

State Government Finance Act Summary
Laws 2017, First Special Session, Chapter 4 (S.F. 1)
House Author: Rep. Sarah Anderson

Topic	Summary	Location in Ch. 4
Appropriations and Riders	<p>Funding amounts for each agency are specified in the fiscal spreadsheet.¹ New riders with policy impact not noted elsewhere:</p> <ul style="list-style-type: none"> • Legislative Coordinating Commission. Boards and commissions staffing requirements (2.30-3.17) • Legislative Auditor. Review of county audits conducted by state auditor (4.1-4.9) • MN.IT. Appropriations must prioritize cybersecurity (7.23-7.26) • Administration. Use of appropriations for information technology projects specified (8.25-8.34) • Minnesota Management and Budget. Use of appropriations for information technology projects specified (13.13-13.22) • Revenue. Use of appropriations for information technology projects specified (14.16-14.25); 2020-2021 budget structure must reflect actual spending to the budget activity level (16.10-16.15) • Board of Cosmetologist Examiners. Quarterly reporting to the legislature required (19.18-19.29) • Military Affairs. Enlistment incentives appropriation cancels to general fund if federal funding becomes available (23.1-23.7) • Veterans Affairs. Legislative reporting on reserve account and veterans homes use (25.17-25.29) 	Article 1
Amateur Sports Commission grants	Cancels unspent funds allocated for grants issued under sections 240A.085 to 240A.11.	Art. 1, § 39
Appropriation transfers	Permits executive branch agencies to transfer appropriations for staff positions, salaries, and technology as needed to meet statutory obligations. Notice to the legislature is required.	Art. 1, § 40

¹ On May 30, 2017, the governor returned Ch. 4 to the legislature with a message that he had item-vetoed appropriations for the House of Representatives and the Senate. As of the date of this Act Summary, the status of that action is the subject of ongoing litigation.

Topic	Summary	Location in Ch. 4
Office of Administrative Hearings; data practices complaints	Provides deficiency funding to the Office of Administrative Hearings in fiscal year 2017 to support the cost of considering data practices complaints.	Art. 1, § 41
Base budget report	Requires a legislative report on base budgets from Minnesota Management and Budget, Department of Revenue, and Veterans Affairs. The report is due October 15, 2017.	Art 1, § 43
Article 2: State Government Operations		
Legislative Budget Office	Establishes a nonpartisan Legislative Budget Office to analyze fiscal impact of legislation, including preparation of fiscal notes. These sections include the establishment of a task force on transition planning.	Art. 2, §§ 1, 3, 7-9; 58-59
Legislative Commission on Data Practices	Extends the commission on data practices to June 30, 2019.	Art. 2, § 2
Legislative Auditor; transit audits	Requires the Legislative Auditor to conduct a review of financial activity for transit systems administered by the Metropolitan Council or under certain joint powers agreements.	Art. 2, § 4-6; 56
State Auditor; County audit standards	Requires the standards and form of a county audit performed by a CPA firm to meet recognized industry auditing standards, rather than standards set by the State Auditor.	Art. 2, § 10
State Auditor enterprise fund	Eliminates the State Auditor's enterprise fund. Instead, local government billing receipts would be credited to the general fund, and appropriated as directed by law.	Art 2, §§ 11-13; 57 Repealer Art. 2 § 66
State Auditor litigation expenses	Requires the State Auditor to report certain litigation costs to the legislature, on an annual basis	Art. 2, § 14
Ethnic Councils; Delegation of LCC authority	Permits the Legislative Coordinating Commission to delegate certain duties related to the hiring of an executive director for each of the state's ethnic councils to a subcommittee or subgroup of the LCC, or to the chair of the council.	Art. 2, § 15

Topic	Summary	Location in Ch. 4
Appropriation transfer reports	Requires quarterly reporting to legislature on interagency agreements and intra-agency transfers.	Art. 2, § 16
ALJ & Workers' Compensation Court of Appeals Judge salaries	Provides a salary adjustment for administrative law judges and judges of the Workers' Compensation Court of Appeals to more closely reflect the salary of district court judges.	Art. 2, §§ 17-18
Employee gainsharing	Requires biannual legislative reports on the status of the "gainsharing" incentive program for state employees. The program awards employees whose suggestion or idea generates savings to a state agency with a percentage of the savings as bonus compensation, after the savings have been realized.	Art 2 § 19
Assistive Technology Advisory Council	Specifies representation on the Minnesota Assistive Technology Advisory Council	Art. 2, § 20
Capitol event fees	Authorizes the Commissioner of Administration to charge fees for events held in the State Capitol. An annual report to the legislature on these events is required.	Art. 2, § 21
Employee accommodation reimbursement	Limits the amount of an accommodation reimbursement grant to 50% of the total cost of the accommodation.	Art. 2 § 22
Grant termination for criminal offense	Requires termination of a state grant if the recipient is convicted of a criminal offense for matters relating to administration of the grant.	Art 2, §§ 23
MN.IT project reporting	Requires MN.IT to provide additional legislative reporting on certain technology projects and the status of information technology optimization plans	Art 2, § 24; 55
Severance pay	Restricts the award of severance pay to certain highly-compensated employees, and prohibits severance payments unless authorized according to the terms of a collectively-bargained compensation plan.	Art. 2, § 25
SEGIP opt-out	Permits public employees to opt-out of SEGIP insurance coverage. Appropriations must be reduced to reflect executive agency savings.	Art. 1, § 42 Art. 2, § 26

Topic	Summary	Location in Ch. 4
Long-term equity investment for local government	Expands the list of allowable funds that a local government may use to invest, including those of the State Board of Investment in an account managed by PERA.	Art. 2, § 27
Sherburne County law library	Authorizes certain transfers to support the construction of a new law library and courts building in Sherburne County	Art. 2, § 28
State Historic Preservation Office	Transfers the State Historic Preservation Office and its various duties from the Minnesota Historical Society to the Department of Administration, effective March 1, 2018. These sections include a request that the legislative auditor conduct a review of the office no later than January 1, 2018.	Art. 2, §§ 29-31; 37-40; 46; 53-54
Capitol tour fees	Prohibits the Minnesota Historical Society from charging fees for general tours of the State Capitol building. Fees for special programming are permitted.	Art. 2, § 32
Board of Cosmetology	Modifies certain bond requirements related to the operation of a cosmetology school	Art. 2, §§ 33; 49
Board of Assessors	Increases fees for certain professional licenses issued by the Board of Assessors and shifts the deposit of those fees into the special revenue fund. The board is permitted to refund or credit any fees paid to the board erroneously.	Art. 2, §§ 34-36
State Lottery	Administrative provisions related to operation of the State Lottery, including clarification related to the assignment of prizes, a requirement that the director appear before the legislature to describe future plans for the Lottery at least once each fiscal year, and provisions related to the calculation of a prize winner's monthly annuity.	Art. 2, §§ 41-43; Repealer Art. 2 § 66
MERF	Reduces the state obligation for the Minneapolis Employees Retirement Fund from \$16 million to \$6 million beginning in fiscal year 2020.	Art. 2, §§ 44-45
Sherburne County Examiner of Titles	Modifies the compensation structure of the Sherburne County Examiner of Titles.	Art. 2, § 47

Topic	Summary	Location in Ch. 4
Child Support Task Force; open meetings	Subjects the Child Support Task Force to the open meetings law, effective January 1, 2018.	Art. 2, § 48
State contracting/Boycotts of Israel	Earlier in the 2017 legislative session a law was enacted that prohibits the state from entering contracts with vendors that engage in discrimination against Israel. The original law provided that contracts with a value of less than \$1,000 were exempt from the law. These sections increase that exemption to include contracts with a value of less than \$50,000.	Art. 2, § 50, 51
Small Agency Assistance Program (SmART)	Requests that the legislative auditor conduct a review of the SmART small agency assistance program no later than February 1, 2018.	Art. 2, § 52
Administrative Rules Status System Working Group	Establishes a working group to identify functional and nonfunctional requirements for implementing an administrative rules status tracking system (this system is commonly referred to as MARSS). The working group must also define a funding mechanism to share the cost of building and maintaining the system among all state agencies and departments.	Art. 2, § 60
Ice palace	Authorizes a use agreement for the construction of an ice palace on the Capitol grounds. Certain terms are required.	Art. 2, § 61
Waite Park hotel inspections	Authorizes the city of Waite Park to require a hotel, motel, or other lodging establishment to have a valid license issued by the city. The license may prohibit certain activities, including sex trafficking activity, and refusals to allow city inspections of the property, among other terms.	Art. 2, § 62
Eyelash technicians	Modifies provisions related to the licensing of eyelash technicians by the Board of Cosmetologist Examiners. Among other items, the board is required to issue grandfathered eyelash technician licenses no later than February 1, 2018, and otherwise is prohibited from issuing practitioner licenses before that date. A rulemaking authorization is included.	Art. 2, §§ 63-65
Article 3: Campaign Finance and Elections		
Administrative rule codification	Codifies a series of administrative rules adopted by the Campaign Finance and Public Disclosure Board into statute. The corresponding rules are repealed.	Art. 3, §§ 1-16 Repealer Art. 3, § 18

Topic	Summary	Location in Ch. 4
Voting equipment grants	<p>Establishes a Voting Equipment Grant Account to support the purchase of new voting equipment by local units of government. Grants are limited to no more than 75% of the cost of electronic roster equipment, and 50% of the cost of electronic voting systems, assistive voting technology, and other approved equipment.</p> <p>A previous voting equipment grant program enacted to administer Help America Vote Act funds, now obsolete, is repealed.</p>	Art. 3, § 17 Repealer Art. 3, § 18
Article 4: Military Affairs and Veterans Affairs		
Support Our Troops	Clarifies use of Support Our Troops account funds and increases the maximum grant award an eligible individual may receive from the account in a calendar year from \$2,000 to \$4,000.	Art. 4, § 1
Veteran burial costs	Authorizes use of the Support Our Troops account for reimbursing the Department of Veterans Affairs for uncompensated burial costs for eligible dependents for whom the commissioner waives all or a portion of the state veterans' cemetery burial fee. The commissioner is instructed to develop a policy, eligibility standards, and application forms for requests to waive or reduce eligible dependent burial fees.	Art. 4, §§ 2, 4
Veteran services disclosures	Requires businesses that help veterans secure benefits to disclose to prospective clients that the veterans may be entitled to the same services at no-charge from their Veterans Service Office. Providers must include the disclosure in their advertisements and prior to entering into service agreements with veterans. Providers who violate the law are subject to a civil fine of up to \$1,000.	Art. 4, §§ 3, 5
GI bill expansion	Expands the GI bill program to include apprenticeship and on-the-job training benefits and other professional and educational benefits.	Art. 4, §§ 6-10
Article 5: Liquor		
Omnibus liquor provisions	Provides for various special liquor licenses; authorizes Sunday on-sales at microdistilleries; prohibits on-sale licenses for microdistilleries if they do not process and distill 50% of their product on premises; increases the number of barrels that may be sold at off-sale by a brew-pub or microbrewery; and provides for extended hours of alcohol service statewide during the 2018 Super Bowl.	Art. 5, §§ 1-19