who  
176.32 receive barbering services are not charged for the services.

177.1 Sec. 39. Minnesota Statutes 2014, section 154.05, is amended to read:

177.2 **154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**  
177.3 **REGISTERED BARBER.**

177.4 (a) A person is qualified to receive a certificate of registration as a registered barber  
177.5 if the person:

177.6 (1) ~~who is qualified under the provisions of section 154.06~~ has successfully  
177.7 completed ten grades of education;

177.8 ~~(2) who has practiced as a registered apprentice for a period of 12 months under the~~  
177.9 ~~immediate personal supervision of a registered barber; and (2) has successfully completed~~  
177.10 1,500 hours of study in a board-approved barber school; and

177.11 ~~(3) who has passed an examination conducted by the board to determine fitness to~~  
177.12 ~~practice barbering~~

177.13 (3) has passed an examination conducted by the board to determine fitness to  
177.14 practice barbering.

177.15 ~~An apprentice~~ (b) A first-time applicant for a certificate of registration to practice as a  
177.16 registered barber who fails to pass the comprehensive examination conducted by the board  
177.17 and who fails to pass a onetime retake of the written examination, shall ~~continue to practice~~  
177.18 ~~as an apprentice for~~ complete an additional 300 500 hours of barber education before being  
177.19 eligible to retake the comprehensive examination as many times as necessary to pass.

177.20 Sec. 40. Minnesota Statutes 2014, section 154.065, subdivision 2, is amended to read:

177.21 Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration  
177.22 as an instructor of barbering who:

177.23 (1) is a graduate of an approved high school, or its equivalent, as determined by  
177.24 examination by the Department of Education;

177.25 (2) has successfully completed vocational instructor training from a board-approved  
177.26 program or accredited college or university program that includes the following courses or  
177.27 their equivalents as determined by the board:

177.28 (i) introduction to career and technical education training;

177.29 (ii) philosophy and practice of career and technical education;

177.30 (iii) course development for career and technical education;

177.31 (iv) instructional methods for career and technical education; and

177.32 (v) human relations;

177.33 (3) is currently a registered barber and has at least three years experience as  
177.34 a registered barber in this state, or its equivalent in another state or jurisdiction as  
177.35 determined by the board; and

178.1 (4) has passed an examination conducted by the board to determine fitness to  
178.2 instruct in barbering.

178.3 Sec. 41. Minnesota Statutes 2014, section 154.065, subdivision 4, is amended to read:

178.4 Subd. 4. **Examinations.** Examinations under this section shall be held not to exceed  
178.5 twice a year at times and at a place or places to be determined by the board. In case of  
178.6 an emergency, there being no registered instructor of barbering available, a temporary  
178.7 certificate as an instructor of barbering, ~~valid only until the results of the next examination~~  
178.8 ~~are released~~, may be issued upon such terms and conditions as the board may prescribe.

178.9 Sec. 42. Minnesota Statutes 2014, section 154.07, is amended to read:

178.10 **154.07 BARBER SCHOOLS; REQUIREMENTS.**

178.11 Subdivision 1. **Admission requirements; course of instruction.** No barber school  
178.12 shall be approved by the board unless it requires, as a prerequisite to admission, ten grades  
178.13 of an approved school or its equivalent, as determined by educational transcript, high  
178.14 school diploma, high school equivalency certificate, or an examination conducted by the  
178.15 commissioner of education, which shall issue a certificate that the student has passed the  
178.16 required examination, and unless it requires, as a prerequisite to graduation, a course of  
178.17 instruction of at least 1,500 hours; of not more than ~~eight ten~~ hours of schooling in any  
178.18 one working day. The course of instruction must include the following subjects: scientific  
178.19 fundamentals for barbering; hygiene; practical study of the hair, skin, muscles, and  
178.20 nerves; structure of the head, face, and neck; elementary chemistry relating to sanitation;  
178.21 disinfection; sterilization and antiseptics; diseases of the skin, hair, and glands; massaging  
178.22 and manipulating the muscles of the face and neck; haircutting; shaving; trimming the  
178.23 beard; bleaching, tinting and dyeing the hair; and the chemical waving and straightening  
178.24 of hair.

178.25 Subd. 3. **Costs.** It is permissible for barber schools to make a reasonable charge for  
178.26 materials used and services rendered by students for work done in the schools by students.

178.27 Subd. 3a. **Number of instructors.** There must be one registered instructor of  
178.28 barbering for every ~~17~~ 20 students ~~or minor fraction in excess of 17~~ in attendance at the  
178.29 same time. Instruction must not be performed by persons not possessing a certificate of  
178.30 registration as an instructor of barbering or a temporary permit as an instructor of barbering.

178.31 Subd. 4. **Building requirements.** Each barber school must be conducted and  
178.32 operated in one building, or in connecting buildings, and a barber school must not have  
178.33 any department or branch in a building completely separated or removed from the  
178.34 remainder of the barber school.

179.1 Subd. 5. **Owner's requirements.** Any person may own ~~and operate~~ a barber school  
179.2 ~~if the person has had six years' continuous experience as a barber,~~ provided the person first  
179.3 secures from the board an annual certificate of registration as a barber school, keeps it  
179.4 prominently displayed, and before commencing business:

179.5 (1) files with the secretary of state a bond to the state approved by the attorney  
179.6 general in the sum of \$25,000, conditioned upon the faithful compliance of the barber  
179.7 school with sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to  
179.8 154.21, and 154.24 to ~~154.26~~ 154.28, and to pay all judgments that may be obtained  
179.9 against the school, or the owners thereof, on account of fraud, misrepresentation, or deceit  
179.10 practiced by them or their agents; and

179.11 (2) keeps prominently displayed on the exterior a substantial sign indicating that the  
179.12 establishment is a barber school.

179.13 Subd. 5a. **Student permits.** All barber schools upon receiving students shall  
179.14 immediately apply to the board for student permits upon forms for that purpose furnished  
179.15 by the board.

179.16 Subd. 5b. **Designated operator.** All barber schools shall be operated by a barber  
179.17 with no less than six years of continuous experience as a registered barber in this state or  
179.18 another state or jurisdiction as determined by the board. When a person who owns a barber  
179.19 school does not meet the requirements of this section to operate a barber school, the owner  
179.20 shall notify the board in writing and under oath of the identity of the person designated to  
179.21 operate the barber school and shall notify the board of any change of operator by telephone  
179.22 within 24 hours of such change, exclusive of Saturdays, Sundays, and legal holidays, and  
179.23 shall notify the board in writing and under oath within 72 hours of such change.

179.24 Subd. 6. **Operation by technical college or state institution.** A public technical  
 179.25 college or a state institution may operate a barber school provided it has in its employment  
 179.26 a qualified instructor holding a current certificate of registration as a barber instructor and  
 179.27 provided that it secures from the board an annual certificate of registration and does so in  
 179.28 accordance with sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19  
 179.29 to 154.21, and 154.24 to ~~154.26~~ 154.28 and the rules of the board for barber schools but  
 179.30 without the requirement to file a performance bond with the secretary of state.

179.31 Sec. 43. Minnesota Statutes 2014, section 154.08, is amended to read:

179.32 **154.08 APPLICATION; FEE.**

179.33 Each applicant for an examination shall:

180.1 (1) make application to the Board of Barber Examiners on blank forms prepared and  
 180.2 furnished by it, the application to contain proof under the applicant's oath of the particular  
 180.3 qualifications and identity of the applicant;

180.4 (2) provide all documentation required in support of the application;

180.5 (3) pay to the board the required fee; and

180.6 (4) ~~present a government-issued photo identification as proof of identity upon~~  
 180.7 acceptance of the notarized application and present a corresponding government-issued  
 180.8 photo identification when the applicant appears for examination.

180.9 Sec. 44. Minnesota Statutes 2014, section 154.09, is amended to read:

180.10 **154.09 EXAMINATIONS, CONDUCT AND SCOPE.**

180.11 The board shall conduct examinations of applicants for certificates of registration  
 180.12 to practice as registered barbers and apprentices not more than six times each year, at  
 180.13 such time and place as the board may determine. Additional written examinations may  
 180.14 be scheduled by the board and conducted by board staff as designated by the board. The  
 180.15 proprietor of a barber school must file an affidavit with the board of hours completed by  
 180.16 students applying to take the apprentice registered barber examination. Students must  
 180.17 complete 1,500 hours the full 1,500-hour curriculum in a barber school approved by the  
 180.18 board within the past four years to be eligible for examination. Barber students who have  
 180.19 completed barber school more than four years prior to application, that have not obtained  
 180.20 a barber registration, license, or certificate in any jurisdiction must complete an additional  
 180.21 500 hours of barber school education to be eligible for the registered barber examination.  
 180.22 Registered barbers that fail to renew their registration for four or more years are required  
 180.23 to take the registered barber examination to reinstate the registration.

180.24 The examination of applicants for certificates of registration as barbers ~~and~~  
 180.25 ~~apprentices~~ shall include a practical demonstration and a written ~~and oral~~ test. The  
 180.26 examination must cover the subjects usually taught in barber schools registered with the  
 180.27 board, including applicable state statute and rule.



180.28 Sec. 45. Minnesota Statutes 2014, section 154.10, subdivision 2, is amended to read:

180.29 Subd. 2. **Certificates of registration; fees.** When the provisions of this chapter  
180.30 have been complied with, the board shall issue a certificate of registration as a registered  
180.31 barber, as a registered apprentice, as a registered instructor of barbering, or as a registered  
180.32 barber school, a temporary apprentice permit, a temporary permit as an instructor of  
180.33 barbering, or a barber shop registration card upon payment of the required fee. Certificates  
180.34 of registration, temporary permits, and shop registration cards are not transferable.

181.1 Sec. 46. Minnesota Statutes 2014, section 154.11, subdivision 1, is amended to read:

181.2 Subdivision 1. **Examination of nonresidents.** (a) A person who meets all of  
181.3 the requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01  
181.4 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 and either has a  
181.5 currently active license, certificate of registration, or an equivalent as a practicing barber  
181.6 or instructor of barbering as verified from another state or, if presenting foreign country  
181.7 credentials as verified by a board-approved professional credential evaluation provider,  
181.8 which in the discretion of the board has substantially the same requirements for registering  
181.9 barbers and instructors of barbering as required by sections 154.001, 154.002, 154.003,  
181.10 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ or can prove by sworn  
181.11 affidavits practice as a barber or instructor of barbering in another state or country for at  
181.12 least five years immediately prior to making application in this state, 154.28 shall, upon  
181.13 payment of the required fee, be issued a certificate of registration without examination.

181.14 (b) Individuals without a current documented license, certificate of registration, or  
181.15 equivalent, as verified in paragraph (a), must have a minimum of 1,500 hours of barber  
181.16 education as verified by the barber school attended in the other state or if presenting foreign  
181.17 country education as verified by a board-approved professional credential evaluation  
181.18 provider, completed within the previous four years, which, in the discretion of the board,  
181.19 has substantially the same requirements as required in sections 154.001, 154.002, 154.003,  
181.20 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28 will be eligible for examination.

181.21 (c) Individuals unable to meet the requirements in paragraph (a) or (b) shall be  
181.22 subject to all the requirements of section 154.05.

181.23 Sec. 47. Minnesota Statutes 2015 Supplement, section 154.11, subdivision 3, is  
181.24 amended to read:

181.25 Subd. 3. **Temporary military permits.** (a) In accordance with section 197.4552,  
181.26 the board shall issue a temporary:

181.27 ~~(1)~~ permit for apprentice barbers;

181.28 ~~(2)~~ (1) certificate for registered barbers; and

181.29 ~~(3)~~ (2) certificate for registered barber instructors.

181.30 (b) Fees for temporary military permits and certificates of registration under this  
181.31 subdivision are listed under section 154.003.

181.32 (c) Permits or certificates of registration issued under this subdivision are valid  
181.33 for one year from the date of issuance, after which the individual must complete a full  
181.34 application as required by section 197.4552.

182.1 Sec. 48. Minnesota Statutes 2014, section 154.14, is amended to read:

182.2 **154.14 CERTIFICATES OF REGISTRATION AND TEMPORARY PERMITS**  
182.3 **TO BE DISPLAYED.**

182.4 Every holder of a certificate of registration as a registered barber ~~or registered~~  
182.5 ~~apprentice or temporary apprentice permit~~ shall display the certificate or permit, with a  
182.6 photograph of the certificate or permit holder that meets the same standards as required for  
182.7 a United States passport, in a conspicuous place adjacent to or near the chair where work  
182.8 is performed. Every holder of a certificate of registration as an instructor of barbering or  
182.9 a temporary permit as an instructor of barbering shall display the certificate or permit,  
182.10 with a photograph of the certificate or permit holder that meets the same standards as  
182.11 required for a United States passport, in a conspicuous place within the barber school that  
182.12 is accessible to the public. Every holder of a certificate of registration as a barber school  
182.13 and of a barber shop registration card shall display it in a conspicuous place within the  
182.14 establishment that is accessible to the public.

182.15 Sec. 49. Minnesota Statutes 2014, section 154.15, is amended to read:

182.16 **154.15 CERTIFICATES OF REGISTRATION MUST BE RENEWED**  
182.17 **ANNUALLY.**

182.18 Subdivision 1. **Annual renewal required.** All registered barbers, ~~registered~~  
182.19 ~~apprentices~~, and registered instructors of barbering who continue in active practice or  
182.20 service shall, on or before December 31 each year, renew their certificates of registration  
182.21 for the following year and pay the required fee. Every certificate of registration which  
182.22 has not been renewed during the month of December in any year shall expire on the 31st  
182.23 day of December in that year. All shop registration cards shall be renewed on or before  
182.24 June 30 of each year upon payment of the required fee. All certificates of registration as  
182.25 a barber school shall be renewed on or before December 31 of each year upon payment  
182.26 of the required fee.

182.27 Subd. 2. **Effect of failure to renew.** A registered barber or a registered apprentice  
182.28 who has not renewed a certificate of registration may be reinstated within four years of  
182.29 such failure to renew without examination upon the payment of the required restoration  
182.30 fee for each year the certificate is lapsed. A registered instructor of barbering who has not  
182.31 renewed a certificate of registration may be reinstated within four years of such failure to  
182.32 renew without examination upon payment of the required restoration fee for each year  
182.33 the certificate is lapsed. All registered barbers and registered apprentices who allow their  
182.34 certificates of registration to lapse for more than four years shall be required to reexamine  
182.35 before being issued a certificate of registration. All registered instructors of barbering who  
183.1 allow their certificates of registration to lapse for more than four years shall be required  
183.2 to reexamine before being issued a certificate of registration. A barber shop owner who  
183.3 has not renewed the barber shop certificate for more than one year may reinstate the  
183.4 barber shop registration upon payment of the restoration fee for each year the shop card  
183.5 was lapsed. If lapsed or unregistered status is discovered by the barber inspector during  
183.6 inspection, penalties under section 154.162 shall apply.

183.7 Sec. 50. Minnesota Statutes 2015 Supplement, section 154.161, subdivision 4, is  
183.8 amended to read:

183.9 Subd. 4. **Registration actions.** (a) With respect to a person who is a holder of or  
183.10 applicant for registration or a shop registration card under sections 154.001, 154.002,  
183.11 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28, the  
183.12 board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the  
183.13 application, certificate of registration, or shop registration card, censure or reprimand the  
183.14 person, refuse to permit the person to sit for examination, or refuse to release the person's  
183.15 examination grades, if the board finds that such an order is in the public interest and that,  
183.16 based on a preponderance of the evidence presented, the person has:

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

183.19 (2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether  
183.20 or not the conduct or acts relate to the practice of barbering, if the fraudulent, deceptive, or  
183.21 dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in  
183.22 the practice of barbering;

183.23 (3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate  
183.24 incompetence, or are otherwise in violation of the standards in the rules of the board,  
183.25 where the conduct or acts relate to the practice of barbering;

183.26 (4) employed fraud or deception in obtaining a certificate of registration, shop  
183.27 registration card, renewal, or reinstatement, or in passing all or a portion of the examination;

183.28 (5) had a certificate of registration or shop registration card, right to examine, or  
183.29 other similar authority revoked in another jurisdiction;

- 183.30 (6) failed to meet any requirement for issuance or renewal of the person's certificate  
183.31 of registration or shop registration card;
- 183.32 (7) practiced as a barber while having an infectious or contagious disease;
- 183.33 (8) advertised by means of false or deceptive statements;
- 183.34 (9) demonstrated intoxication or indulgence in the use of drugs, including but not  
183.35 limited to narcotics as defined in section 152.01 or in United States Code, title 26, section  
184.1 4731, barbiturates, amphetamines, benzedrine, dexedrine, or other sedatives, depressants,  
184.2 stimulants, or tranquilizers;
- 184.3 (10) demonstrated unprofessional conduct or practice;
- 184.4 (11) permitted an employee or other person under the person's supervision or  
184.5 control to practice as a registered barber, ~~registered apprentice~~, or registered instructor  
184.6 of barbering unless that person has (i) a current certificate of registration as a registered  
184.7 barber, ~~registered apprentice~~, or registered instructor of barbering, (ii) a temporary  
184.8 apprentice permit, or (iii) a temporary permit as an instructor of barbering;
- 184.9 (12) practices, offered to practice, or attempted to practice by misrepresentation;
- 184.10 (13) failed to display a certificate of registration as required by section 154.14;
- 184.11 (14) used any room or place of barbering that is also used for any other purpose, or  
184.12 used any room or place of barbering that violates the board's rules governing sanitation;
- 184.13 (15) in the case of a barber, ~~apprentice~~, or other person working in or in charge of  
184.14 any barber shop, or any person in a barber school engaging in the practice of barbering,  
184.15 failed to use separate and clean towels for each customer or patron, or to discard and  
184.16 launder each towel after being used once;
- 184.17 (16) in the case of a barber or other person in charge of any barber shop or barber  
184.18 school, (i) failed to supply in a sanitary manner clean hot and cold water in quantities  
184.19 necessary to conduct the shop or barbering service for the school, (ii) failed to have water  
184.20 and sewer connections from the shop or barber school with municipal water and sewer  
184.21 systems where they are available for use, or (iii) failed or refused to maintain a receptacle  
184.22 for hot water of a capacity of at least five gallons;
- 184.23 (17) refused to permit the board to make an inspection permitted or required by  
184.24 sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and  
184.25 154.24 to ~~154.26~~ 154.28, or failed to provide the board or the attorney general on behalf  
184.26 of the board with any documents or records they request;
- 184.27 (18) failed promptly to renew a certificate of registration or shop registration card  
184.28 when remaining in practice, pay the required fee, or issue a worthless check;

184.29 (19) ~~failed to supervise a registered apprentice or temporary apprentice, or permitted~~  
184.30 the practice of barbering by a person not registered with the board or not holding a  
184.31 temporary permit;

184.32 (20) refused to serve a customer because of race, color, creed, religion, disability,  
184.33 national origin, or sex;

184.34 (21) failed to comply with a provision of sections 136A.82 to 136A.834, or a  
184.35 provision of another chapter that relates to barber schools; or

185.1 (22) with respect to temporary suspension orders, has committed an act, engaged in  
185.2 conduct, or committed practices that the board, or complaint committee if authorized by the  
185.3 board, has determined may result or may have resulted in an immediate threat to the public.

185.4 (b) In lieu of or in addition to any remedy under paragraph (a), the board may  
185.5 as a condition of continued registration, termination of suspension, reinstatement of  
185.6 registration, examination, or release of examination results, require that the person:

185.7 (1) submit to a quality review of the person's ability, skills, or quality of work,  
185.8 conducted in a manner and by a person or entity that the board determines; or

185.9 (2) complete to the board's satisfaction continuing education as the board requires.

185.10 (c) Service of an order under this subdivision is effective if the order is served  
185.11 personally on, or is served by certified mail to the most recent address provided to the  
185.12 board by the certificate holder, applicant, or counsel of record. The order must state the  
185.13 reason for the entry of the order.

185.14 (d) Except as provided in subdivision 5, paragraph (c), all hearings under this  
185.15 subdivision must be conducted in accordance with the Administrative Procedure Act.

185.16 Sec. 51. Minnesota Statutes 2014, section 154.161, subdivision 7, is amended to read:

185.17 Subd. 7. **Reinstatement.** The board may reinstate a suspended, revoked, or  
185.18 surrendered certificate of registration or shop registration card, on petition of the former  
185.19 or suspended registrant. The board may in its sole discretion place any conditions on  
185.20 reinstatement of a suspended, revoked, or surrendered certificate of registration or shop  
185.21 registration card that it finds appropriate and necessary to ensure that the purposes of  
185.22 sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and  
185.23 154.24 to ~~154.26~~ 154.28 are met. No certificate of registration or shop registration card  
185.24 may be reinstated until the former registrant has completed at least one-half of the  
185.25 suspension period.

185.26 Sec. 52. Minnesota Statutes 2014, section 154.162, is amended to read:

185.27 **154.162 ADMINISTRATIVE PENALTIES.**

185.28 The board shall impose and collect the following penalties:

185.29 (1) missing or lapsed shop registration discovered upon inspection; penalty imposed  
185.30 on shop owner: up to \$500;

185.31 (2) unregistered ~~apprentice or registered~~ barber, first occurrence discovered upon  
185.32 inspection; penalty imposed on shop owner and unlicensed or unregistered individual:  
185.33 up to \$500; and

186.1 (3) unregistered ~~apprentice or registered~~ barber, second occurrence discovered upon  
186.2 inspection; penalty imposed on shop owner and unlicensed or unregistered individual:  
186.3 up to \$1,000.

186.4 Sec. 53. Minnesota Statutes 2014, section 154.19, is amended to read:

186.5 **154.19 VIOLATIONS.**

186.6 Each of the following constitutes a misdemeanor:

186.7 (1) The violation of any of the provisions of section 154.01;

186.8 (2) Permitting any person in one's employ, supervision, or control to practice as a  
186.9 registered barber ~~or registered apprentice~~ unless that person has a certificate of registration  
186.10 as a registered barber ~~or registered apprentice~~;

186.11 (3) Obtaining or attempting to obtain a certificate of registration for money other  
186.12 than the required fee, or any other thing of value, or by fraudulent misrepresentation;

186.13 (4) Practicing or attempting to practice by fraudulent misrepresentation;

186.14 (5) The willful failure to display a certificate of registration as required by section  
186.15 154.14;

186.16 (6) The use of any room or place for barbering which is also used for residential or  
186.17 business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles,  
186.18 cigars, tobacco, candies in original package, and such commodities as are used and sold in  
186.19 barber shops, and except that shoeshining and an agency for the reception and delivery of  
186.20 laundry, or either, may be conducted in a barber shop without the same being construed  
186.21 as a violation of this section, unless a substantial partition of ceiling height separates the  
186.22 portion used for residential or business purposes, and where a barber shop is situated in a  
186.23 residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store,  
186.24 hardware store, or soft drink parlor, there must be an outside entrance leading into the  
186.25 barber shop independent of any entrance leading into such business establishment, except  
186.26 that this provision as to an outside entrance shall not apply to barber shops in operation  
186.27 at the time of the passage of this section and except that a barber shop and ~~beauty parlor~~  
186.28 cosmetology salon may be operated in conjunction, without the same being separated by  
186.29 partition of ceiling height;

186.30 (7) The failure or refusal of any barber or other person in charge of any barber shop,  
186.31 or any person in barber schools or colleges doing barber service work, to use separate  
186.32 and clean towels for each customer or patron, or to discard and launder each towel after  
186.33 once being used;

186.34 (8) The failure or refusal by any barber or other person in charge of any barber shop  
186.35 or barber school or barber college to supply clean hot and cold water in such quantities as  
187.1 may be necessary to conduct such shop, or the barbering service of such school or college,  
187.2 in a sanitary manner, or the failure or refusal of any such person to have water and sewer  
187.3 connections from such shop, or barber school or college, with municipal water and sewer  
187.4 systems where the latter are available for use, or the failure or refusal of any such person  
187.5 to maintain a receptacle for hot water of a capacity of not less than five gallons;

187.6 (9) For the purposes of this section, barbers, students, ~~apprentices~~, or the proprietor  
187.7 or manager of a barber shop, or barber school or barber college, shall be responsible for all  
187.8 violations of the ~~sanitary~~ sanitation and disinfection provisions of this section, ~~and~~. If any  
187.9 barber workstation in any barber shop, or barber school or barber college, upon inspection,  
187.10 shall be found to be in an unsanitary condition, the person making such inspection shall  
187.11 immediately issue an order to place the barber shop, or barber school, or barber college, in  
187.12 a sanitary condition, in a manner and within a time satisfactory to the Board of Barber  
187.13 Examiners, and for the failure to comply with such order the board shall immediately file a  
187.14 complaint for the arrest of the persons upon whom the order was issued, and any registered  
187.15 barber who shall fail to comply with the rules adopted by the Board of Barber Examiners,  
187.16 with the approval of the state commissioner of health, or the violation or commission of  
187.17 any of the offenses described in this section and section 154.161, subdivision 4, paragraph  
187.18 (a), clauses (1), (3), and (4) to (12), shall be fined not less than \$10 or imprisoned for ten  
187.19 days and not more than \$100 or imprisoned for 90 days.

187.20 Sec. 54. Minnesota Statutes 2014, section 154.21, is amended to read:

187.21 **154.21 PERJURY.**

187.22 The willful making of any false statement as to a material matter in any oath or  
187.23 affidavit which is required by the provisions of sections 154.001, 154.002, 154.003,  
187.24 154.01 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 is perjury  
187.25 and punishable as such.

187.26 Sec. 55. Minnesota Statutes 2014, section 154.24, is amended to read:

187.27 **154.24 RULES.**

187.28 The Board of Barber Examiners shall have authority to make reasonable rules for the  
187.29 administration of the provisions of sections 154.001, 154.002, 154.003, 154.01 to ~~154.161~~  
187.30 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28 and prescribe sanitary sanitation  
187.31 and disinfection requirements for barber shops and barber schools, subject to the approval  
187.32 of the state commissioner of health. Any member of the board, or its agents or assistants,  
187.33 shall have authority to enter upon and to inspect any barber shop or barber school at any  
187.34 time during business hours. A copy of the rules adopted by the board shall be furnished by  
188.1 it to the owner or manager of each barber shop or barber school and such copy shall be  
188.2 posted in a conspicuous place in such barber shop or barber school.

188.3 The board shall keep a record of its proceedings relating to the issuance, refusal,  
188.4 renewal, suspension, and revocation of certificates of registration. This record shall  
188.5 contain the name, place of business, and residence of each registered barber ~~and registered~~  
188.6 ~~apprentice~~, and the date and number of the certificate of registration. This record shall be  
188.7 open to public inspection at all reasonable times.

188.8 Sec. 56. Minnesota Statutes 2014, section 154.25, is amended to read:

188.9 **154.25 NOT TO SERVE CERTAIN PERSONS.**

188.10 No person practicing the occupation of a barber in any barber shop, barber school, or  
188.11 college in this state shall knowingly serve a person afflicted, in a dangerous or infectious  
188.12 state of the disease, with ~~erysipelas, eczema, impetigo, syeosis, or any other~~ contagious or  
188.13 infectious disease. Any person so afflicted is hereby prohibited from being served in any  
188.14 barber shop, barber school, or college in this state. Any violation of this section shall be  
188.15 considered a misdemeanor as provided for in sections 154.001, 154.002, 154.003, 154.01  
188.16 to ~~154.161~~ 154.162, 154.19 to 154.21, and 154.24 to ~~154.26~~ 154.28.

188.17 Sec. 57. Minnesota Statutes 2014, section 197.455, subdivision 1, is amended to read:

188.18 Subdivision 1. **Application.** (a) This section shall govern preference of a veteran  
188.19 under the civil service laws, charter provisions, ordinances, rules or regulations of a  
188.20 county, home rule charter or statutory city, town, school district, or other municipality  
188.21 or political subdivision of this state. Any provision in a law, charter, ordinance, rule or  
188.22 regulation contrary to the applicable provisions of this section is void to the extent of  
188.23 such inconsistency.

188.24 (b) Sections 197.46 to 197.481 also apply to a veteran who is an incumbent in a  
188.25 classified appointment in the state civil service and has completed the probationary period  
188.26 for that position, as defined under section 43A.16. In matters of dismissal from such a  
188.27 position, a qualified veteran has the irrevocable option of using the procedures described  
188.28 in sections 197.46 to 197.481, or the procedures provided in the collective bargaining  
188.29 agreement applicable to the person, but not both. For a qualified veteran electing to use  
188.30 the procedures of sections 197.46 to 197.481, the matters governed by those sections must  
188.31 not be considered grievances under a collective bargaining agreement, and if a veteran  
188.32 elects to appeal the dispute through those sections, the veteran is precluded from making  
188.33 an appeal under the grievance procedure of the collective bargaining agreement.



189.1 (c) A county, home rule charter or statutory city, town, school district, or other  
189.2 municipality or political subdivision may require a veteran to complete an initial hiring  
189.3 probationary period, as defined under section 43A.16. In matters of dismissal, a veteran  
189.4 employed by a county, home rule charter or statutory city, town, school district, or other  
189.5 municipality or political subdivision is entitled to the same rights and legal protections  
189.6 that state employees receive under paragraph (b).

189.7 Sec. 58. Minnesota Statutes 2015 Supplement, section 197.46, is amended to read:  
189.8 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**  
189.9 **OF MANDAMUS.**

189.10 (a) Any person whose rights may be in any way prejudiced contrary to any of the  
189.11 provisions of this section, ~~shall be~~ is entitled to a writ of mandamus to remedy the wrong.  
189.12 After any initial hiring probationary period expires, no person holding a position either in  
189.13 the state civil service or by appointment or employment in the several counties any county,  
189.14 cities home rule charter or statutory city, towns town, school districts and all district, or  
189.15 any other political subdivisions subdivision in the state, who is a veteran separated from  
189.16 the military service under honorable conditions, shall be removed from ~~such~~ the position  
189.17 or employment except for incompetency or misconduct shown after a hearing, upon  
189.18 due notice, upon stated charges, in writing.

189.19 (b) Any veteran who has been notified of the intent to discharge the veteran from an  
189.20 appointed position or employment pursuant to this section shall be notified in writing of  
189.21 ~~such~~ the intent to discharge and of the veteran's right to request a hearing within ~~60~~ 30  
189.22 days of receipt of the notice of intent to discharge. The failure of a veteran to request a  
189.23 hearing within the provided ~~60-day~~ 30-day period ~~shall constitute~~ constitutes a waiver  
189.24 of the right to a hearing. ~~Such~~ The failure ~~shall~~ also ~~waive~~ waives all other available  
189.25 legal remedies for reinstatement.

189.26 Request for a hearing concerning such a discharge shall be made in writing and  
189.27 submitted by mail or personal service to the employment office of the concerned employer  
189.28 or other appropriate office or person. If the veteran requests a hearing under this section,  
189.29 ~~such~~ the written request must also contain the veteran's election to be heard by a civil  
189.30 service board or commission, a merit authority, or ~~a three-person panel~~ an arbitrator  
189.31 as defined in paragraph (c). If the veteran fails to identify the veteran's election, the  
189.32 governmental subdivision may select the hearing body.

189.33 (c) In all governmental subdivisions having an established civil service board or  
189.34 commission, or merit system authority, ~~such the~~ veteran may elect to have the hearing for  
189.35 ~~removal or discharge shall be held before such the~~ civil service board or commission or  
190.1 merit system authority, or before an arbitrator as specified in this paragraph. Where no  
190.2 ~~such~~ civil service board or commission or merit system authority exists, such the hearing  
190.3 ~~shall be held by a board of three persons appointed as follows: one by the governmental~~  
190.4 ~~subdivision, one by the veteran, and the third by the two so selected an arbitrator.~~ In cases  
190.5 where a hearing will be held by an arbitrator, the employer shall request from the Bureau  
190.6 of Mediation Services a list of seven persons to serve as an arbitrator. The employer  
190.7 shall strike the first name from the list and the parties shall alternately strike names from  
190.8 the list until the name of one arbitrator remains. After receiving each of the employer's  
190.9 elections to strike a person from the list, the veteran has 48 hours to strike a person from  
190.10 the list. The person remaining after the striking procedure must be the arbitrator. Upon the  
190.11 selection of the arbitrator, the employer shall notify the designated arbitrator and request  
190.12 available dates to hold the hearing. In the event that the hearing is authorized to be held  
190.13 ~~before a three-person board an arbitrator,~~ the governmental subdivision's notice of intent  
190.14 to discharge shall state that the veteran must respond within ~~60~~ 30 days of receipt of the  
190.15 notice of intent to discharge, ~~and provide in writing to the governmental subdivision the~~  
190.16 ~~name, United States mailing address, and telephone number of the veteran's selected~~  
190.17 ~~representative for the three-person board.~~ The failure of a veteran to submit the name,  
190.18 ~~address, and telephone number of the veteran's selected representative to the governmental~~  
190.19 ~~subdivision by mail or by personal service within the provided notice's 60-day period, shall~~  
190.20 ~~constitute a waiver of the veteran's right to the hearing and all other legal remedies available~~  
190.21 ~~for reinstatement of the veteran's employment position. In the event the two persons~~  
190.22 ~~selected by the veteran and governmental subdivision do not appoint the third person within~~  
190.23 ~~ten days after the appointment of the last of the two, then the judge of the district court of~~  
190.24 ~~the county wherein the proceeding is pending, or if there be more than one judge in said~~  
190.25 ~~county then any judge in chambers, shall have jurisdiction to appoint, and Upon application~~  
190.26 ~~of either or both of the two so selected shall appoint, the third person to the board and the~~  
190.27 ~~person so appointed by the judge with the two first selected shall constitute the board.~~

190.28 (d) Either the veteran or the governmental subdivision may appeal from the decision  
190.29 of the ~~board hearing body~~ upon the charges to the district court by causing written notice  
190.30 of appeal, stating the grounds thereof of the appeal, to be served upon the other party  
190.31 within 15 days after notice of the decision and by filing the original notice of appeal  
190.32 with proof of service thereof in the office of the court administrator of the district court  
190.33 within ten days after service thereof. Nothing in section 197.455 or this section shall be  
190.34 construed to apply to the position of private secretary, superintendent of schools, or one  
190.35 chief deputy of any elected official or head of a department, or to any person holding a  
190.36 strictly confidential relation to the appointing officer. Nothing in this section shall be  
191.1 construed to apply to the position of teacher. The burden of establishing such relationship  
191.2 shall be upon the appointing officer in all proceedings and actions relating thereto.

191.3 (e) For disputes heard by a civil service board, commission or merit system  
 191.4 authority, or an arbitrator, the political governmental subdivisions shall bear all costs  
 191.5 associated with the hearing but not including attorney fees for attorneys representing the  
 191.6 veteran. For disputes heard by a three-person panel, all parties shall bear equally all costs  
 191.7 associated with the hearing, but not including attorney fees for attorneys representing the  
 191.8 veteran. If the veteran prevails in a dispute heard by a civil service board or a three-person  
 191.9 panel, commission or merit system authority, or an arbitrator and the hearing reverses all  
 191.10 aspects of the level of the alleged incompetency or misconduct requiring discharge, the  
 191.11 governmental subdivision shall pay the veteran's reasonable attorney fees.

191.12 (f) All officers, boards, commissions, and employees shall conform to, comply with,  
 191.13 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this  
 191.14 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.  
 191.15 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

189.18 Sec. 21. Minnesota Statutes 2014, section 198.03, subdivision 2, is amended to read:

189.19 Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of  
 189.20 calculating the average cost of care for the domiciliary and nursing care residents. The cost  
 189.21 must be determined yearly based upon the average cost per resident taking into account,  
 189.22 but not limited to, administrative cost of the homes, the cost of service available to the  
 189.23 resident, and food and lodging costs. These average costs must be calculated separately for  
 189.24 domiciliary and nursing care residents. The amount charged each resident for maintenance,  
 189.25 if anything, must be based on the appropriate average cost of care calculation and the  
 189.26 assets and income of the resident but must not exceed the appropriate average cost of care.

189.27 (b) Using the authority granted in section 198.03, the commissioner shall set out  
 189.28 in rules the method of calculating each domiciliary resident's maintenance charge. This  
 189.29 maintenance charge shall establish a personal needs allowance based on each domiciliary  
 189.30 resident's monthly income. For the period of July 1, 2016, to June 30, 2017, the personal  
 189.31 needs allowance shall not be less than \$122 per month. For the period of July 1, 2017,  
 189.32 to June 30, 2018, the personal needs allowance shall not be less than \$130 per month.  
 189.33 Thereafter, the minimum personal needs allowance must be adjusted by multiplying  
 190.1 the allowance by one-half of the percentage change of the Consumer Price Index on  
 190.2 the first day of each fiscal year.

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

190.4 Sec. 22. Minnesota Statutes 2014, section 198.03, subdivision 3, is amended to read:

190.5 Subd. 3. **Arrearages.** Residents are liable for paying all of their overdue  
 190.6 maintenance charges. Overdue maintenance charges incurred after May 1, 1990, may be  
 190.7 charged interest according to section 334.01. A resident owing overdue maintenance to  
 190.8 the state of Minnesota ~~for charges incurred prior to May 1, 1990,~~ may continue to stay in  
 190.9 the home if the resident enters into an agreement, including a payment schedule, with the  
 190.10 administrator for the payment of the arrearage and abides by the agreement. Residents  
 190.11 who do not promptly pay maintenance or who do not abide by their agreements to pay  
 190.12 overdue maintenance to the state of Minnesota may be discharged from the home. The  
 190.13 payment schedule agreed to between the administrator and the resident must provide for  
 190.14 the prompt payment of the overdue maintenance owed by the resident, but it must not  
 190.15 reduce the resident's personal needs allowance below ~~that which is provided for in the~~  
 190.16 ~~administrative rules of the facility~~ the amounts specified in subdivision 2.

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

190.18 Sec. 23. **[198.365] VETERANS HOMES; MONTEVIDEO AND BEMIDJI.**

190.19 Subdivision 1. **Veterans homes established.** The commissioner of veterans affairs  
 190.20 may apply for federal funding and establish in Montevideo and Bemidji veterans homes  
 190.21 with up to 143 beds available for eligible veterans and their spouses. The state shall  
 190.22 provide the necessary operating costs for the veterans homes in excess of any revenue  
 190.23 and federal funding for the homes that may be required to continue the operation of the  
 190.24 homes and care for Minnesota veterans.

190.25 Subd. 2. **Nonstate contribution.** The commissioner of administration may accept  
 190.26 contributions of land or money from private individuals, businesses, local governments,  
 190.27 veterans service organizations, and other nonstate sources for the purpose of providing  
 190.28 matching funding when soliciting federal funding for the development of the homes.

191.16 Sec. 59. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

191.17 Subdivision 1. **The Office of the Commissioner of Iron Range resources**

191.18 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and  
 191.19 rehabilitation is created as an agency in the executive branch of state government. The  
 191.20 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
 191.21 section 15.06.

191.22 (b) The commissioner may hold other positions or appointments that are not  
 191.23 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
 191.24 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
 191.25 including the payment of staff and other assistance as may be necessary, must be paid  
 191.26 out of the amounts appropriated by section 298.28 or otherwise made available by law  
 191.27 to the commissioner. ~~Notwithstanding chapters 16A, 16B, and 16C, the commissioner~~  
 191.28 ~~may utilize contracting options available under section 471.345 when the commissioner~~  
 191.29 ~~determines it is in the best interest of the agency. The agency is not subject to sections~~  
 191.30 ~~16E.016 and 16C.05.~~

191.31 (c) When the commissioner determines that distress and unemployment exists or  
 191.32 may exist in the future in any county by reason of the removal of natural resources or  
 191.33 a possibly limited use of natural resources in the future and any resulting decrease in  
 191.34 employment, the commissioner may use whatever amounts of the appropriation made to  
 191.35 the commissioner of revenue in section 298.28 that are determined to be necessary and  
 192.1 proper in the development of the remaining resources of the county and in the vocational  
 192.2 training and rehabilitation of its residents, except that the amount needed to cover cost  
 192.3 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by  
 192.4 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.  
 192.5 For the purposes of this section, "development of remaining resources" includes, but is  
 192.6 not limited to, the promotion of tourism.

## FROM SENATE ARTICLE 11 TRANSPORTATION FISCAL PROVISIONS

247.4 Sec. 31. Minnesota Statutes 2014, section 299A.41, subdivision 3, is amended to read:

247.5 Subd. 3. **Killed in the line of duty.** "Killed in the line of duty" does not include  
 247.6 deaths from natural causes, except as provided in this subdivision. In the case of a peeee  
 247.7 public safety officer, "killed in the line of duty" includes the death of an a public safety  
 247.8 officer caused by accidental means while the peeee public safety officer is acting in the  
 247.9 course and scope of duties as a peeee public safety officer. Killed in the line of duty also  
 247.10 means if a public safety officer dies as the direct and proximate result of a heart attack,  
 247.11 stroke, or vascular rupture, that officer shall be presumed to have died as the direct and  
 247.12 proximate result of a personal injury sustained in the line of duty if:

247.13 (1) that officer, while on duty:

247.14 (i) engaged in a situation, and that engagement involved nonroutine stressful or  
 247.15 strenuous physical law enforcement, fire suppression, rescue, hazardous material response,  
 247.16 emergency medical services, prison security, disaster relief, or other emergency response  
 247.17 activity; or

247.18 (ii) participated in a training exercise, and that participation involved nonroutine  
 247.19 stressful or strenuous physical activity;

192.7 Sec. 60. Minnesota Statutes 2014, section 299A.41, subdivision 3, is amended to read:

192.8 Subd. 3. **Killed in the line of duty.** "Killed in the line of duty" does not include  
 192.9 deaths from natural causes, except as provided in this subdivision. In the case of a peeee  
 192.10 public safety officer, "killed in the line of duty" includes the death of an a public safety  
 192.11 officer caused by accidental means while the peeee public safety officer is acting in the  
 192.12 course and scope of duties as a peeee public safety officer. Killed in the line of duty also  
 192.13 means if a public safety officer dies as the direct and proximate result of a heart attack,  
 192.14 stroke, or vascular rupture, that officer shall be presumed to have died as the direct and  
 192.15 proximate result of a personal injury sustained in the line of duty if:

192.16 (1) that officer, while on duty:

192.17 (i) engaged in a situation, and that engagement involved nonroutine stressful or  
 192.18 strenuous physical law enforcement, fire suppression, rescue, hazardous material response,  
 192.19 emergency medical services, prison security, disaster relief, or other emergency response  
 192.20 activity; or

192.21 (ii) participated in a training exercise, and that participation involved nonroutine  
 192.22 stressful or strenuous physical activity;

247.20 (2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

247.21 (i) while engaging or participating under clause (1);

247.22 (ii) while still on duty after engaging or participating under clause (1); or

247.23 (iii) not later than 24 hours after engaging or participating under clause (1); and

247.24 (3) the presumption is not overcome by competent medical evidence to the contrary.

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

192.23 (2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

192.24 (i) while engaging or participating under clause (1);

192.25 (ii) while still on duty after engaging or participating under clause (1); or

192.26 (iii) not later than 24 hours after engaging or participating under clause (1); and

192.27 (3) the presumption is not overcome by competent medical evidence to the contrary.

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

192.29 Sec. 61. Minnesota Statutes 2014, section 327C.03, subdivision 6, is amended to read:

192.30 Subd. 6. **Payment to the Minnesota manufactured home relocation trust fund.**

192.31 In the event a park owner has been assessed under section 327C.095, subdivision 12,  
192.32 paragraph (c), the park owner may collect the ~~\$12~~ \$15 annual payment required by section  
192.33 327C.095, subdivision 12, for participation in the relocation trust fund, as a lump sum or,  
192.34 along with monthly lot rent, a fee of no more than ~~\$1~~ \$1.25 per month to cover the cost of  
193.1 participating in the relocation trust fund. The ~~\$1~~ \$1.25 fee must be separately itemized  
193.2 and clearly labeled "Minnesota manufactured home relocation trust fund."

193.3 Sec. 62. Minnesota Statutes 2014, section 327C.095, subdivision 12, is amended to read:

193.4 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.**

193.5 (a) If a manufactured home owner is required to move due to the conversion of all or a  
193.6 portion of a manufactured home park to another use, the closure of a park, or cessation of  
193.7 use of the land as a manufactured home park, the manufactured park owner shall, upon  
193.8 the change in use, pay to the commissioner of management and budget for deposit in the  
193.9 Minnesota manufactured home relocation trust fund under section 462A.35, the lesser  
193.10 amount of the actual costs of moving or purchasing the manufactured home approved  
193.11 by the neutral third party and paid by the Minnesota Housing Finance Agency under  
193.12 subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured  
193.13 home, and \$6,000 for each multisection manufactured home, for which a manufactured  
193.14 home owner has made application for payment of relocation costs under subdivision 13,  
193.15 paragraph (c). The manufactured home park owner shall make payments required under  
193.16 this section to the Minnesota manufactured home relocation trust fund within 60 days of  
193.17 receipt of invoice from the neutral third party.

193.18 (b) A manufactured home park owner is not required to make the payment prescribed  
193.19 under paragraph (a), nor is a manufactured home owner entitled to compensation under  
193.20 subdivision 13, paragraph (a) or (e), if:

193.21 (1) the manufactured home park owner relocates the manufactured home owner to  
193.22 another space in the manufactured home park or to another manufactured home park at  
193.23 the park owner's expense;

193.24 (2) the manufactured home owner is vacating the premises and has informed the  
193.25 manufactured home park owner or manager of this prior to the mailing date of the closure  
193.26 statement under subdivision 1;

193.27 (3) a manufactured home owner has abandoned the manufactured home, or the  
193.28 manufactured home owner is not current on the monthly lot rental, personal property taxes;

193.29 (4) the manufactured home owner has a pending eviction action for nonpayment of  
193.30 lot rental amount under section 327C.09, which was filed against the manufactured home  
193.31 owner prior to the mailing date of the closure statement under subdivision 1, and the writ  
193.32 of recovery has been ordered by the district court;

193.33 (5) the conversion of all or a portion of a manufactured home park to another use,  
193.34 the closure of a park, or cessation of use of the land as a manufactured home park is the  
194.1 result of a taking or exercise of the power of eminent domain by a governmental entity  
194.2 or public utility; or

194.3 (6) the owner of the manufactured home is not a resident of the manufactured home  
194.4 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home  
194.5 is a resident, but came to reside in the manufactured home park after the mailing date of  
194.6 the closure statement under subdivision 1.

194.7 (c) If the unencumbered fund balance in the manufactured home relocation trust  
194.8 fund is less than \$1,000,000 as of June 30 of each year, the commissioner of management  
194.9 and budget shall assess each manufactured home park owner by mail the total amount  
194.10 of ~~\$12~~ \$15 for each licensed lot in their park, payable on or before September 15 of that  
194.11 year. The commissioner of management and budget shall deposit any payments in the  
194.12 Minnesota manufactured home relocation trust fund. On or before July 15 of each year,  
194.13 the commissioner of management and budget shall prepare and distribute to park owners a  
194.14 letter explaining whether funds are being collected for that year, information about the  
194.15 collection, an invoice for all licensed lots, and a sample form for the park owners to collect  
194.16 information on which park residents have been accounted for. If assessed under this  
194.17 paragraph, the park owner may recoup the cost of the ~~\$12~~ \$15 assessment as a lump sum  
194.18 or as a monthly fee of no more than ~~\$1~~ \$1.25 collected from park residents together with  
194.19 monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust  
194.20 payment for lots in their park that are vacant or otherwise not eligible for contribution to  
194.21 the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the  
194.22 assessment accordingly.

194.23 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by  
194.24 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action  
194.25 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable  
194.26 attorney fees, court costs, and disbursements.

194.27 Sec. 63. Minnesota Statutes 2014, section 327C.095, subdivision 13, is amended to read:

194.28 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a)  
194.29 If a manufactured home owner is required to relocate due to the conversion of all or a  
194.30 portion of a manufactured home park to another use, the closure of a manufactured home  
194.31 park, or cessation of use of the land as a manufactured home park under subdivision 1,  
194.32 and the manufactured home owner complies with the requirements of this section, the  
194.33 manufactured home owner is entitled to payment from the Minnesota manufactured home  
194.34 relocation trust fund equal to the manufactured home owner's actual relocation costs for  
194.35 relocating the manufactured home to a new location within a 25-mile radius of the park  
195.1 that is being closed, up to a maximum of ~~\$4,000~~ \$7,000 for a single-section and ~~\$8,000~~  
195.2 \$12,500 for a multisection manufactured home. The actual relocation costs must include  
195.3 the reasonable cost of taking down, moving, and setting up the manufactured home,  
195.4 including equipment rental, utility connection and disconnection charges, minor repairs,  
195.5 modifications necessary for transportation of the home, necessary moving permits and  
195.6 insurance, moving costs for any appurtenances, which meet applicable local, state, and  
195.7 federal building and construction codes.

195.8 (b) A manufactured home owner is not entitled to compensation under paragraph (a)  
195.9 if the manufactured home park owner is not required to make a payment to the Minnesota  
195.10 manufactured home relocation trust fund under subdivision 12, paragraph (b).

195.11 (c) Except as provided in paragraph (e), in order to obtain payment from the  
195.12 Minnesota manufactured home relocation trust fund, the manufactured home owner shall  
195.13 submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy  
195.14 to the park owner, an application for payment, which includes:

195.15 (1) a copy of the closure statement under subdivision 1;

195.16 (2) a copy of the contract with a moving or towing contractor, which includes the  
195.17 relocation costs for relocating the manufactured home;

195.18 (3) a statement with supporting materials of any additional relocation costs as  
195.19 outlined in subdivision 1;

195.20 (4) a statement certifying that none of the exceptions to receipt of compensation  
195.21 under subdivision 12, paragraph (b), apply to the manufactured home owner;

195.22 (5) a statement from the manufactured park owner that the lot rental is current  
195.23 and that the annual ~~\$12~~ \$15 payments to the Minnesota manufactured home relocation  
195.24 trust fund have been paid when due; and

195.25 (6) a statement from the county where the manufactured home is located certifying  
195.26 that personal property taxes for the manufactured home are paid through the end of that year.



195.27 (d) If the neutral third party has acted reasonably and does not approve or deny  
195.28 payment within 45 days after receipt of the information set forth in paragraph (c), the  
195.29 payment is deemed approved. Upon approval and request by the neutral third party,  
195.30 the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50  
195.31 percent of the contract price payable to the mover and towing contractor for relocating  
195.32 the manufactured home in the amount of the actual relocation cost, plus a check to the  
195.33 home owner for additional certified costs associated with third-party vendors, that were  
195.34 necessary in relocating the manufactured home. The moving or towing contractor shall  
195.35 receive 50 percent upon execution of the contract and 50 percent upon completion of  
195.36 the relocation and approval by the manufactured home owner. The moving or towing  
196.1 contractor may not apply the funds to any other purpose other than relocation of the  
196.2 manufactured home as provided in the contract. A copy of the approval must be forwarded  
196.3 by the neutral third party to the park owner with an invoice for payment of the amount  
196.4 specified in subdivision 12, paragraph (a).

196.5 (e) In lieu of collecting a relocation payment from the Minnesota manufactured  
196.6 home relocation trust fund under paragraph (a), the manufactured home owner may collect  
196.7 an amount from the fund after reasonable efforts to relocate the manufactured home  
196.8 have failed due to the age or condition of the manufactured home, or because there are  
196.9 no manufactured home parks willing or able to accept the manufactured home within a  
196.10 25-mile radius. A manufactured home owner may tender title of the manufactured home in  
196.11 the manufactured home park to the manufactured home park owner, and collect an amount  
196.12 to be determined by an independent appraisal. The appraiser must be agreed to by both  
196.13 the manufactured home park owner and the manufactured home owner. If the appraised  
196.14 market value cannot be determined, the tax market value, averaged over a period of five  
196.15 years, can be used as a substitute. The maximum amount that may be reimbursed under  
196.16 the fund is a maximum of \$5,000 \$8,000 for a single-section and \$9,000 \$14,500 for a  
196.17 multisection manufactured home. The minimum amount that may be reimbursed under the  
196.18 fund is \$2,000 for a single section and \$4,000 for a multisection manufactured home. The  
196.19 manufactured home owner shall deliver to the manufactured home park owner the current  
196.20 certificate of title to the manufactured home duly endorsed by the owner of record, and  
196.21 valid releases of all liens shown on the certificate of title, and a statement from the county  
196.22 where the manufactured home is located evidencing that the personal property taxes have  
196.23 been paid. The manufactured home owner's application for funds under this paragraph  
196.24 must include a document certifying that the manufactured home cannot be relocated, that  
196.25 the lot rental is current, that the annual ~~\$12~~ \$15 payments to the Minnesota manufactured  
196.26 home relocation trust fund have been paid when due, that the manufactured home owner  
196.27 has chosen to tender title under this section, and that the park owner agrees to make a  
196.28 payment to the commissioner of management and budget in the amount established in  
196.29 subdivision 12, paragraph (a), less any documented costs submitted to the neutral third  
196.30 party, required for demolition and removal of the home, and any debris or refuse left on the  
196.31 lot, not to exceed \$1,000. The manufactured home owner must also provide a copy of the  
196.32 certificate of title endorsed by the owner of record, and certify to the neutral third party,  
196.33 with a copy to the park owner, that none of the exceptions to receipt of compensation under

196.34 subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner,  
 196.35 and that the home owner will vacate the home within 60 days after receipt of payment or the  
 196.36 date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

197.1 (f) The Minnesota Housing Finance Agency must make a determination of the  
 197.2 amount of payment a manufactured home owner would have been entitled to under a local  
 197.3 ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured  
 197.4 home owner's compensation for relocation costs from the fund under section 462A.35, is  
 197.5 the greater of the amount provided under this subdivision, or the amount under the local  
 197.6 ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner.  
 197.7 Nothing in this paragraph is intended to increase the liability of the park owner.

197.8 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall  
 197.9 be liable to any person for recovery if the funds in the Minnesota manufactured home  
 197.10 relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing  
 197.11 Finance Agency shall keep a record of the time and date of its approval of payment to a  
 197.12 claimant.

197.13 (h) The agency shall report to the chairs of the senate Finance Committee and  
 197.14 house of representatives Ways and Means Committee by January 15 of each year on  
 197.15 the Minnesota manufactured home relocation trust fund, including the account balance,  
 197.16 payments to claimants, the amount of any advances to the fund, the amount of any  
 197.17 insufficiencies encountered during the previous calendar year, and any administrative  
 197.18 charges or expenses deducted from the trust fund balance. If sufficient funds become  
 197.19 available, the Minnesota Housing Finance Agency shall pay the manufactured home  
 197.20 owner whose unpaid claim is the earliest by time and date of approval.

197.21 Sec. 64. Minnesota Statutes 2014, section 353.01, subdivision 43, is amended to read:

197.22 Subd. 43. **Line of duty death.** "Line of duty death" means:

197.23 (1) a death that occurs while performing or as a direct result of performing normal or  
 197.24 less frequent duties which are specific to protecting the property and personal safety of  
 197.25 others and that present inherent dangers that are specific to the positions covered by the  
 197.26 public employees police and fire plan; or

197.27 (2) a death determined by the commissioner of public safety to meet the requirements  
 197.28 of section 299A.41, subdivision 3.

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

197.30 Sec. 65. Minnesota Statutes 2014, section 462.355, subdivision 4, is amended to read:

### FROM ARTICLE 11 TRANSPORTATION FISCAL PROVISIONS

251.18 Sec. 35. Minnesota Statutes 2014, section 353.01, subdivision 43, is amended to read:

251.19 Subd. 43. **Line of duty death.** "Line of duty death" means:

251.20 (1) a death that occurs while performing or as a direct result of performing normal or  
 251.21 less frequent duties which are specific to protecting the property and personal safety of  
 251.22 others and that present inherent dangers that are specific to the positions covered by the  
 251.23 public employees police and fire plan; or

251.24 (2) a death determined by the commissioner of public safety that meets the  
 251.25 requirements of sections 299A.41 to 299A.46.

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

197.31 Subd. 4. **Interim ordinance.** (a) If a municipality is conducting studies or has  
197.32 authorized a study to be conducted or has held or has scheduled a hearing for the purpose  
197.33 of considering adoption or amendment of a comprehensive plan or official controls  
197.34 as defined in section 462.352, subdivision 15, or if new territory for which plans or  
198.1 controls have not been adopted is annexed to a municipality, the governing body of the  
198.2 municipality may adopt an interim ordinance applicable to all or part of its jurisdiction for  
198.3 the purpose of protecting the planning process and the health, safety and welfare of its  
198.4 citizens. The interim ordinance may regulate, restrict, or prohibit any use, development,  
198.5 or subdivision within the jurisdiction or a portion thereof for a period not to exceed one  
198.6 year from the date it is effective.

198.7 (b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities  
198.8 relating to livestock production, a public hearing must be held following a ten-day notice  
198.9 given by publication in a newspaper of general circulation in the municipality before  
198.10 the interim ordinance takes effect.

198.11 (c) If a proposed interim ordinance by a statutory or home rule charter city purports  
198.12 to regulate, restrict, or prohibit activities relating to housing, a public hearing must be held  
198.13 following a ten-day notice given by publication in a newspaper of general circulation in  
198.14 the municipality before the interim ordinance takes effect.

198.15 (d) The period of an interim ordinance applicable to an area that is affected by  
198.16 a city's master plan for a municipal airport may be extended for such additional periods  
198.17 as the municipality may deem appropriate, not exceeding a total additional period of 18  
198.18 months. In all other cases, no interim ordinance may halt, delay, or impede a subdivision  
198.19 that has been given preliminary approval, nor may any interim ordinance extend the  
198.20 time deadline for agency action set forth in section 15.99 with respect to any application  
198.21 filed prior to the effective date of the interim ordinance. The governing body of the  
198.22 municipality may extend the interim ordinance after a public hearing and written findings  
198.23 have been adopted based upon one or more of the conditions in clause (1), (2), or (3).  
198.24 The public hearing must be held at least 15 days but not more than 30 days before the  
198.25 expiration of the interim ordinance, and notice of the hearing must be published at least  
198.26 ten days before the hearing. The interim ordinance may be extended for the following  
198.27 conditions and durations, but, except as provided in clause (3), an interim ordinance may  
198.28 not be extended more than an additional 18 months:

198.29 (1) up to an additional 120 days following the receipt of the final approval or review  
198.30 by a federal, state, or metropolitan agency when the approval is required by law and the  
198.31 review or approval has not been completed and received by the municipality at least 30  
198.32 days before the expiration of the interim ordinance;

198.33 (2) up to an additional 120 days following the completion of any other process  
198.34 required by a state statute, federal law, or court order, when the process is not completed at  
198.35 least 30 days before the expiration of the interim ordinance; or

199.1 (3) up to an additional one year if the municipality has not adopted a comprehensive  
199.2 plan under this section at the time the interim ordinance is enacted.

199.3 **EFFECTIVE DATE.** This section is effective for interim ordinances proposed on  
199.4 or after August 1, 2016.

199.5 Sec. 66. Minnesota Statutes 2014, section 471.6161, subdivision 8, is amended to read:

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

199.10 (b) School districts shall request proposals for group health insurance coverage as  
199.11 provided in subdivision 2 from a minimum of three potential sources of coverage. ~~One of~~  
199.12 ~~these requests must go to an administrator governed by chapter 43A.~~ Entities referenced  
199.13 in subdivision 1 must respond to requests for proposals received directly from a school  
199.14 district. School districts that are self-insured must also follow these provisions, except  
199.15 as provided in paragraph (f). School districts must make requests for proposals at least  
199.16 150 days prior to the expiration of the existing contract but not more frequently than once  
199.17 every 24 months. The request for proposals must include the most recently available  
199.18 24 months of nonidentifiable aggregate claims data. The request for proposals must be  
199.19 publicly released at or prior to its release to potential sources of coverage.

199.20 (c) School district contracts for group health insurance must not be longer than ~~two~~  
199.21 five years unless the exclusive representative of the largest employment group and the  
199.22 school district agree otherwise, except that contracts for group health insurance negotiated  
199.23 in connection with a service cooperative, governed by section 123A.21, must not be  
199.24 longer than four years.

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

199.32 (e) A school district, in consultation with the same representatives referenced in  
199.33 paragraph (d), may continue to negotiate with any entity that submitted a proposal under  
199.34 paragraph (d) in order to reduce costs or improve services under the proposal. Following  
199.35 the negotiations any entity that submitted an initial proposal may submit a final proposal  
200.1 incorporating the negotiations, which is due no less than 75 days prior to the plan's  
200.2 renewal date. All the final proposals submitted must be opened at the same time in the  
200.3 presence of up to three representatives selected by the exclusive representative of the  
200.4 largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b),  
200.5 following the opening of the final proposals, all the proposals, including any made under  
200.6 paragraph (d), and other data submitted in connection with the proposals are public data.  
200.7 The school district may choose from any of the initial or final proposals without further  
200.8 negotiations and in accordance with subdivision 5, but not sooner than 15 days after  
200.9 the proposals become public data.

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

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

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

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

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

200.25 ~~(5) (3)~~ requests for proposals must be sent to providers no less than 90 days prior to  
200.26 the expiration of the existing contract; and

200.27 ~~(6) (4)~~ proposals must be submitted at least 60 days prior to the plan's renewal date  
200.28 and all proposals shall be opened at the same time and in the presence of the exclusive  
200.29 representative, where applicable.

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

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

201.1 (i) The exclusive representative of the largest group of employees shall comply  
201.2 with this subdivision and must not exercise any of their abilities under section 43A.316,  
201.3 subdivision 5, notwithstanding anything contained in that section, or any other law to the  
201.4 contrary.

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

201.6 Sec. 67. Minnesota Statutes 2014, section 471.617, subdivision 2, is amended to read:

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

201.18 Sec. 68. Minnesota Statutes 2014, section 471.895, subdivision 1, is amended to read:

201.19 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
201.20 section.

201.21 (b) "Gift" has the meaning given it in section 10A.071, subdivision 1.

201.22 (c) "Interested person" means a person or a representative of a person or association  
201.23 that has a direct financial interest in a decision that a local official is authorized to make.

201.24 (d) "Local official" means:

201.25 (1) an elected or appointed official of a county or city or of an agency, authority,  
201.26 or instrumentality of a county or city; ~~and~~

201.27 (2) an elected or appointed member of a school board, a school superintendent, a  
201.28 school principal, or a district school officer of any independent school district; and

201.29 (3) anyone serving as an elected board member pursuant to section 123A.21,  
201.30 subdivision 4.; and

201.31 (4) an elected or appointed member of the board of a local or statewide organization  
201.32 that is an exclusive representative of a Minnesota public employee.

190.29 Sec. 24. Laws 2015, chapter 77, article 1, section 3, is amended to read:

190.30Sec. 3. <b>GOVERNOR AND LIEUTENANT</b>			
190.31 <b>GOVERNOR</b>	\$	<b>3,615,000</b>	\$ <b>3,616,000</b>

191.1 (a) This appropriation is to fund the Office of  
191.2 the Governor and Lieutenant Governor.

191.3 (b) Up to \$19,000 the first year and up to  
191.4 \$19,000 the second year are for necessary  
191.5 expenses in the normal performance of  
191.6 the Governor's and Lieutenant Governor's  
191.7 duties for which no other reimbursement is  
191.8 provided.

191.9 (c) During the biennium ending June 30,  
191.10 2017, and thereafter, the Office of the  
191.11 Governor may receive payments each fiscal  
191.12 year from other executive agencies under  
191.13 Minnesota Statutes, section 15.53, to support  
191.14 office costs, not including the residence  
191.15 groundskeeper, incurred by the office.  
191.16 Payments received under this paragraph must  
191.17 be deposited in a special revenue account.  
191.18 Money in the account is appropriated to the  
191.19 Office of the Governor.

191.20 (e) (d) By September 1 of each year, the  
191.21 commissioner of management and budget  
191.22 shall report to the chairs and ranking minority  
191.23 members of the senate State Departments  
191.24 and Veterans Affairs Budget Division and the  
191.25 house of representatives State Government  
191.26 Finance Committee any personnel costs  
191.27 incurred by the Offices of the Governor and  
191.28 Lieutenant Governor that were supported  
191.29 by appropriations to other agencies during  
191.30 the previous fiscal year. The Office of the  
191.31 Governor shall inform the chairs and ranking  
191.32 minority members of the committees before  
191.33 initiating any interagency agreements.

192.1 Sec. 25. **ALLOCATING SENATE SPACE IN THE STATE OFFICE BUILDING**

192.2 **TO THE REVISOR OF STATUTES; APPROPRIATION.**

192.3 Subdivision 1. **State Office Building space allocation.** At the direction of the  
192.4 senate minority leader, the 5,000 square feet of the first floor space in the State Office  
192.5 Building allocated to the senate in the 2003 space allocation agreement entered into by the  
192.6 house of representatives, the senate, and the governor is allocated to the revisor of statutes.

192.7 Subd. 2. **Lease cancellation.** Within five days of the effective date of this section,  
192.8 the commissioner of administration shall give notice to terminate the lease for the space at  
192.9 525 Park Avenue, St. Paul, that is occupied by the revisor of statutes. The termination  
192.10 shall be effective 30 days after the notice.

192.11 Subd. 3. **Cancellation; appropriation.** The amount saved in fiscal years 2016  
192.12 and 2017, under subdivisions 1 and 2, estimated at \$56,683, by allocating the space in  
192.13 the State Office Building to the revisor of statutes is canceled on the effective date of this  
192.14 section from the general fund appropriation to the Legislative Coordinating Commission  
192.15 in Laws 2015, chapter 77, article 1, section 4. The same amount is appropriated from the  
192.16 general fund in fiscal year 2016 to the commissioner of administration to remodel, furnish,  
192.17 and equip the space in the State Office Building as needed to accommodate the revisor of  
192.18 statutes. This appropriation is available until June 30, 2017.

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

192.20 Sec. 26. **STUDY ON VETERANS' UNMET NEEDS FOR BEHAVIOR AND**

192.21 **MENTAL HEALTH SERVICES.**

192.22 The commissioner of veterans affairs shall perform a study to quantify and describe  
192.23 unmet needs amongst Minnesota veterans for behavioral and mental health services. The  
192.24 study will include conducting focus groups of stakeholders, including veterans and their  
192.25 families, representatives of the United States Veterans Administration, community referral  
192.26 centers, and county veteran service officers. The commissioner of veterans affairs may  
192.27 contract with a statewide nonprofit organization to conduct the study. The commissioner  
192.28 of veterans affairs shall report by February 15, 2017, to the chairs and ranking minority  
192.29 members of the committees in the house of representatives and the senate with jurisdiction  
192.30 over veterans policy and budget with the findings of the study and with recommendations  
192.31 about how current services provided to veterans could be expanded to better meet the  
192.32 needs identified by the study.

192.33 Sec. 27. **FEASIBILITY STUDY ON PARTNERSHIPS TO PROVIDE INTERIM**

192.34 **HOUSING FOR DISABLED VETERANS.**



193.1 The commissioner of veterans affairs shall study the feasibility of partnering with  
193.2 an established nonprofit organization to provide interim housing for disabled veterans in  
193.3 conjunction with fully integrated and customizable support services. The commissioner of  
193.4 veterans affairs shall submit a report including its findings and recommendations regarding  
193.5 the feasibility of such a partnership to the chairs and ranking minority members of the  
193.6 standing committees in the house of representatives and the senate having jurisdiction  
193.7 over veterans affairs by February 15, 2017.

193.8 **Sec. 28. PLAQUE OR MARKER AUTHORIZED TO HONOR CAPITOL**  
193.9 **CONSTRUCTION WORKERS.**

193.10 (a) A plaque or three-dimensional marker shall be placed in the Capitol building in  
193.11 a space easily visible to public visitors to recognize and honor the efforts and sacrifice  
193.12 of workers who constructed the State Capitol building, as well as those who worked on  
193.13 subsequent projects to preserve the building. The plaque or marker shall specifically honor  
193.14 the six workers who died during construction of the State Capitol building. The Capitol  
193.15 Area Architectural and Planning Board and the Minnesota Historical Society shall set the  
193.16 parameters and location for the memorial plaque or marker.

193.17 (b) The Capitol Area Architectural and Planning Board shall conduct an opportunity  
193.18 contest for sixth graders from across the state to submit designs for the memorial plaque  
193.19 or marker. The board shall select a design from those submissions to be used as a basis for  
193.20 the final production of this plaque or marker by January 1, 2017. The memorial plaque or  
193.21 marker shall be installed during the completion of the Capitol remodel.

193.22 **Sec. 29. IMMIGRATION INTEGRATION ADVISORY TASK FORCE.**

193.23 (a) The Immigration Integration Advisory Task Force is created to research state laws  
193.24 and rules that negatively affect immigrants. The task force is composed of the following:

193.25 (1) five members appointed by the governor to represent Minnesota's diverse  
193.26 immigrant communities;

193.27 (2) two members of the house of representatives, one appointed by the speaker of  
193.28 the house and one appointed by the minority leader; and

193.29 (3) two senators, one appointed by the senate majority leader and one appointed by  
193.30 the senate minority leader.

193.31 (b) At its first meeting, the task force shall elect a chair and cochair from its  
193.32 membership. The commissioner of human rights shall provide meeting space and  
193.33 administrative and staff support for the task force.

193.34 (c) The task force shall conduct research and hold meetings to:

194.1 (1) determine the extent to which current state laws and rules negatively affect  
194.2 Minnesotans based on their status as immigrants; and

194.3 (2) develop methods to ensure that future proposed state laws and rules consider  
194.4 the impact of the proposals on immigrants.

194.5 The task force shall consult with the Minnesota Council on Latino Affairs, the Council for  
194.6 Minnesotans of African Heritage, and the Council on Asian-Pacific Minnesotans. The task  
194.7 force shall report to the chairs and ranking minority members of the committees in the  
194.8 house of representatives and the senate with jurisdiction over human rights by January 15,  
194.9 2017, with recommendations and draft legislation for changes in state laws, consistent  
194.10 with federal law, that will reduce the negative impact of state laws on immigrants, and  
194.11 ensure that future state laws and rules consider the impact on immigrants.

194.12 (d) The appointing authorities must make their initial appointments by August 1,  
194.13 2016. The commissioner of human rights shall convene the first meeting of the task  
194.14 force by September 1, 2016.

194.15 (e) Public members shall be compensated and reimbursed for expenses as provided  
194.16 in Minnesota Statutes, section 15.059, subdivision 3.

194.17 (f) The task force shall expire on January 30, 2017, or the day after submitting the  
194.18 report required under paragraph (c), whichever is earlier.

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

201.33 Sec. 69. Laws 2015, chapter 77, article 1, section 11, subdivision 4, is amended to read:

202.1 Subd. 4. **Fiscal Agent** 12,957,000 11,737,000

202.2 The appropriations under this section are to  
202.3 the commissioner of administration for the  
202.4 purposes specified.

202.5 **In-Lieu of Rent.** \$8,158,000 the first year  
202.6 and \$8,158,000 the second year are for  
202.7 space costs of the legislature and veterans  
202.8 organizations, ceremonial space, and  
202.9 statutorily free space. In-lieu of rent may be  
202.10 used for rent loss and relocation expenses  
202.11 related to the Capitol restoration in the fiscal  
202.12 year 2014-2015 biennium and fiscal year  
202.13 2016-2017 biennium.

202.14 **Relocation Expenses.** \$1,380,000 the first  
202.15 year and \$960,000 the second year are for  
202.16 rent loss and relocation expenses related  
202.17 to the Capitol renovation project. This is a  
202.18 onetime appropriation.

202.19 **Public Broadcasting.** (a) \$1,550,000 the  
202.20 first year and \$1,550,000 the second year are  
202.21 for matching grants for public television.

202.22 (b) \$550,000 the first year and \$250,000  
202.23 the second year are for public television  
202.24 equipment grants under Minnesota Statutes,  
202.25 section 129D.13.

202.26 (c) The commissioner of administration  
202.27 must consider the recommendations of the  
202.28 Minnesota Public Television Association  
202.29 before allocating the amount appropriated  
202.30 in paragraphs (a) and (b) for equipment or  
202.31 matching grants.

202.32 (d) \$592,000 the first year and \$392,000 the  
202.33 second year are for community service grants  
202.34 to public educational radio stations. This  
203.1 appropriation may be used to disseminate  
203.2 emergency information in foreign languages.

203.3 (e) \$167,000 the first year and \$117,000  
203.4 the second year are for equipment grants  
203.5 to public educational radio stations. This  
203.6 appropriation may be used for the repair,  
203.7 rental, and purchase of equipment including  
203.8 equipment under \$500.

203.9 (f) \$560,000 the first year and \$310,000  
203.10 the second year are for equipment grants  
203.11 to Minnesota Public Radio, Inc., including  
203.12 upgrades to Minnesota's Emergency Alert  
203.13 and AMBER Alert Systems.

203.14 (g) The appropriations in paragraphs (d),  
203.15 (e), and (f); may not be used for indirect  
203.16 costs claimed by an institution or governing  
203.17 body. The commissioner of administration  
203.18 must consider the recommendations of  
203.19 the Minnesota Public Educational Radio  
203.20 Stations before awarding grants under  
203.21 Minnesota Statutes, section 129D.14, using  
203.22 the appropriations in paragraphs (d), and (e);  
203.23 ~~and (f)~~. No grantee is eligible for a grant of  
203.24 the appropriations in paragraphs (d) and (e)  
203.25 unless they are a member of the Association  
203.26 of Minnesota Public Educational Radio  
203.27 Stations on or before July 1, 2015.

203.28 (h) Any unencumbered balance remaining  
203.29 the first year for grants to public television or  
203.30 radio stations does not cancel and is available  
203.31 for the second year.

203.32 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

203.33 Sec. 70. **REPORT ON STATE EMPLOYEE OUT-OF-STATE TRAVEL**  
203.34 **EXPENSES.**

204.1 The commissioner of management and budget shall audit state employee out-of-state  
204.2 travel expenses incurred between July 1, 2013, and June 30, 2016. The audit shall identify  
204.3 the amount spent on nonessential travel. For purposes of this section, travel is nonessential  
204.4 unless it is necessary to protect the safety or other essential interests of the citizens of the  
204.5 state. The commissioner of management and budget shall report to the chairs and ranking  
204.6 minority members of the legislative committees in the house of representatives and senate  
204.7 with jurisdiction over state employees by February 17, 2017. The commissioner must use  
204.8 the department's existing budget to fund the audit.

204.9 Sec. 71. **STATE AUDITOR REPORT.**

204.10 The state auditor must report to the chairs and ranking minority members of the  
204.11 house of representatives and senate finance committees with jurisdiction over the Office  
204.12 of the State Auditor by January 15, 2017. The report must include a strategic plan to  
204.13 ensure that all local governments receive adequate oversight from the Office of the State  
204.14 Auditor. In preparing this strategic plan, the state auditor must assess what types of audits  
204.15 performed by the Office of the State Auditor are the most effective mechanisms for  
204.16 ensuring that public funds have been used appropriately, what types of audit work can be  
204.17 performed efficiently by certified public accounting (CPA) firms, and what is the most  
204.18 effective deployment of audit resources available to the Office of the State Auditor. The  
204.19 report must also evaluate the continuing importance of the reports, other than financial  
204.20 audits, that the Office of the State Auditor produces on a regular basis.

204.21 Sec. 72. **PARKING RAMP FINANCING.**

204.22 The debt service on the design and construction costs allocated to the parking garage  
204.23 located on the block bounded by Sherburne Avenue on the north, Park Street on the west,  
204.24 University Avenue on the south, and North Capitol Boulevard on the east must be paid  
204.25 for exclusively by fees charged to persons parking in that parking garage. No fees may  
204.26 be charged to members of the public parking in spaces designated for persons with a  
204.27 disability parking certificate.

204.28 Sec. 73. **REPORT ON MNSURE COSTS TO COUNTIES.**

204.29 The state auditor must report to the legislature by January 15, 2017, on costs  
204.30 incurred by Minnesota counties related to eligibility determinations and related enrollment  
204.31 activities for medical assistance enrollees and MinnesotaCare enrollees that are due to  
204.32 implementing the Minnesota Eligibility Technology System administered by MNSure.

205.1 Sec. 74. **LEGISLATIVE SURROGACY COMMISSION.**

205.2 Subdivision 1. **Membership.** The Legislative Commission on Surrogacy shall  
205.3 consist of 15 members, appointed as follows:

205.4 (1) three members of the senate appointed by the senate majority leader;

205.5 (2) three members of the senate appointed by the senate minority leader;

205.6 (3) three members of the house of representatives appointed by the speaker of the  
205.7 house;

205.8 (4) three members of the house of representatives appointed by the house of  
205.9 representatives minority leader;

205.10 (5) the commissioner of human services or the commissioner's designee;

205.11 (6) the commissioner of health or the commissioner's designee; and

205.12 (7) a family court referee appointed by the chief justice of the state Supreme Court.

- 205.13 Appointments must be made by June 1, 2016.
- 205.14 Subd. 2. **Chair.** The commission shall elect a chair from among its members.
- 205.15 Subd. 3. **Meetings.** The ranking majority member of the commission who is
- 205.16 appointed by the senate majority leader shall convene the first meeting by July 1, 2016.
- 205.17 The commission shall have at least six meetings but may not have more than ten meetings.
- 205.18 Subd. 4. **Conflict of interest.** A commission member may not participate in or
- 205.19 vote on a decision of the commission in which the member has either a direct or indirect
- 205.20 personal financial interest. A witness at a public meeting of the commission must disclose
- 205.21 any financial conflict of interest.
- 205.22 Subd. 5. **Duties.** The commission shall develop recommendations on public policy
- 205.23 and laws regarding surrogacy. To develop the recommendations, the commission shall
- 205.24 study surrogacy through public hearings, research, and deliberation. Topics for study
- 205.25 include, but are not limited to:
- 205.26 (1) potential health and psychological effects and benefits on women who serve
- 205.27 as surrogates;
- 205.28 (2) potential health and psychological effects and benefits on children born of
- 205.29 surrogates;
- 205.30 (3) business practices of the fertility industry, including attorneys, brokers, and
- 205.31 clinics;
- 205.32 (4) considerations related to different forms of surrogacy;
- 205.33 (5) considerations related to the potential exploitation of women in surrogacy
- 205.34 arrangements;
- 205.35 (6) contract law implications when a surrogacy contract is breached;
- 206.1 (7) potential conflicts with statutes governing private adoption and termination
- 206.2 of parental rights;
- 206.3 (8) potential for legal conflicts related to third-party reproduction, including conflicts
- 206.4 between or amongst the surrogate mother, the intended parents, the child, insurance
- 206.5 companies, and medical professionals;
- 206.6 (9) public policy determinations of other jurisdictions with regard to surrogacy; and
- 206.7 (10) information to be provided to a child born of a surrogate about the child's
- 206.8 biological and gestational parents.

206.9 Subd. 6. **Reporting.** The commission must submit a report including its  
206.10 recommendations and may draft legislation to implement its recommendations to  
206.11 the chairs and ranking minority members of the legislative committees with primary  
206.12 jurisdiction over health and judiciary in the house of representatives and senate by  
206.13 December 15, 2016. On topics where the commission fails to reach consensus, a majority  
206.14 and minority report shall be issued.

206.15 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing  
206.16 and administrative support to the commission.

206.17 Subd. 8. **Expiration.** The commission expires the day after submitting the report  
206.18 required under subdivision 6.

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

206.20 Sec. 75. **LCPFP STUDY OF JOINT BUDGET TARGET PROCESS; TIMING.**

206.21 The Legislative Commission on Planning and Fiscal Policy shall study and make  
206.22 recommendations to the legislature by January 15, 2017, on the process and timing for  
206.23 the legislature to establish joint budget targets. In preparing its recommendations, the  
206.24 commission must take public testimony.

206.25 Sec. 76. **RULEMAKING.**

206.26 The Board of Barber Examiners may use expedited rulemaking procedures under  
206.27 Minnesota Statutes, section 14.389, to amend Minnesota Rules, chapter 2100, to conform  
206.28 with sections 33 to 56 and 77 to 78.

206.29 Sec. 77. **TRANSITIONING APPRENTICE BARBERS TO REGISTERED**  
206.30 **BARBERS.**

206.31 An apprentice barber practicing on August 1, 2016, is eligible to apply for registered  
206.32 barber status. An apprentice barber must take the registered barber examination to become  
207.1 a registered barber. All apprentice barber registrations will be discontinued on December  
207.2 31, 2017.

207.3 Sec. 78. **REPEALER.**

207.4 (a) Minnesota Statutes 2014, section 6.581, subdivision 1, is repealed.

207.5 (b) Minnesota Statutes 2014, section 3.886, is repealed.

207.6 (c) Minnesota Statutes 2014, sections 154.03; 154.06; 154.11, subdivision 2; and  
207.7 154.12, are repealed.

207.8 Sec. 79. **EFFECTIVE DATE.**

207.9 Sections 33 to 56, 76 to 77, and 78, paragraph (c), are effective August 1, 2016.