

# House Research Act Summary

**CHAPTER:** 1

**SESSION:** 2003 Special Session

**TOPIC:** State Government Finance

**Date:** May 29, 2003

**Analyst:** Mark Shepard, 651-296-5051

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

## Overview

This is the State Government Finance Omnibus Appropriations Act. For appropriation numbers, see the spreadsheet prepared by fiscal analyst Helen Roberts at <http://www.house.leg.state.mn.us/fiscal/files/states03.pdf>.

### Article 1: State Government Appropriations

- 1 **Summary by fund.** Summarizes appropriations in the bill.
- 2 **Legislature.** Provides that during the biennium ending June 30, 2005, the legislative coordinating commission, the office of the legislative auditor and the revisor of statutes are not subject to statutory limits on use of carry-forward funds.

Provides that during the biennium ending June 30, 2005, a legislative commission or subcommittee of the LCC may adopt per diem payment rates for members attending commission meetings that are less than payments provided by House or Senate rules.

Provides that if the legislative coordinating commission requires employees under its jurisdiction to take temporary unpaid leave without pay during the biennium ending June 30, 2005, the first 80 hours of this leave each fiscal year are governed by this section. Under this section, specified benefits will be continued or accrued as if the employee had been employed during the time of the leave.

- 3 **Governor and Lieutenant Governor.** Requires the commissioner of finance to report on personnel costs incurred by the office of the Governor that were supported by appropriations to other agencies.

**Section**

- 4 State Auditor.**
- 5 Attorney General.**
- 6 Secretary of State.**
- 7 Campaign Finance and Public Disclosure Board.**
- 8 Investment Board.**
- 9 Administrative Hearings.** Requires fee rates charged by the administrative law division to be reduced ten percent from fiscal year 2003 levels.
- 10 Office of Strategic and Long-range Planning.** Specifies a portion of this appropriation that is for a grant to the Northern Counties Land Use Coordinating Board.
- 11 Administration.** Requires a study and report on efficiencies that can be achieved in relation to use of telecommunication devices and motor vehicles by state agencies.
- 12 Capitol Area Architectural and Planning Board.**
- 13 Finance.**
- 14 Employee Relations.** Requires the commissioner to convene a work group to study the structure of human resources processes and responsibilities related to technology system, and to report to the legislature by January, 2004. Transfers \$23 million from the employee insurance trust fund to the general fund.
- 15 Revenue.** Requires the department to report to the chairs of the House Ways and Means and Senate Finance Committees by March 1, 2004 and January 15, 2005 on corporations noncompliant with the corporate tax system, businesses noncompliant with the sales and use tax system, and individual noncompliant cases resolved, as well as on expenditures and staff positions related to compliance and audit activities.
- 16 Military Affairs.**
- 17 Veterans Affairs.**
- 18 Veterans of Foreign Wars.**
- 19 Military Order of the Purple Heart**
- 20 Disabled American Veterans.**
- 21 Gambling Control.** States that the general fund appropriation in fiscal year 2004 is intended to assist with the transition to fee-based funding.
- 22 Racing Commission.** States that the general fund appropriation in fiscal year 2004 is intended to assist with the transition to fee-based funding.
- 23 State lottery.** Limits the operating budget of the state lottery.
- 24 Amateur sports commission.** Provides that a portion of the appropriation is available only if there is offsetting fee revenue.
- 25 Tort claims.**
- 26 Minnesota State Retirement System.**
- 27 Minneapolis employees retirement fund.**
- 28 General contingent accounts.**
- 29 Public safety.** Specifies conditions for use of the appropriation for 911 public safety answering points. Requires a study and report to the legislature on possible consolidation of public safety answering points.
- 30 General reduction.** Requires the commissioner of finance to reduce general fund appropriations to executive branch state agencies by \$17.58 million. Limits the amount of the reduction that may be applied to MnSCU to \$2.5 million and requires the reductions to constitutional officers to be proportional.
- 31 Sale of state land.** Requires the commissioner of administration to sell at least \$5.50 million worth of state land. Provides an exclusion from certain requirements associated with sale of

Section

state land. Provides for deposit of net proceeds into the general fund. States that if the total deposited in the general fund is less than \$5.50 million, the governor must allocate the reductions to general fund operating budgets of executive agencies. Appropriates money, as a loan, to the commissioner of administration to pay expenses of selling land under this section.

**32 Effective dates.****Article 2: State Government Operations**

- 1 Legislative commission on planning and fiscal policy.** Under current law, the LCC appoints 18 members of this group. Under this section, the House and Senate each would appoint nine members.
- 2 Legislative auditor.** Provides that the legislative auditor may, instead of must, appoint deputy auditors to supervise the financial audit and program evaluation divisions.
- 3 Transfer of reserves.** Provides that retirement payments for legislators will be paid as the obligations become due, rather than transferring the entire amount needed to pay a person's retirement benefit to a special fund when the person retires. This does not affect the amount of benefits to be paid, which will still be adjusted in the same manner as benefits for other public employees are adjusted.
- 4 County audits.** Provides that the State Auditor may, instead of shall, audit each county annually. Provides that if an audit is done by a private certified public accountant, the State Auditor may require additional information from the private accountant, and may make additional examinations.
- 5 Cities of the first class.** Provides that the State Auditor shall, instead of may, bill cities of the first class monthly for services provided.
- 6 Examination pursuant to petition.** Authorizes registered voters of a county to petition the State Auditor for an examination of county books. This is the same as authority that currently applies to cities and towns.
- 7 Examination pursuant to resolution.** Authorizes a county board to employ a certified public accountant to examine its books. This is the same as authority that currently applies to cities, towns, and school districts.
- 8 Cooperation with public accountants.** Adds counties to the existing list of political subdivisions in the law requiring cooperation between the State Auditor and public accountants.
- 9 Procedures for auditors.** Adds counties to section providing that the State Auditor must prescribe minimum procedures and audit scope for local government audits.
- 10 Practices of public accountants authorized.** Adds counties to the existing list of political subdivisions that public accountants may audit.
- 11 Evidence of misconduct.** Adds counties to the existing list of political subdivisions for which a public accountant conducting an audit must report evidence pointing to misconduct.
- 12 Request to governing body.** Adds counties to the existing list of political subdivisions for which a public accountant can request the State Auditor's assistance.
- 13 Access to reports.** Adds counties to the existing list of political subdivisions in a law dealing with sharing of documents between the State Auditor and a public accountant.
- 14 Scope of auditor's investigation.** Adds counties to the existing list of political subdivisions in a law dealing with limiting the scope of investigation.
- 15 Information from local government.** Substitutes the term "forms" for "blanks" in law

**Section**

dealing with state auditor collection of information from local government.

- 16 Best practices reviews.** Provides for the State Auditor to conduct best practices reviews for local government services, effective July 1, 2004.
- 17 Additional legal counsel.** Allows the Governor to employ legal counsel other than the Attorney General if in the Governor's opinion the public interest requires such action if the attorney general is in any way interested adversely to the state. Current law provides for employment of additional legal counsel with approval of the Attorney General, Governor and the Chief Justice.
- 18 Lobbyist.** Amends a portion of definition of lobbyist in chapter 10A to mean an individual engaged for pay or other consideration of more than \$3,000 from all sources for the purpose of attempting to influence legislative or administrative action. Excludes certain individuals who volunteer personal time to work without pay or other consideration on a lobbying campaign. Also excludes certain individuals who provide administrative support to a lobbyist and whose salary and administrative expenses are reported as lobbying expenses by the lobbyist, but who do not communicate or urge others to communicate with public or local officials.
- 19 Disposition of fees.** Requires the Board of Campaign Finance and Public Disclosure to deposit fees collected into the general fund.
- 20 Reports under chapter 10A.** Provides that reports required by chapter 10A may have an electronic signature consisting of a password assigned by the board.
- 21 First registration.** Provides that a lobbyist must file a registration form within five days after being engaged by a new individual, association, political subdivision or higher education system.
- 22 Reports.** Provides that lobbyist reports to the Board of Campaign Finance and Public Disclosure may be filed electronically, effective January 1, 2005.
- 23 Lobbyist reports.** Reduces from three to two the number of reports lobbyists must file each year with the Board of Campaign Finance and Public Disclosure. The reporting dates will be January 15 and June 15.
- 24 Fee.** On January 15 each year requires each lobbyist to pay a fee of \$50 for each individual, association, political subdivision or public higher education system on whose behalf the lobbyist is registered. The fee must be no more than necessary to cover the cost of administering sections 10A.03 to 10A.06. This subdivision expires June 30, 2004.
- 25 Lobbyist report.** Inserts reference to June 15 lobbyist report, instead of April 15 report, in conjunction with the change in a prior section.
- 26 Late filing.** Makes late payments of lobbyist fees subject to the same penalties as those for failure to file reports.
- 27 Principal fees.** Requires each principal to pay a fee of \$50 with each annual report. The fee must be no more than necessary to cover costs of administering sections 10A.03 to 10A.06.
- 28 Penalties.** Allows the board to bring a district court action to recover fees or penalties, as well as current authority to bring an action to recover late filing fees.
- 29 Local government rule petition.** Strikes a July 31, 2006 sunset date from current law allowing units of local government to petition for changes in state administrative rules.
- 30 Mandatory retirement.** Requires administrative law judges and compensation judges in the office of administrative hearings to retire at age 70. Provides for permissive appointments of retired judges to hear specified matters.
- 31 Price of government.** Makes the deadline for the governor to submit price of government recommendations the same as the deadline for submitting the biennial budget.

**Section**

- 32 **Detailed budget.** Requires the governor's detailed budget tables to show the appropriation base for each year as well as the governor's recommendation. Strikes requirement that the detailed biennial budget must include information on the total number of professional or technical service contracts. Retains language requiring information on the cost of these contracts.
- 33 **Departmental earnings report.** Provides that when there is a new governor, the departmental earnings report is not due until the third Tuesday in February.
- 34 **Litigation proceeds sunset.** Extends to June 30, 2006 (instead of June 30, 2004) the sunset date for a provision of current law requiring most state litigation proceeds to be deposited in the general fund.
- 35 **Direct deposit.** Provides that the commissioner of finance may require direct deposit for all state employees paid by the state payroll system.
- 36 **Warrants and electronic fund transfers.** Under current law, the commissioner of finance may require payees receiving more than ten payments or \$10,000 per year to supply the commissioner bank routing information so that payments may be made through an electronic fund transfer. This section eliminates the ten payments or \$10,000 threshold, so that this requirement could apply to all payments from the state treasury.
- 37 **Bond report.** Changes from February 1 to January 1 the due date for a report on the degree to which entities receiving appropriations for capital projects have encumbered or spent the money.
- 38 **Bond reports.** Changes from February 1 to January 1 the due date for a report on appropriations for capital projects that remain unspent.
- 39 **Asset preservation fund.** Provides that 50 percent of the money credited to the asset preservation account must be transferred to the general fund.
- 40 **Percent for art.** Current law provides that an appropriation for construction or alteration of a state building may contain an amount up to one percent of the appropriation for acquisition of works of art for the building or other state buildings. This section limits expenditures to the lesser of \$100,000 or one percent of the appropriation. It also limits the amount available each fiscal year for administration of the program to ten percent of the total amount available for art. Provides that if the appropriation for works of art is limited by the \$100,000 cap, the appropriation for the building must be reduced to reflect that reduced amount that will be spent for art.
- 41 **State information infrastructure.** Adds public noncommercial educational television broadcast stations in list of groups eligible to participate in state information infrastructure that provides voice, data, video and other telecommunication transmission services.
- 42 **Cross-references.** Changes cross-references, due to changes made later in this bill to sections 16C.05 and 16C.08.
- 43 **Micrographics.** Provides that the commissioner of administration may, instead of shall, provide micrographics services and products to state agencies.
- 44 **Revolving fund.** Strikes reference to operation of a central duplication and printing service in the statute creating a revolving fund to pay for certain services provided by the commissioner of administration.
- 45 **Contracts.** Amends the definition of "contract" for purposes of state contracting laws to also apply to an amendment to or extension of a contract.
- 46 **Contract extension.** Provides that the term of a contract may be extended up to ten years if the commissioner, in consultation with the commissioner of finance, determines that the contractor will incur upfront costs under the contract that cannot be recovered within a two-

**Section**

year period and that will provide cost savings to the state and that these costs will be amortized over the life of the contract.

- 47 Reporting of violations.** Provides that a state employee who discovers evidence of violation of laws or rules governing state contracts is encouraged to report to specified people. Requires the legislative auditor to report to the legislative coordinating commission if there are multiple complaints about the same agency. Provides that an employee making a good faith report under this section is covered by the existing whistle-blower law.
- 48 Validity of contracts.** Provides that no agency can authorize work to be done on a contract without approval of the commissioner of administration. Strikes a requirement that contracts be approved by the Attorney General or a delegate as to form and execution. Provides that before approving a contract amendment or extension, the commissioner must determine that the tasks to be performed under the amendment or extension are so substantially similar to those in the original contract that it would be impracticable for a different contractor to perform the work. Requires the commissioner or an agency entering into the contract to determine that an amendment would serve the interest of the state better than a new contract and would cost no more. Requires copies of contracts, including amendments, and performance evaluations relating to the contract to be retained for at least six years. Requires the Attorney General to periodically review a sample of state agency contracts to ensure compliance with laws.
- 49 Emergency authorization.** Allows the commissioner of administration to authorize work to begin on a contract prior to full execution of the contract in an emergency.
- 50 Publication requirement.** Provides that to the extent practical, notice of solicitations for certain acquisitions must include a posting on a state Web site.
- 51 Professional or technical contracts.** For approval of a professional or technical service contract in excess of \$5,000:
- ▶ requires that the contracting agency describe why the contract is necessary;
  - ▶ requires that the agency describe the agency's plans to notify firms or individuals who may be available to perform the services;
  - ▶ requires the agency to describe performance measures or other tools that will be used to monitor and evaluate contract performance;
  - ▶ strikes current requirements that the contractor has certified that the product of the services will be original in character; and the agency has received, reviewed and accepted a detailed work plan;
  - ▶ allows the commissioner to grant exceptions to the requirement that work cannot begin before the contract is fully executed;
  - ▶ Provides that if the results of the contract work will be continued by state employees, the contractor must include state employees in development and training to the extent necessary to ensure they can perform ongoing work.
- 52 Professional or technical contracts.** Strikes current provision that before approving a contract for professional or technical services, the commissioner must determine that no agency has previously performed or contracted for performance of tasks that would be substantially duplicated under the contract.
- 53 Reports.** Increases dollar threshold for reporting on professional or technical services

**Section**

contracts from \$40,000 to \$50,000. Adds requirement that the report must be accompanied by a performance evaluation, and strikes the current requirement that the report state why the contract was a cost-effective way to enable the agency to provide its products of services.

- 54 Performance evaluation.** Provides that an agency must write a performance evaluation of work done under each professional or technical service contract, including an evaluation of the extent to which the contract was a cost-effective way to enable the agency to provide its services or products better or more efficiently. Specifies required contents, and requires that contractors be allowed to respond.
- 55 Waiver.** Provides that notwithstanding specified laws, the commissioner of administration may enter into or approve a service contract for printing services or services provided by the DocuComm division without determining that no current state employee is able and available to perform the services called for by the contract.
- 56 Reverse auctions.** Authorizes use of reverse auctions for engineering design and computer services in addition to the current law authorizing use of this technique for purchase of goods for state agencies.
- 57 Collections.** Amends powers that the commissioner of administration may use to collect debt owed to the state. Specifies procedures that debtors may use.
- 58 Office of technology.** Provides that the office's current authority to review state agency information and communications systems extends to systems involving federal funding. Authorizes the office of technology to determine it is cost effective for agencies to develop and use shared information and communications technology systems. Authorizes the commissioner of administration to establish reimbursement rates to be billed to agencies and other government users to pay for development, operating, maintenance, and administrative costs of shared systems.
- 59 Reference.** Strikes a statutory reference to a section that is repealed later in this bill.
- 60 Political subdivision compensation limit.** Excludes hospitals, clinic, or health maintenance organizations owned by a governmental unit from the law limiting political subdivision employee compensation to 95 percent of the governor's salary. Provides that failure of the legislative coordinating commission to make a recommendation on a waiver within 30 days is deemed no recommendation, rather than a positive recommendation.
- 61 Drug purchasing program.** Requires the commissioner of employee relations, in conjunction with other state agencies, to evaluate whether participation in a multistate or multiagency drug purchasing program can reduce costs of improve operations of drug benefit programs administered by DOER and other state agencies. Authorizes the commissioner to enter into a contract to participate in such a program.
- 62 Firefighter relief association.** Strikes reference to "deferred" members in the law governing determination of accrued liability for firefighter relief associations. Authorizes the state auditor to issue procedures, forms, or mathematical tables for use in performing these calculations.
- 63 Waste management fees.** Requires political subdivisions to file with the director of environmental assistance an annual report on revenue collected from waste management fees.
- 64 Reference.** Changes cross-reference due to a change in an earlier section of this bill.
- 65 Veterans service office grant program.** Provides that counties may become eligible to receive veterans service office grants only on a three-year rotating basis. Provides that a county that employs a newly-hired veterans service officer who is not yet certified by the commissioner is eligible to receive a grant under this section. Unless there is a newly-hired

**Section**

officer, a county whose veterans service officer does not receive certification during a three-year cycle is not eligible to receive a grant during the remainder of that cycle or during the next three-year cycle. Provides that the commissioner shall determine the process for awarding grants, including a list of qualifying uses for grant expenditures. Specifies limits on grants. Strikes current law requirement that a county must submit a written plan and receive approval from the commissioner for use of the grant, and strikes other language relating to grant approval and the amount of the grants. Provides for the commissioner to recover the grant if the county does not use it for an approved purpose.

- 66 Telephone fees.** Transfers duties relating to collection telephone-related fees from the department of administration to the department of public safety.
- 67 Collection of telephone fees.** Transfers duties relating to collection telephone-related fees from the department of administration to the department of public safety.
- 68 Transfer to public safety.** Transfers duties relating to collection telephone-related fees from the department of administration to the department of public safety.
- 69 Racing commission.** Authorizes the Racing Commission to impose fees on racing and card-playing industries sufficient to recover the Racing Commission's operating costs. Provides that notwithstanding the law requiring legislative approval of fees, when the legislature is not in session, the commissioner of finance may grant interim approval for any new fees or adjustments to existing fees until the legislature acts. Requires the Commission, as part of its biennial budget request, to propose changes to its fees sufficient to pay Commission operating costs.
- 70 License fees.** Strikes language requiring certain racing commission license fees to be deposited in the general fund, because the next section creates a special revenue fund account for these fees. Provides that the fee for a class A license is \$253,000 per year.. Increases fees for Class B licenses.
- 71 Racing fees account.** Provides that all revenue from license and other fees imposed by the commission must be credited to a racing and card-playing account in the special revenue fund. Provides that receipts in the account are available for operations of the commission as authorized by legislative appropriation.
- 72 Racing commission reimbursement account.** Provides that money received by the Racing Commission as reimbursement for services provided by veterinarians must be deposited in the racing reimbursement account. Under current law this provision applies to assistant veterinarians, not all veterinarians.
- 73 Amateur Sports Commission fees.** Authorizes the Amateur Sports Commission to impose additional fees. Provides that notwithstanding the law requiring legislative approval of fees, when the legislature is not in session, the commissioner of finance may grant interim approval of the fees until the legislature acts upon the fees.
- 74 Amateur Sports Commission powers and duties.** Provides the Amateur Sports Commission may, instead of shall, engage in 14 specified activities.
- 75 Amateur Sports Commission; sponsorship.** Provides that the Amateur Sports Commission may, instead of shall, sponsor and sanction a series of statewide amateur athletic games.
- 76 Reference.** Changes statutory cross-reference due to a change earlier in this bill.
- 77 Reference.** Strikes statutory reference to a section that is repealed later in this bill.
- 78 Revenue agreement with IRS.** Provides that when the Commissioner of Revenue enters into an agreement with the Internal Revenue Service under which the IRS can levy against taxpayers who have state refunds due, the Commissioner of Revenue shall deduct from the refund a fee of \$20, before remitting the amount of the levy to the IRS. Provides that the fee

**Section**

- proceeds must be deposited into the Department of Revenue recapture revolving fund.
- 79 Board of Assessor fees.** Under current law, the Board of Assessors is authorized to establish fees for courses, examinations, and materials. This section strikes that language, and imposes specified fees in law. The rule establishing the current fees is repealed in the repealer section of this article. The section is effective for assessor license terms beginning on or after July 1, 2004 and for all other fees imposed on or after that date.
- 80 Fee for setoff against refund.** Under current law, a claimant agency seeking collection of a debt through setoff against a state tax refund must pay the Revenue Department a \$10 fee. This section increases the fee to \$15. Under current law, \$2.55 of each \$10 is deposited in the revenue recapture revolving fund, with the remainder going to the general fund. Under this section \$4 of the \$15 fee would be deposited in the revenue recapture revolving fund. This section is effective for refund setoffs after June 30, 2003.
- 81 Paper filing fee.** Provides that tax preparers who prepare more than 100 Minnesota individual income tax returns must pay a \$5 fee for each paper return filed.
- 82 Notification.** Strikes State Auditor and inserts county attorney in law dealing with county auditor discovering violations of certain laws.
- 83 Bond requirement; G/HVACR contractor.** Requires a person contracting to do gas, heating, ventilation, cooling, air conditioning, fuel burning or refrigeration work to give a \$25,000 bond to the state, to be filed with the commissioner of administration. Authorizes the commissioner to charge an annual \$15 bond filing fee. Appropriates fee receipts to the commissioner.
- 84 Gambling equipment distributor salesperson.** Defines a “distributor salesperson”.
- 85 Lawful purpose.** Provides that payment of state lawful gambling fees is a “lawful purpose” for expenditure of lawful gambling revenues.
- 86 Gambling control board powers.** Authorizes the board to issue licenses to distributor salespersons, in addition to licenses authorized under current law. This authority also includes authority to revoke or suspend licenses and to impose civil penalties identical to those imposed on other licensees.
- Provides that fees imposed by the Gambling Control Board under sections 349.16 to 349.165 must be deposited in a lawful gambling regulation account in the special revenue fund. Receipts are available as appropriated by law.
- 87 Pull-tab fees.** Strikes language relating to pull-tab manufacturer fee of up to \$5,000, because a later section imposes a fee of \$9,000. Also strikes language from current law that appropriates this fee revenue to the director.
- 88 Distributor salesperson.** Adds references to distributor salespersons in law dealing with license disqualification.
- 89 License fees.** Strikes language specifying four types of organization license, and imposes a \$350 annual fee for an organization’s initial license application. Provides that organizations that expect to receive less than \$100,000 in gross annual receipts may request a waiver of organization license fees.
- 90 Distributor salesperson license.** Provides that a licensed distributor salesperson may not sell gambling equipment unless employed by a licensed distributor or owning a distributor license.
- 91 Fees.** Provides that the annual fee for a distributor’s license is \$6,000, instead of \$3,500, and that the annual fee for a distributor salesperson license is \$100. Strikes language relating to renewal licenses and fees for these licenses.

**Section**

- 92 Prohibition.** Adds distributor salesperson to various prohibitions relating to regulation of lawful gambling.
- 93 Stamps required.** Strikes fee of five cents for each registration stamp for lawful gambling equipment.
- 94 Manufacturer license fee.** Imposes a \$9,000 annual fee for a manufacturer's license. Strikes current law imposing a \$5,000 initial fee and a \$10,000 two-year renewal fee.
- 95 Gambling equipment fee.** Imposes a fee of \$25 for each item of gambling equipment that a manufacturer submits for approval. Imposes a \$100 fee for each sample of gambling equipment that the board tests. Authorizes the board to require samples of gambling equipment to be tested by an independent testing laboratory (at the manufacturer's expense) before submission to the board for approval. Provides that the board must approve an independent testing laboratory before equipment is submitted to the laboratory for testing.
- 96 Bingo hall fees.** Provides an annual bingo hall license fee of \$4,000. Strikes the current initial license fee of \$2,500, and two-year renewal fees of \$5,000.
- 97 Lawful gambling premises fees.** Strikes current lawful gambling premises permit fees, which are based on four different classes of permits. Imposes an annual fee of \$150. Specifies an additional monthly regulatory fee of 0.1 percent of gross receipts from lawful gambling. Provides for these fees to be deposited in the lawful gambling regulation account of the special revenue fund.
- 98 Raffles.** Increases from \$750 to \$1,500 per calendar year the value of raffle prizes that can be awarded by an organization without a license from the Gambling Control Board.
- 99 Exemption fee.** Increases from \$25 to \$50 per occasion the fee that an organization that is exempt from obtaining a lawful gambling license must pay to the board in order to conduct certain forms of lawful gambling.
- 100 85 percent payout limit.** Provides that on or after January 1, 2004, a licensed organization may not put into play a pull-tab or tipboard deal that provides for a prize payout of greater than 85 percent of the ideal gross of the deal.
- 101 Lottery unclaimed prizes.** Provides that all lottery unclaimed prize money must be transferred to the general fund. Under current law, a dollar of unclaimed prize money is treated as follows: 30 cents is added to prize pools of subsequent lottery games; 28 cents is transferred to the environment and natural resources fund; and 42 cents is transferred to the general fund.
- 102 911 administration.** Transfers responsibilities for the 911 system from the commissioner of administration to the commissioner of public safety.
- 103 911 administration.** Transfers responsibilities for the 911 system from the commissioner of administration to the commissioner of public safety.
- 104 911 administration.** Transfers responsibilities for the 911 system from the commissioner of administration to the commissioner of public safety.
- 105 911 administration.** Transfers responsibilities for the 911 system from the commissioner of administration to the commissioner of public safety.
- 106 911 administration.** Transfers responsibilities for the 911 system from the commissioner of administration to the commissioner of public safety.
- 107 911 administration.** Transfers responsibilities for the 911 system from the commissioner of administration to the commissioner of public safety.
- 108 911 administration.** Transfers responsibilities for the 911 system from the commissioner of administration to the commissioner of public safety.

**Section**

Increases monthly 911 fee from 33 to 40 cents for each customer access line or other basic access service. Provides that when revenue bonds for the public safety communication radio system have been paid or defeased, the commissioner must reduce the fee to reflect that debt service on the bonds is no longer needed.

- 109 Enhanced 911 service costs.** Provides that at least ten cents per month of the enhanced 911 fee must be distributed for funding public safety answering points and local 911 expenditures.
- 110 Audit.** Inserts reference to the state auditor instead of the public examiner in law dealing with the Western Lake Superior Sanitary District.
- 111 Town fiscal year.** Strikes transitional language from 1994 relating to the fiscal year of a town.
- 112 Pay equity.** Provides that no political subdivision pay equity reports are required for 2003 and 2004, and that beginning in 2005 a political subdivision must report no more frequently than once every five years.
- 113 Second phase.** Amends definition of second phase of public safety radio communication system.
- 114 Third phase.** Defines third phase of public safety radio communication system to mean an extension of the backbone system to serve the southeast and central districts of the state patrol.
- 115 Authorization.** Provides that public safety radio communication system planning committee, rather than the metropolitan radio board, will request the issuance of revenue bonds for the public safety radio communications system. In addition to purposes in current law, provides that bond proceeds may be used to provide money for phase three, and if sufficient funds are available, to reimburse local government for amounts spent for capital improvements to the first phase system.
- 116 Bonds.** Provides that up to \$18 million (instead of \$12 million) in bonds may be issued to pay up to 50 percent (instead of 30 percent) of the cost to local government units of building public safety radio subsystems. Also allows these bonds to be used to make improvements to an existing 800 MHz radio system that will interoperate with the regionwide system.

Additionally, authorizes the metropolitan council to issue up to \$27 million in bonds for phase three of the public safety radio communication system. Allows the metropolitan radio board to advance money from its operating appropriation to pay for design and preliminary engineering for phase three.

- 117 Phases three to six.** Allows appropriations to be used to pay for phase three of the public safety radio communication system. Provides that effective July 1, 2004, the amount of the appropriation is up to 13 cents per month of the fee on customer access phone lines or other basic access service. Requires the commissioner of public safety to contract with the commissioner of transportation for phases three to six of the statewide public communication radio system. Requires the commissioner of transportation to contract for materials and services for phases three to six.
- 118 Phase three to six operations.** Provides that operating costs for phases three to six of the public safety radio communication system must be allocated among users in accordance with a plan developed by the planning committee.
- 119 Planning committee.** Adds a representative of the league of Minnesota cities from greater Minnesota to the public safety radio communication system planning committee.
- 120 LGA reduction.** Provides that the State Auditor shall bill the commissioner of revenue for

**Section**

costs of the auditor's local government best practices reviews. The amount billed is included in the current limit of \$217,000 per year in state auditor services that are billed and subtracted from the total amount available for local government aid payments.

- 121 Office of administrative hearings.** Strikes requirement that the office of administrative hearings maintain a workers compensation settlement division office in Detroit Lakes.
- 122 Lobbyist fee transition.** Requires lobbyists and principals to pay specified fees by August 1, 2003.
- 123 Real estate filing surcharge.** Appropriates proceeds of a real estate filing surcharge to the Legislative Coordinating Commission for the real estate task force.
- 124 Study of emergency medical services preparedness.** Requires the department of public safety to seek grant funding, and provides that if funds are awarded, the department must study Minnesota's emergency medical service preparedness and its relationship to the department's overall homeland security planning.
- 125 Transfer.** Responsibilities of the commission of administration to provide 011 emergency telecommunications services are transferred to the commissioner of public safety, no later than January 2004.
- 126 Gambling control; fee transition.** Requires payment of new fees to the Gambling Control Board, effective July 1, 2003. Provides for the board to provide a one-time prorated credit against these fees to organizations and individuals who paid for licenses before July 1, 2003 that were to extend beyond July 1, 2003.
- 127 Carryforward.** Provides that funds encumbered by the judicial or executive branch for severance costs, unemployment compensation costs, and insurance continuation costs resulting from state employee layoffs during the fiscal year ending June 30, 2003 may be carried forward and may be spent until January 1, 2004.
- 128 Vacation limit.** Provides that an unclassified state employee who takes voluntary unpaid leave of absence during the biennium ending June 30, 2005 must be allowed to accrue a vacation leave balance up to at least 300 hours through June 30, 2005.
- 129 Gaming study.** If the legislature authorizes a gaming facility in the metropolitan area, requires the director of the state lottery to contract with an independent entity to perform an analysis of the economic effects of a gaming facility on existing tribal gaming facilities within 100 miles of the metropolitan area.
- 130 Voluntary unpaid leaves of absence.** Provides that appointing authorities in state government may allow each employee to take unpaid leaves of absence of up to 1,040 hours between June 1, 2003 and June 30, 2005. This limit replaces the limit in prior law. During leave under this section, the employee continues to accrue vacation and sick leave, be eligible for holidays and insurance benefits, accrue seniority and accrue service credit and credited salary for pension purposes. Provides that the appointing authority has discretion to grant or refuse to grant leaves. Specifies methods for making payments for the employee to receive pension service credit.
- 131 Official publication study.** Requires local government representatives to meet with newspaper representatives and report to the legislature by January 15, 2004 on issues relating to legal publication requirements.
- 132 Government training service.** Provides that during the biennium ending June 30, 2005, executive agencies must consider using services provided by the government training service before contracting with other outside vendors for similar services.
- 133 CrimNet financial audit.** Requires the legislative auditor to complete a financial audit of the CrimNet project by January 31, 2004.

**Section**

- 134**     **Fee schedule.** Requires the campaign finance and public disclosure board to consult with specified groups and develop and equitable schedule of fees to recover the board's regulatory costs. Requires the board to submit a recommended fee schedule to the legislature by January 15, 2004.
- 135**     **Revisor instruction.** Revisor instruction in connection with transfer of duties for 911 system from Department of Administration to Department of Public Safety.
- 136**     **Repealer.**
- ▶ 3.305, subd. 5: Legislative GIS function
  - ▶ 3.971, subd. 8: Duty of legislative auditor to do local government best practices reviews.
  - ▶ 3A.11: retired legislator participation in the post-fund, and transfer of money to this fund (replaced by new funding mechanism earlier in the bill, with no effect on benefits)
  - ▶ 4A.055: administrative support for Commission on the Economic Status of Women.
  - ▶ 6.77: State Auditor report on local government expenditures for legal services
  - ▶ Section 16A.87: Establishment of the tobacco settlement fund in the state treasury.
  - ▶ 16E.09: Technology enterprise fund and board
  - ▶ 149A.97 subd. 8: duties of State Auditor relating to laws governing funeral providers
  - ▶ 163.10: Manner of payment for claims for certain labor in Hennepin County
  - ▶ 306.97: duties of State Auditor relating to public cemeteries
  - ▶ Minnesota Rule, part 1950.1070: Board of Assessor fees
  - ▶ 12.221, subd. 5: Reference to a section of law that is stricken earlier in this bill
  - ▶ 16B.50: Duty of commissioner of administration to maintain communications.media division
  - ▶ 16C.07: State employee skills inventory; duty to post notice of contracts at state employee worksites and to make reasonable efforts to determine that no state employee is able and available to perform services.

**Article 3: Commerce-Related Appropriations**

- 1**     **Summary.** Summary of appropriations in this article.
- 2**     **Commerce.** Requires sale of specified unclaimed property.
- 3**     **Board of Accountancy.**
- 4**     **Board of Architecture, etc.**
- 5**     **Board of Barber Examiners.**

**Section**

- 6 Public Utilities Commission**
- 7 Council on Black Minnesotans.**
- 8 Council on Chicano-Latino Affairs**
- 9 Council on Asian-Pacific Minnesotans**
- 10 Indian Affairs Council.**

**Article 4: Commerce Policy**

- 1 Government controlled insurance company.** Prohibits government owned or controlled insurers from doing business in this state. Provides that this section does not apply to an insurance company if its sole business in this state involves providing workers' compensation to businesses located in the insurer's home state, whose employees may be eligible for Minnesota workers' compensation benefits (because they may get injured while working in this state), if the employer's operations in this state are for less than 30 consecutive days and if the employer has no other significant contacts with this state.
- 2 Change in effective dates.** Provides that a 2002 law transferring Department of Labor and Industry fraud investigation duties to the Department of Commerce does not take effect until July 1, 2004. The 2002 law previously had an effective date of July 1, 2003.
- 3 Ambulance service liability study.** Requires the commissioner of commerce to study the availability and cost to ambulance services of vehicle and malpractice insurance. Requires a report to the legislature by January 10, 2004.
- 4 Repealers.**
  - ▶ 155A.03, subd. 14 and 15: definition of licensed salon and licensed school in laws governing cosmetologists
  - ▶ 155A.07, subd. 9: provision governing reciprocal licensing of nonresident cosmetologists.