

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 888

(SENATE AUTHORS: SAXHAUG and Carlson)

DATE	D-PG	OFFICIAL STATUS
02/16/2015	311	Introduction and first reading Referred to State and Local Government
03/11/2015	659a	Comm report: To pass as amended and re-refer to Finance
04/16/2015	1749a	Comm report: To pass as amended
	1815	Second reading
04/20/2015	1908a	Special Order: Amended
	2070	Third reading Passed

A bill for an act

1.1 relating to the operation of state government; appropriating money for the
1.2 legislature, governor's office, state auditor, attorney general, secretary of state,
1.3 certain agencies, boards, councils, retirement funds, military affairs and veterans
1.4 affairs, and senate building; cancellation of certain appropriations; transferring
1.5 money to the budget reserve; allowing prepay for certain software and information
1.6 technology hosting services; limiting a fee or fine increase to ten percent in a
1.7 biennium; providing reimbursement for reasonable accommodation; modifying
1.8 grant agreement provisions; making changes to guaranteed energy-savings
1.9 program, small business requirements, and targeted group businesses; changing
1.10 certain requirements for the practice of cosmetology; assessing certain costs
1.11 for Office of Administrative Hearings; changing a rehabilitation or renovation
1.12 grant from the Minnesota Amateur Sports Commission; changing or establishing
1.13 certain fees; limiting fire sprinkler requirement in certain dwellings; modifying
1.14 certain filing requirements for corporations; modifying provisions for
1.15 accountants; requiring a licensee of the residential trades to give an option to
1.16 install fire sprinklers; modifying debt service provision for the legislative parking
1.17 garage; requiring the same room numbers on signage in the Capitol to identify
1.18 legacy rooms; providing in-lieu of rent evaluation; prohibiting state funds, tax
1.19 expenditures, or state indebtedness to fund a major league soccer stadium; making
1.20 changes to provisions for military and veterans affairs; changing provisions
1.21 covering pari-mutuel horse racing; modifying provisions for cigarette and tobacco
1.22 license; providing civil penalties; requiring reports; amending Minnesota Statutes
1.23 2014, sections 3.8843, subdivision 5; 16A.065; 16A.1283; 16B.97, subdivision
1.24 1; 16B.98, subdivisions 1, 11; 16C.144; 16C.16, subdivision 2, by adding a
1.25 subdivision; 16C.19; 155A.21; 155A.23, subdivision 8, by adding subdivisions;
1.26 155A.24, subdivision 2; 155A.25, subdivisions 1a, 5, by adding subdivisions;
1.27 155A.27, subdivisions 1, 2, 5a; 155A.271; 155A.29, subdivisions 1, 2, by adding
1.28 a subdivision; 155A.30, subdivisions 5, 10; 161.1419, subdivision 8; 190.16, by
1.29 adding a subdivision; 190.19, subdivisions 2a, 3; 192.26, by adding a subdivision;
1.30 192.38, subdivision 1; 192.501, by adding a subdivision; 197.133; 198.03,
1.31 subdivisions 2, 3; 211B.37; 240.01, subdivision 22, by adding subdivisions;
1.32 240.011; 240.03; 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5,
1.33 6; 240.135; 240.15, subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23;
1.34 240A.09; 270C.722, subdivision 1; 270C.728, by adding a subdivision; 272.484;
1.35 297F.01, subdivision 14; 297F.03, subdivisions 5, 6; 297F.04, subdivision 1;
1.36 297F.13, subdivision 4; 297F.19, by adding a subdivision; 297F.20, by adding
1.37 subdivisions; 297F.21, subdivision 1; 299F.011, by adding a subdivision; 303.19;
1.38 304A.301, subdivisions 1, 5, 6, by adding a subdivision; 326A.01, subdivisions
1.39

2.1 2, 12, 13a, 15, 16; 326A.02, subdivisions 3, 5; 326A.05, subdivisions 1, 3;
 2.2 326A.08, subdivision 7; 326A.10; 326B.809; 336A.09, subdivision 1; 364.09;
 2.3 461.12, subdivision 8; Laws 2013, chapter 142, article 1, section 10; Laws 2014,
 2.4 chapter 287, section 25; proposing coding for new law in Minnesota Statutes,
 2.5 chapters 3; 16B; 297F; repealing Minnesota Statutes 2014, sections 155A.23,
 2.6 subdivision 6; 197.131; 197.132; 240.01, subdivisions 12, 23; 297F.185.

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

2.8 ARTICLE 1

2.9 STATE GOVERNMENT APPROPRIATIONS

2.10 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

2.11 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.12 agencies and for the purposes specified in this article. The appropriations are from the
 2.13 general fund, or another named fund, and are available for the fiscal years indicated
 2.14 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.15 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.16 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.17 year 2017. "The biennium" is fiscal years 2016 and 2017.

2.18	APPROPRIATIONS	
2.19	Available for the Year	
2.20	Ending June 30	
2.21	<u>2016</u>	<u>2017</u>

2.22 Sec. 2. **LEGISLATURE**

2.23	Subdivision 1. <u>Total Appropriation</u>	\$	<u>70,913,000</u>	\$	<u>71,811,000</u>
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2.24	<u>Appropriations by Fund</u>				
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2.25		<u>2016</u>	<u>2017</u>		
2.26	<u>General</u>	<u>70,785,000</u>	<u>71,683,000</u>		
2.27	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>		

2.28 The amounts that may be spent for each
 2.29 purpose are specified in the following
 2.30 subdivisions.

2.31	Subd. 2. <u>Senate</u>	<u>23,372,000</u>	<u>23,976,000</u>
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2.32	Subd. 3. <u>House of Representatives</u>	<u>30,524,000</u>	<u>30,524,000</u>
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2.33 To avoid cost overruns, on June 1, 2015,
 2.34 the commissioner of administration
 2.35 shall determine whether the house of
 2.36 representatives has vacated the house

3.1 chamber as of June 1, 2015, and whether the
 3.2 chief clerk of the house of representatives
 3.3 has provided written assurance that the
 3.4 house chamber will remain vacant until the
 3.5 completion of the Capitol renovation project
 3.6 funded under Laws 2013, chapter 136, section
 3.7 3, including the 2016 regular legislative
 3.8 session. The commissioner of administration
 3.9 shall provide notice of this determination
 3.10 to the commissioner of management and
 3.11 budget. If the commissioner of management
 3.12 and budget has been notified that the house
 3.13 has not vacated the house chamber and
 3.14 provided written assurance as required in this
 3.15 paragraph, the commissioner shall cancel
 3.16 \$500,000 of this appropriation in the first
 3.17 year to the general fund, and \$500,000 is
 3.18 appropriated from the general fund in the first
 3.19 year to the commissioner of administration
 3.20 for the purposes specified in Laws 2013,
 3.21 chapter 136, section 3, subdivision 2.

3.22 During the biennium ending June 30, 2017,
 3.23 any revenues received by the house of
 3.24 representatives from voluntary donations
 3.25 to support broadcast or print media are
 3.26 appropriated to the house of representatives.

3.27 **Subd. 4. Legislative Coordinating Commission** 17,017,000 17,311,000

<u>Appropriations by Fund</u>		
3.29 <u>General</u>	<u>16,889,000</u>	<u>17,183,000</u>
3.30 <u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

3.31 \$6,678,000 the first year and \$6,793,000
 3.32 the second year are for the Office of the
 3.33 Legislative Auditor.
 3.34 \$297,000 in fiscal year 2016 and \$297,000
 3.35 in fiscal year 2017 are for the Office of

4.1 the Revisor of Statutes to maintain and
 4.2 improve information technology services.
 4.3 The approved complement of the revisor of
 4.4 statutes is increased by five positions. This
 4.5 appropriation shall be added to the revisor's
 4.6 budget base.

4.7 \$35,000 in fiscal year 2016 and \$35,000 in
 4.8 fiscal year 2017 are to provide support to the
 4.9 Legislative Commission on Data Practices
 4.10 established under Minnesota Statutes, section
 4.11 3.8843. This is a onetime appropriation.

4.12 From its funds, \$10,000 each year is for
 4.13 purposes of the legislators' forum, through
 4.14 which Minnesota legislators meet with
 4.15 counterparts from South Dakota, North
 4.16 Dakota, and Manitoba to discuss issues of
 4.17 mutual concern.

4.18 **Sec. 3. GOVERNOR AND LIEUTENANT**
 4.19 **GOVERNOR**

\$ 3,615,000 \$ 3,616,000

4.20 (a) This appropriation is to fund the Office of
 4.21 the Governor and Lieutenant Governor.

4.22 (b) Up to \$19,000 the first year and up to
 4.23 \$19,000 the second year are for necessary
 4.24 expenses in the normal performance of
 4.25 the Governor's and Lieutenant Governor's
 4.26 duties for which no other reimbursement is
 4.27 provided.

4.28 (c) By September 1 of each year, the
 4.29 commissioner of management and budget
 4.30 shall report to the chairs and ranking minority
 4.31 members of the senate State Departments
 4.32 and Veterans Affairs Budget Division and the
 4.33 house of representatives State Government
 4.34 Finance Committee any personnel costs
 4.35 incurred by the Offices of the Governor and

5.1 Lieutenant Governor that were supported
 5.2 by appropriations to other agencies during
 5.3 the previous fiscal year. The Office of the
 5.4 Governor shall inform the chairs and ranking
 5.5 minority members of the committees before
 5.6 initiating any interagency agreements.

5.7 Sec. 4. **STATE AUDITOR** \$ **2,322,000** \$ **2,333,000**

5.8 \$35,000 from the general fund is for an
 5.9 infrastructure stress study. This is a onetime
 5.10 appropriation and may be used in either year
 5.11 of the biennium.

5.12 Sec. 5. **ATTORNEY GENERAL** \$ **24,343,000** \$ **24,343,000**

5.13	<u>Appropriations by Fund</u>		
5.14	<u>2016</u>	<u>2017</u>	
5.15	<u>General</u>	<u>22,125,000</u>	<u>22,125,000</u>
5.16	<u>State Government</u>		
5.17	<u>Special Revenue</u>	<u>1,823,000</u>	<u>1,823,000</u>
5.18	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
5.19	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

5.20 Of this appropriation, \$65,000 in the first
 5.21 year and \$65,000 in the second year are
 5.22 from the general fund for transfer to the
 5.23 commissioner of public safety for a grant to
 5.24 the Minnesota County Attorneys Association
 5.25 for prosecutor and law enforcement training.

5.26 Sec. 6. **SECRETARY OF STATE** \$ **6,631,000** \$ **6,631,000**

5.27 Any funds available in the account
 5.28 established in Minnesota Statutes, section
 5.29 5.30, pursuant to the Help America Vote Act,
 5.30 are appropriated for the purposes and uses
 5.31 authorized by federal law.

5.32 Sec. 7. **CAMPAIGN FINANCE AND PUBLIC**
 5.33 **DISCLOSURE BOARD** \$ **1,164,000** \$ **1,028,000**

6.1 **Campaign Finance and Public Disclosure**
 6.2 **Board Web Site Redevelopment Project.**
 6.3 \$150,000 in fiscal year 2016 is appropriated
 6.4 to the Campaign Finance and Public
 6.5 Disclosure Board to complete redevelopment
 6.6 of its Web site. This appropriation is
 6.7 available until June 30, 2017. By January 15,
 6.8 2016, the director of the Campaign Finance
 6.9 and Public Disclosure Board shall report to
 6.10 the chairs and ranking minority members of
 6.11 the senate State Departments and Veterans
 6.12 Affairs Budget Division and the house of
 6.13 representatives State Government Finance
 6.14 Committee on the status of the Web site
 6.15 redevelopment project. The report shall
 6.16 include a budget detailing total dollars to be
 6.17 spent, completion date of the project, and
 6.18 dollars expended to date.

6.19	Sec. 8. <u>INVESTMENT BOARD</u>	<u>\$</u>	<u>139,000</u>	<u>\$</u>	<u>139,000</u>
6.20	Sec. 9. <u>ADMINISTRATIVE HEARINGS</u>	<u>\$</u>	<u>7,630,000</u>	<u>\$</u>	<u>7,633,000</u>

6.21	<u>Appropriations by Fund</u>		
6.22		<u>2016</u>	<u>2017</u>
6.23	<u>General</u>	<u>380,000</u>	<u>383,000</u>
6.24	<u>Workers'</u>		
6.25	<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

6.26 **Campaign Violations Hearings.** \$115,000
 6.27 in fiscal year 2016 and \$115,000 in fiscal year
 6.28 2017 are appropriated from the general fund
 6.29 for the cost of considering complaints filed
 6.30 under Minnesota Statutes, section 211B.32.
 6.31 These amounts may be used in either year
 6.32 of the biennium.
 6.33 \$6,000 in fiscal year 2016 and \$6,000 in
 6.34 fiscal year 2017 are appropriated from the
 6.35 general fund to the Office of Administrative

7.1 Hearings for the cost of considering data
 7.2 practices complaints filed under Minnesota
 7.3 Statutes, section 13.085. These amounts may
 7.4 be used in either year of the biennium.

7.5 Sec. 10. **MN.IT SERVICES** **\$ 2,526,000 \$ 2,622,000**

7.6 The commissioner of management and
 7.7 budget is authorized to provide cash flow
 7.8 assistance of up to \$110,000,000 from the
 7.9 special revenue fund or other statutory
 7.10 general funds as defined in Minnesota
 7.11 Statutes, section 16A.671, subdivision
 7.12 3, paragraph (a), to the Office of MN.IT
 7.13 Services for the purpose of managing
 7.14 revenue and expenditure differences during
 7.15 the initial phases of IT consolidation. These
 7.16 funds shall be repaid with interest by the end
 7.17 of the fiscal year 2017 closing period.

7.18 During the biennium ending June 30, 2017,
 7.19 MN.IT Services must not charge fees to a
 7.20 public noncommercial educational television
 7.21 broadcast station eligible for funding under
 7.22 Minnesota Statutes, chapter 129D, for
 7.23 access to the state broadcast infrastructure.

7.24 If the access fees not charged to public
 7.25 noncommercial educational television
 7.26 broadcast stations total more than \$400,000
 7.27 for the biennium, the office may charge for
 7.28 access fees in excess of these amounts.

7.29 Sec. 11. **ADMINISTRATION**

7.30 **Subdivision 1. Total Appropriation** **\$ 25,141,000 \$ 22,890,000**

7.31 The amounts that may be spent for each
 7.32 purpose are specified in the following
 7.33 subdivisions.

8.1	<u>Subd. 2. Government and Citizen Services</u>	<u>10,009,000</u>	<u>9,144,000</u>
8.2	<u>\$74,000 the first year and \$74,000 the second</u>		
8.3	<u>year are for the Council on Developmental</u>		
8.4	<u>Disabilities.</u>		
8.5	<u>\$735,000 the first year and \$65,000 the</u>		
8.6	<u>second year are to conduct a disparity study</u>		
8.7	<u>required under Minnesota Statutes, section</u>		
8.8	<u>16C.16, subdivision 5. This is a onetime</u>		
8.9	<u>appropriation.</u>		
8.10	<u>\$500,000 in fiscal year 2016 and \$500,000</u>		
8.11	<u>in fiscal year 2017 are credited to the</u>		
8.12	<u>accommodation account established in</u>		
8.13	<u>Minnesota Statutes, section 16B.4805.</u>		
8.14	<u>In fiscal year 2016, the commissioner of</u>		
8.15	<u>administration may use five percent of</u>		
8.16	<u>the appropriation for fiscal year 2016 for</u>		
8.17	<u>developing policies and procedures to</u>		
8.18	<u>implement the reimbursement program</u>		
8.19	<u>established in Minnesota Statutes, section</u>		
8.20	<u>16B.4805, and for educating qualifying</u>		
8.21	<u>agencies about the availability of and</u>		
8.22	<u>process for receiving reimbursement for</u>		
8.23	<u>accommodation expenses.</u>		
8.24	<u>\$100,000 in fiscal year 2016 and \$100,000</u>		
8.25	<u>in fiscal year 2017 are for the Information</u>		
8.26	<u>Policy Analysis Division to provide training</u>		
8.27	<u>and technical assistance to local units of</u>		
8.28	<u>government on compliance with Minnesota</u>		
8.29	<u>Statutes, chapter 13, the Minnesota Data</u>		
8.30	<u>Practices Act. This is a onetime appropriation</u>		
8.31	<u>and is available until June 30, 2019.</u>		
8.32	<u>Subd. 3. Strategic Management Services</u>	<u>1,975,000</u>	<u>2,009,000</u>
8.33	<u>Subd. 4. Fiscal Agent</u>	<u>13,157,000</u>	<u>11,737,000</u>

9.1 The appropriations under this section are to
9.2 the commissioner of administration for the
9.3 purposes specified.

9.4 **In-Lieu of Rent.** \$8,158,000 the first year
9.5 and \$7,158,000 the second year are for
9.6 space costs of the legislature and veterans
9.7 organizations, ceremonial space, and
9.8 statutorily free space. In-lieu of rent may be
9.9 used for rent loss and relocation expenses
9.10 related to the Capitol restoration in the fiscal
9.11 year 2014-2015 biennium and fiscal year
9.12 2016-2017 biennium.

9.13 **Relocation Expenses.** \$1,380,000 the first
9.14 year and \$960,000 the second year are for
9.15 rent loss and relocation expenses related
9.16 to the Capitol renovation project. This is a
9.17 onetime appropriation.

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

9.21 (b) \$550,000 the first year and \$550,000
9.22 the second year are for public television
9.23 equipment grants under Minnesota Statutes,
9.24 section 129D.13. The base for fiscal year
9.25 2018 is \$250,000, and for fiscal year 2019
9.26 is \$250,000.

9.27 (c) The commissioner of administration
9.28 must consider the recommendations of the
9.29 Minnesota Public Television Association
9.30 before allocating the amount appropriated
9.31 in paragraphs (a) and (b) for equipment or
9.32 matching grants.

9.33 (d) \$592,000 the first year and \$592,000 the
9.34 second year are for community service grants
9.35 to public educational radio stations. This

10.1 appropriation may be used to disseminate
10.2 emergency information in foreign languages.

10.3 The base for fiscal year 2018 is \$392,000 and
10.4 for fiscal year 2019 is \$392,000.

10.5 (e) \$367,000 the first year and \$367,000
10.6 the second year are for equipment grants
10.7 to public educational radio stations. This
10.8 appropriation may be used for the repair,
10.9 rental, and purchase of equipment including
10.10 equipment under \$500. The base for fiscal
10.11 year 2018 is \$117,000 and for fiscal year
10.12 2019 is \$117,000.

10.13 (f) \$560,000 the first year and \$560,000
10.14 the second year are for equipment grants
10.15 to Minnesota Public Radio, Inc., including
10.16 upgrades to Minnesota's Emergency Alert
10.17 and AMBER Alert Systems. The base for
10.18 fiscal year 2018 is \$310,000 and for fiscal
10.19 year 2019 is \$310,000.

10.20 (g) The appropriations in paragraphs (d),
10.21 (e), and (f), may not be used for indirect
10.22 costs claimed by an institution or governing
10.23 body. The commissioner of administration
10.24 must consider the recommendations of the
10.25 Minnesota Public Educational Radio Stations
10.26 before awarding grants under Minnesota
10.27 Statutes, section 129D.14, using the
10.28 appropriations in paragraphs (d), (e), and (f).

10.29 (h) Any unencumbered balance remaining
10.30 the first year for grants to public television or
10.31 radio stations does not cancel and is available
10.32 for the second year.

10.33 **Sec. 12. CAPITOL AREA**
10.34 **ARCHITECTURAL AND PLANNING**
10.35 **BOARD**

\$ 340,000 **\$ **345,000****

11.1	Sec. 13. <u>MINNESOTA MANAGEMENT AND</u>				
11.2	<u>BUDGET</u>			\$	<u>22,277,000</u> \$
					<u>23,569,000</u>
11.3	<u>\$1,000,000 in fiscal year 2016 and</u>				
11.4	<u>\$2,000,000 in fiscal year 2017 are to maintain</u>				
11.5	<u>and upgrade statewide business systems,</u>				
11.6	<u>including, but not limited to, the statewide</u>				
11.7	<u>accounting system, the human resource and</u>				
11.8	<u>payroll system, the employment application</u>				
11.9	<u>system, the enterprise learning management</u>				
11.10	<u>system, the budget planning and analysis</u>				
11.11	<u>system, the fiscal note tracking system, and</u>				
11.12	<u>capital budget system.</u>				
11.13	Sec. 14. <u>REVENUE</u>				
11.14	<u>Subdivision 1. Total Appropriation</u>			\$	<u>146,587,000</u> \$
					<u>147,067,000</u>
11.15	<u>Appropriations by Fund</u>				
11.16		<u>2016</u>	<u>2017</u>		
11.17	<u>General</u>	<u>142,352,000</u>	<u>142,832,000</u>		
11.18	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>		
11.19	<u>Highway User Tax</u>				
11.20	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>		
11.21	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>		
11.22	<u>Subd. 2. Tax System Management</u>			<u>117,971,000</u>	<u>118,451,000</u>
11.23	<u>Appropriations by Fund</u>				
11.24	<u>General</u>	<u>113,736,000</u>	<u>114,216,000</u>		
11.25	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>		
11.26	<u>Highway User Tax</u>				
11.27	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>		
11.28	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>		
11.29	<u>Appropriation; Taxpayer Assistance. (a)</u>				
11.30	<u>\$400,000 in fiscal year 2016 and \$400,000</u>				
11.31	<u>in fiscal year 2017 from the general fund</u>				
11.32	<u>are for grants to one or more nonprofit</u>				
11.33	<u>organizations, qualifying under section</u>				
11.34	<u>501(c)(3) of the Internal Revenue Code of</u>				
11.35	<u>1986, to coordinate, facilitate, encourage, and</u>				
11.36	<u>aid in the provision of taxpayer assistance</u>				

12.1 services. The unencumbered balance in the
 12.2 first year does not cancel but is available for
 12.3 the second year.

12.4 (b) For purposes of this appropriation,
 12.5 "taxpayer assistance services" means
 12.6 accounting and tax preparation services
 12.7 provided by volunteers to low-income,
 12.8 elderly, and disadvantaged Minnesota
 12.9 residents to help them file federal and state
 12.10 income tax returns, Minnesota property
 12.11 tax refund claims, and to provide personal
 12.12 representation before the Department of
 12.13 Revenue and Internal Revenue Service.

12.14 (c) \$1,149,000 in fiscal year 2016 and
 12.15 \$955,000 in fiscal year 2017 are for
 12.16 establishing a statewide license for retailers
 12.17 of tobacco and for ongoing costs for
 12.18 expanding the commissioner of revenue's
 12.19 tobacco enforcement team.

12.20 Subd. 3. **Debt Collection Management** 28,616,000 28,616,000

12.21 Sec. 15. **GAMBLING CONTROL** \$ 3,260,000 \$ 3,324,000

12.22	<u>Appropriations by Fund</u>		
12.23	<u>General</u>	<u>483,000</u>	<u>779,000</u>
12.24	<u>Special Revenue</u>	<u>2,777,000</u>	<u>2,545,000</u>

12.25 The special revenue fund appropriations are
 12.26 from the lawful gambling regulation account
 12.27 in the special revenue fund.

12.28 Sec. 16. **RACING COMMISSION** \$ 1,168,000 \$ 1,153,000

12.29	<u>Appropriations by Fund</u>		
12.30		<u>2016</u>	<u>2017</u>
12.31	<u>General</u>	<u>269,000</u>	<u>72,000</u>
12.32	<u>Special Revenue</u>	<u>899,000</u>	<u>1,081,000</u>

13.1 The general fund appropriation is for fiscal
 13.2 years 2016 and 2017 only.

13.3 The special revenue fund appropriations are
 13.4 from the racing and card playing regulation
 13.5 accounts. The base for the special revenue
 13.6 fund appropriation is \$972,000 in fiscal year
 13.7 2018 and \$971,000 in fiscal year 2019.

13.8 The Racing Commission is directed to work
 13.9 in consultation with the racing industry
 13.10 to propose permanent dedicated funding
 13.11 changes to fully support the operations of
 13.12 the commission to ensure that racing is
 13.13 conducted in the public interest. These
 13.14 changes shall be reported to the Office of the
 13.15 Governor and to the majority and minority
 13.16 leaders of the relevant finance and policy
 13.17 legislative committees by November 1, 2015.

13.18 **Sec. 17. STATE LOTTERY**

13.19 Notwithstanding Minnesota Statutes, section
 13.20 349A.10, subdivision 3, the operating budget
 13.21 must not exceed \$31,000,000 in fiscal year
 13.22 2016 and \$31,000,000 in fiscal year 2017.

13.23 **Sec. 18. AMATEUR SPORTS COMMISSION \$ 4,300,000 \$ 300,000**

13.24 **Mighty Ducks.** \$4,000,000 in fiscal year
 13.25 2016 is for the purposes of Minnesota
 13.26 Statutes, section 240A.09, paragraph (b).

13.27 **Sec. 19. COUNCIL ON BLACK**
 13.28 **MINNESOTANS \$ 396,000 \$ 401,000**

13.29 **Sec. 20. COUNCIL ON ASIAN-PACIFIC**
 13.30 **MINNESOTANS \$ 359,000 \$ 364,000**

13.31 **Sec. 21. COUNCIL ON AFFAIRS OF**
 13.32 **CHICANO/LATINO PEOPLE \$ 381,000 \$ 386,000**

14.1	Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>569,000</u>	\$	<u>576,000</u>
14.2	Sec. 23. <u>MINNESOTA HISTORICAL</u>				
14.3	<u>SOCIETY</u>				
14.4	Subdivision 1. <u>Total Appropriation</u>	\$	<u>23,086,000</u>	\$	<u>23,326,000</u>
14.5	<u>The amounts that may be spent for each</u>				
14.6	<u>purpose are specified in the following</u>				
14.7	<u>subdivisions.</u>				
14.8	Subd. 2. <u>Operations and Programs</u>		<u>22,515,000</u>		<u>22,955,000</u>
14.9	<u>The base is \$22,322,000 per year for the</u>				
14.10	<u>fiscal years 2018-2019 biennium. Increased</u>				
14.11	<u>funding in fiscal years 2016 and 2017 is for</u>				
14.12	<u>the following purposes:</u>				
14.13	<u>(1) \$430,000 the first year and \$870,000 the</u>				
14.14	<u>second year to provide capacity to continue</u>				
14.15	<u>to deliver history programs and services</u>				
14.16	<u>across Minnesota. The base is \$487,000 per</u>				
14.17	<u>year for the fiscal years 2018-2019 biennium;</u>				
14.18	<u>(2) \$500,000 the first year and \$500,000</u>				
14.19	<u>the second year for digital preservation</u>				
14.20	<u>and access, including planning and</u>				
14.21	<u>implementation of a program to preserve</u>				
14.22	<u>and make available resources related to</u>				
14.23	<u>Minnesota history; and</u>				
14.24	<u>(3) \$250,000 the first year and \$250,000</u>				
14.25	<u>the second year for activities to enhance</u>				
14.26	<u>educational achievement through history</u>				
14.27	<u>education to be delivered statewide, in</u>				
14.28	<u>conjunction with historic sites. This is a</u>				
14.29	<u>onetime appropriation.</u>				
14.30	<u>Notwithstanding Minnesota Statutes, section</u>				
14.31	<u>138.668, the Minnesota Historical Society</u>				
14.32	<u>may not charge a fee for its general tours at</u>				

15.1 the Capitol, but may charge fees for special
 15.2 programs other than general tours.

15.3 **Subd. 3. Fiscal Agent**

15.4 (a) Minnesota International Center 39,000 39,000

15.5 (b) Minnesota Air National Guard Museum 17,000 17,000

15.6 (c) Minnesota Military Museum 100,000 100,000

15.7 \$50,000 in fiscal year 2016 and \$50,000 in
 15.8 fiscal year 2017 are for an archivist position.
 15.9 This is a onetime appropriation and available
 15.10 until June 30, 2017.

15.11 (d) Farmamerica 315,000 115,000

15.12 \$200,000 in fiscal year 2016 is for a grant
 15.13 to Farmamerica, the Minnesota agriculture
 15.14 interpretive center, for capital improvements.

15.15 (e) Hockey Hall of Fame 100,000 100,000

15.16 **Balances Forward.** Any unencumbered
 15.17 balance remaining in this subdivision the first
 15.18 year does not cancel but is available for the
 15.19 second year of the biennium.

15.20 **Sec. 24. BOARD OF THE ARTS**

15.21 **Subdivision 1. Total Appropriation** **\$ 7,522,000 \$ 7,530,000**

15.22 The amounts that may be spent for each
 15.23 purpose are specified in the following
 15.24 subdivisions.

15.25 **Subd. 2. Operations and Services** 583,000 591,000

15.26 **Subd. 3. Grants Program** 4,800,000 4,800,000

15.27 **Subd. 4. Regional Arts Councils** 2,139,000 2,139,000

15.28 **Unencumbered Balance Available.** Any
 15.29 unencumbered balance remaining in this
 15.30 section the first year does not cancel, but is
 15.31 available for the second year of the biennium.

16.1 **Projects located in Minnesota; travel**
 16.2 **restriction.** Money appropriated in this
 16.3 section and distributed as grants may only
 16.4 be spent on projects located in Minnesota.
 16.5 A recipient of a grant funded by an
 16.6 appropriation in this section must not use
 16.7 more than ten percent of the total grant for
 16.8 costs related to travel outside the state of
 16.9 Minnesota.

16.10 Sec. 25. **MINNESOTA HUMANITIES**
 16.11 **CENTER** \$ **350,000** \$ **350,000**

16.12 Sec. 26. **BOARD OF ACCOUNTANCY** \$ **639,000** \$ **641,000**

16.13 Sec. 27. **BOARD OF ARCHITECTURE**
 16.14 **ENGINEERING, LAND SURVEYING,**
 16.15 **LANDSCAPE ARCHITECTURE,**
 16.16 **GEOSCIENCE, AND INTERIOR DESIGN** \$ **784,000** \$ **794,000**

16.17 Sec. 28. **BOARD OF COSMETOLOGIST**
 16.18 **EXAMINERS** \$ **2,565,000** \$ **2,584,000**

16.19 Sec. 29. **BOARD OF BARBER EXAMINERS** \$ **321,000** \$ **325,000**

16.20 Sec. 30. **GENERAL CONTINGENT**
 16.21 **ACCOUNTS** \$ **1,000,000** \$ **500,000**

16.22	<u>Appropriations by Fund</u>		
16.23		<u>2016</u>	<u>2017</u>
16.24	<u>General</u>	<u>500,000</u>	<u>-0-</u>
16.25	<u>State Government</u>		
16.26	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
16.27	<u>Workers'</u>		
16.28	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

16.29 (a) The appropriations in this section
 16.30 may only be spent with the approval of
 16.31 the governor after consultation with the
 16.32 Legislative Advisory Commission pursuant
 16.33 to Minnesota Statutes, section 3.30.

17.1 (b) If an appropriation in this section for
 17.2 either year is insufficient, the appropriation
 17.3 for the other year is available for it.

17.4 (c) If a contingent account appropriation
 17.5 is made in one fiscal year, it should be
 17.6 considered a biennial appropriation.

17.7 Sec. 31. **TORT CLAIMS** \$ **161,000** \$ **161,000**

17.8 These appropriations are to be spent by the
 17.9 commissioner of management and budget
 17.10 according to Minnesota Statutes, section
 17.11 3.736, subdivision 7. If the appropriation for
 17.12 either year is insufficient, the appropriation
 17.13 for the other year is available for it.

17.14 Sec. 32. **MINNESOTA STATE RETIREMENT**
 17.15 **SYSTEM**

17.16 Subdivision 1. **Total Appropriation** \$ **6,552,000** \$ **8,936,000**

17.17 The amounts that may be spent for each
 17.18 purpose are specified in the following
 17.19 subdivisions.

17.20 Subd. 2. **Combined Legislators and**
 17.21 **Constitutional Officers Retirement Plan**

17.22 Under Minnesota Statutes, sections 3A.03,
 17.23 subdivision 2; 3A.04, subdivisions 3 and 4;
 17.24 and 3A.115.

17.25 If an appropriation in this section for either
 17.26 year is insufficient, the appropriation for the
 17.27 other year is available for it.

17.28 Sec. 33. **PUBLIC EMPLOYEES**
 17.29 **RETIREMENT ASSOCIATION** \$ **16,000,000** \$ **16,000,000**

17.30 General employees retirement plan of the
 17.31 Public Employees Retirement Association
 17.32 relating to the merged former MERF division.

18.1 These amounts are estimated to be needed
 18.2 under Minnesota Statutes, section 353.505.

18.3 **Sec. 34. TEACHERS RETIREMENT**
 18.4 **ASSOCIATION**

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

18.5 The amounts estimated to be needed are as
 18.6 follows:

18.7 **Special Direct State Aid.** \$27,331,000 the
 18.8 first year and \$27,331,000 the second year
 18.9 are for special direct state aid authorized
 18.10 under Minnesota Statutes, section 354.436.

18.11 **Special Direct State Matching Aid.**

18.12 \$2,500,000 the first year and \$2,500,000
 18.13 the second year are for special direct state
 18.14 matching aid authorized under Minnesota
 18.15 Statutes, section 354.435.

18.16 **Sec. 35. ST. PAUL TEACHERS**
 18.17 **RETIREMENT FUND**

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

18.18 The amounts estimated to be needed for
 18.19 special direct state aid to the first class
 18.20 city teachers retirement fund association
 18.21 authorized under Minnesota Statutes, section
 18.22 354A.12, subdivisions 3a and 3c.

18.23 **Sec. 36. MILITARY AFFAIRS**

18.24 **Subdivision 1. Total Appropriation**

\$ 20,868,000 \$ 20,868,000

18.25 The amounts that may be spent for each
 18.26 purpose are specified in the following
 18.27 subdivisions.

18.28 **Subd. 2. Maintenance of Training Facilities**

9,661,000 9,661,000

18.29 **Subd. 3. General Support**

4,319,000 4,319,000

18.30 \$1,500,000 in fiscal year 2016 and
 18.31 \$1,500,000 in fiscal year 2017 are for

- 19.1 reimbursement grants under Minnesota
 19.2 Statutes, section 190.16, subdivision 6b.
- 19.3 Subd. 4. **Enlistment Incentives** 6,888,000 6,888,000
- 19.4 **Appropriation Availability.** If
 19.5 appropriations for either year of the biennium
 19.6 are insufficient, the appropriation from the
 19.7 other year is available. The appropriations
 19.8 for enlistment incentives are available until
 19.9 expended.
- 19.10 **Transfer Authority.** Of the funds carried
 19.11 forward from fiscal year 2015 to fiscal
 19.12 year 2016, in the enlistment incentives
 19.13 appropriation, \$10,000,000 in fiscal year
 19.14 2016 may be transferred to the maintenance
 19.15 of training facilities appropriation to
 19.16 address significant maintenance backlog
 19.17 to the department's military training and
 19.18 community centers. This is a onetime
 19.19 transfer and is available until June 30, 2019.
- 19.20 Sec. 37. **VETERANS AFFAIRS**
- 19.21 Subdivision 1. **Total Appropriation** \$ 65,495,000 \$ 67,691,000
- 19.22 The amounts that may be spent for each
 19.23 purpose are specified in the following
 19.24 subdivisions.
- 19.25 Subd. 2. **Veterans Programs and Services** 16,393,000 16,461,000
- 19.26 \$44,000 for a transfer to the Department
 19.27 of Education to implement the expedited
 19.28 and temporary licensing provisions of
 19.29 Minnesota Statutes, section 197.4552. This
 19.30 appropriation is available until June 30, 2017.
- 19.31 **Veterans Service Organizations.** \$353,000
 19.32 each year is for grants to the following
 19.33 congressionally chartered veterans service

20.1 organizations, as designated by the
20.2 commissioner: Disabled American Veterans,
20.3 Military Order of the Purple Heart, the
20.4 American Legion, Veterans of Foreign Wars,
20.5 Vietnam Veterans of America, AMVETS,
20.6 and Paralyzed Veterans of America. This
20.7 funding must be allocated in direct proportion
20.8 to the funding currently being provided by
20.9 the commissioner to these organizations.

20.10 **Minnesota Assistance Council for**
20.11 **Veterans.** \$750,000 each year is for a grant
20.12 to the Minnesota Assistance Council for
20.13 Veterans to provide assistance throughout
20.14 Minnesota to veterans and their families who
20.15 are homeless or in danger of homelessness,
20.16 including assistance with the following:

20.17 (1) utilities;
20.18 (2) employment; and
20.19 (3) legal issues.

20.20 The assistance authorized under this
20.21 paragraph must be made only to veterans who
20.22 have resided in Minnesota for 30 days prior
20.23 to application for assistance and according
20.24 to other guidelines established by the
20.25 commissioner. In order to avoid duplication
20.26 of services, the commissioner must ensure
20.27 that this assistance is coordinated with all
20.28 other available programs for veterans.

20.29 **Honor Guards.** \$200,000 each year is
20.30 for compensation for honor guards at
20.31 the funerals of veterans under Minnesota
20.32 Statutes, section 197.231. This amount is
20.33 added to the program's base funding.

21.1 Minnesota GI Bill. \$200,000 each year is
 21.2 for the costs of administering the Minnesota
 21.3 GI Bill postsecondary educational benefits,
 21.4 on-the-job training, and apprenticeship
 21.5 program under Minnesota Statutes, section
 21.6 197.791. Of this amount, \$100,000 is for
 21.7 transfer to the Office of Higher Education.

21.8 Gold Star Program. \$100,000 each year
 21.9 is for administering the Gold Star Program
 21.10 for surviving family members of deceased
 21.11 veterans. This amount is added to the
 21.12 program's base funding.

21.13 County Veterans Service Office.
 21.14 \$1,100,000 each year is for funding the
 21.15 County Veterans Service Office grant
 21.16 program under Minnesota Statutes, section
 21.17 197.608.

21.18 <u>Subd. 3. Veterans Homes</u>	<u>49,102,000</u>	<u>51,230,000</u>
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21.19 The base is \$51,234,000 for fiscal year 2018
 21.20 and \$51,238,000 for fiscal year 2019.

21.21 Veterans Homes Special Revenue Account.
 21.22 The general fund appropriations made to the
 21.23 department may be transferred to a veterans
 21.24 homes special revenue account in the special
 21.25 revenue fund in the same manner as other
 21.26 receipts are deposited according to Minnesota
 21.27 Statutes, section 198.34, and are appropriated
 21.28 to the department for the operation of
 21.29 veterans homes facilities and programs.

21.30 Repair and Betterment. \$500,000 in the
 21.31 first year and \$500,000 in the second year
 21.32 are for repair and betterment of Minnesota
 21.33 veterans homes.

22.1 **Maximize Federal Reimbursements.**

22.2 The department will seek opportunities
 22.3 to maximize federal reimbursements of
 22.4 Medicare-eligible expenses and will provide
 22.5 annual reports to the commissioner of
 22.6 management and budget on the federal
 22.7 Medicare reimbursements received.
 22.8 Contingent upon future federal Medicare
 22.9 receipts, reductions to the homes' general
 22.10 fund appropriation may be made.

22.11 **Sec. 38. APPROPRIATION**
 22.12 **CANCELLATIONS**

22.13 All unspent funds, estimated to be \$44,000,
 22.14 to implement the expedited and temporary
 22.15 licensing provisions of Minnesota Statutes,
 22.16 section 197.4552, under Laws 2014, chapter
 22.17 312, article 4, section 2, subdivision 8, are
 22.18 canceled to the general fund on June 30, 2015.

22.19 All unspent funds, estimated to be \$150,000,
 22.20 from the Web site redevelopment project
 22.21 appropriation under Laws 2013, chapter
 22.22 142, article 1, section 7, are canceled to the
 22.23 general fund on June 30, 2015.

22.24 **Sec. 39. BUDGET RESERVE INCREASE.**

22.25 On July 1, 2015, the commissioner of management and budget shall transfer
 22.26 \$250,000,000 to the budget reserve under Minnesota Statutes, section 16A.152,
 22.27 subdivision 1a, in the general fund.

22.28 **EFFECTIVE DATE.** This section is effective July 1, 2015.

22.29 **ARTICLE 2**

22.30 **STATE GOVERNMENT OPERATIONS**

22.31 Section 1. Minnesota Statutes 2014, section 3.8843, subdivision 5, is amended to read:

23.1 Subd. 5. **Staff.** Legislative staff must provide administrative and research assistance
 23.2 to the commission. The Legislative Coordinating Commission may, if funding is available,
 23.3 appoint staff to provide research assistance.

23.4 Sec. 2. **[3.9799] SENATE BUILDING APPROPRIATIONS.**

23.5 Subdivision 1. **Debt service.** The amount necessary to pay the principal and interest
 23.6 components of the rental payment required under the August 1, 2014, lease-purchase
 23.7 agreement between the Department of Administration and the Department of Management
 23.8 and Budget for the Senate Building authorized under Laws 2013, chapter 143, article 12,
 23.9 section 21, is annually appropriated from the general fund to the senate. This subdivision
 23.10 is effective for the term of the lease-purchase agreement.

23.11 Subd. 2. **Operations and maintenance.** (a) \$1,088,000 in fiscal year 2016,
 23.12 \$2,224,000 in fiscal year 2017, \$2,280,000 in fiscal year 2018, and \$2,337,000 in fiscal year
 23.13 2019 and later, are appropriated from the general fund to the senate to pay for operations
 23.14 and maintenance costs associated with the Senate Building authorized under Laws 2013,
 23.15 chapter 143, article 12, section 21. Notwithstanding sections 16B.04 and 16B.24, and in the
 23.16 event that the commissioner of administration breaches any obligations under agreements
 23.17 with the senate relating to the Senate Building, the senate may contract with other entities
 23.18 for the provision of operations and maintenance services for the Senate Building.

23.19 (b) By July 1 of each year beginning in 2015, the commissioner of administration
 23.20 shall report to the chairs and ranking minority members of the legislative committees with
 23.21 jurisdiction over the Department of Administration regarding the planned and actual uses
 23.22 of the appropriations in paragraph (a) in the previous fiscal year and for the next biennium.
 23.23 The report shall include information regarding the number of full-time equivalent positions
 23.24 supported by the appropriation, including each position and the salary and benefits for that
 23.25 position. The report must also provide a detailed accounting regarding utilities, materials,
 23.26 supplies, and other purchases made with this appropriation, including a list of contracts for
 23.27 any services or goods for the operation and maintenance of the Senate Building.

23.28 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

23.29 Sec. 3. Minnesota Statutes 2014, section 16A.065, is amended to read:

23.30 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**
 23.31 **DOCUMENTS.**

23.32 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an
 23.33 agency to make advance deposits or payments for software or software maintenance

24.1 services for state-owned or leased electronic data processing equipment, for information
 24.2 technology hosting services, for sole source maintenance agreements where it is not
 24.3 cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required
 24.4 by the renter to guarantee the availability of space, for registration fees where advance
 24.5 payment is required or advance payment discount is provided, and for newspaper,
 24.6 magazine, and other subscription fees customarily paid for in advance. The commissioner
 24.7 may also allow advance deposits by any department with the Library of Congress and
 24.8 federal Supervisor of Documents for items to be purchased from those federal agencies.

24.9 Sec. 4. Minnesota Statutes 2014, section 16A.1283, is amended to read:

24.10 **16A.1283 LEGISLATIVE APPROVAL REQUIRED FOR FEES.**

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

24.18 (b) This section does not apply to:

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

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

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

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

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

24.28 (c) An executive branch agency may reduce a fee that was set by rule before July
 24.29 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under
 24.30 this paragraph.

24.31 **EFFECTIVE DATE.** This section is effective August 1, 2016.

24.32 Sec. 5. **[16B.4805] ACCOMMODATION REIMBURSEMENT.**

25.1 Subdivision 1. **Definitions.** "Reasonable accommodation" as used in this section
25.2 has the meaning given in section 363A.08. "State agency" as used in this section has the
25.3 meaning given in section 16A.011, subdivision 12. "Reasonable accommodations eligible
25.4 for reimbursement" means:

25.5 (1) reasonable accommodations provided to applicants for employment;

25.6 (2) reasonable accommodations for employees for services that will need to be
25.7 provided on a periodic or ongoing basis; or

25.8 (3) reasonable accommodations that involve onetime expenses that total more than
25.9 \$1,000 for an employee in a fiscal year.

25.10 Subd. 2. **Reimbursement for making reasonable accommodation.** The
25.11 commissioner of administration shall reimburse state agencies for expenses incurred in
25.12 making reasonable accommodations eligible for reimbursement for agency employees and
25.13 applicants for employment to the extent that funds are available in the accommodation
25.14 account established under subdivision 3 for this purpose.

25.15 Subd. 3. **Accommodation account established.** The accommodation account
25.16 is created as an account in the special revenue fund for reimbursing state agencies for
25.17 expenses incurred in providing reasonable accommodation eligible for reimbursement for
25.18 agency employees and applicants for agency employment.

25.19 Subd. 4. **Administration costs.** The commissioner may use up to 15 percent of the
25.20 biennial appropriation for administration of this section.

25.21 Subd. 5. **Notification.** By August 1, 2015, or within 30 days of final enactment,
25.22 whichever is later, and each year thereafter by June 30, the commissioner of administration
25.23 must notify state agencies that reimbursement for expenses incurred to make reasonable
25.24 accommodation eligible for reimbursement for agency employees and applicants for
25.25 agency employment is available under this section.

25.26 Subd. 6. **Report.** By January 31 of each year, the commissioner of administration
25.27 must report to the chairs and ranking minority members of the house of representatives and
25.28 the senate committees with jurisdiction over state government finance on the use of the
25.29 central accommodation account during the prior calendar year. The report must include:

25.30 (1) the number and type of accommodations requested;

25.31 (2) the cost of accommodations requested;

25.32 (3) the state agencies from which the requests were made;

25.33 (4) the number of requests made for employees and the number of requests for
25.34 applicants for employment;

25.35 (5) the number and type of accommodations that were not provided;

25.36 (6) any remaining balance left in the account;

26.1 (7) if the account was depleted, the date on which funds were exhausted and the
 26.2 number, type, and cost of accommodations that were not reimbursed to state agencies; and
 26.3 (8) a description of how the account was promoted to state agencies.

26.4 **EFFECTIVE DATE.** This section is effective July 1, 2015. Reimbursement is
 26.5 available for accommodation expenses incurred after June 30, 2015.

26.6 Sec. 6. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

26.7 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or
 26.8 electronic document defining a legal relationship between a granting agency and a grantee
 26.9 when the principal purpose of the relationship is to transfer cash or something of value
 26.10 to the recipient to support a public purpose authorized by law instead of acquiring by
 26.11 professional or technical contract, purchase, lease, or barter property or services for the
 26.12 direct benefit or use of the granting agency.

26.13 (b) This section does not apply to general obligation grants as defined by section
 26.14 16A.695 and capital project grants to political subdivisions as defined by section 16A.86.

26.15 Sec. 7. Minnesota Statutes 2014, section 16B.98, subdivision 1, is amended to read:

26.16 Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from
 26.17 an appropriation of state funds, the recipient of the grant must agree to minimize
 26.18 administrative costs. The granting agency is responsible for negotiating appropriate limits
 26.19 to these costs so that the state derives the optimum benefit for grant funding.

26.20 (b) This section does not apply to general obligation grants as defined by section
 26.21 16A.695 and also capital project grants to political subdivisions as defined by section
 26.22 16A.86.

26.23 Sec. 8. Minnesota Statutes 2014, section 16B.98, subdivision 11, is amended to read:

26.24 Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a),
 26.25 clause (2), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may
 26.26 permit a specifically named, legislatively appropriated, noncompetitive grant recipient to
 26.27 incur eligible expenses based on an agreed upon work plan and budget for up to 60 days
 26.28 prior to an encumbrance being established in the accounting system. ~~For a grant funded~~
 26.29 ~~in whole or in part with state general obligation bond proceeds, an agency may permit~~
 26.30 ~~incurring of expenses under this subdivision only with prior approval of the commissioner~~
 26.31 ~~of management and budget.~~

27.1 Sec. 9. Minnesota Statutes 2014, section 16C.144, is amended to read:

27.2 **16C.144 GUARANTEED ENERGY-SAVINGS PROGRAM.**

27.3 Subdivision 1. **Definitions.** The following definitions apply to this section.

27.4 (a) "Utility" means electricity, natural gas, or other energy resource, water, and
27.5 wastewater.

27.6 (b) "Utility cost savings" means the difference between the utility costs after
27.7 installation of the utility cost-savings measures pursuant to the guaranteed energy-savings
27.8 agreement and the baseline utility costs after baseline adjustments have been made.

27.9 (c) "Baseline" means the preagreement utilities, operations, and maintenance costs.

27.10 (d) "Utility cost-savings measure" means a measure that produces utility cost savings
27.11 or operation and maintenance cost savings.

27.12 (e) "Operation and maintenance cost savings" means a measurable difference
27.13 between operation and maintenance costs after the installation of the utility cost-savings
27.14 measures pursuant to the guaranteed energy-savings agreement and the baseline operation
27.15 and maintenance costs after inflation adjustments have been made. Operation and
27.16 maintenance costs savings shall not include savings from in-house staff labor.

27.17 (f) "Guaranteed energy-savings agreement" means an agreement for the installation
27.18 of one or more utility cost-savings measures that includes the qualified provider's
27.19 guarantee as required under subdivision 2.

27.20 (g) "Baseline adjustments" means adjusting the utility cost-savings baselines
27.21 annually for changes in the following variables:

27.22 (1) utility rates;

27.23 (2) number of days in the utility billing cycle;

27.24 (3) square footage of the facility;

27.25 (4) operational schedule of the facility;

27.26 (5) facility temperature set points;

27.27 (6) weather; and

27.28 (7) amount of equipment or lighting utilized in the facility.

27.29 (h) "Inflation adjustment" means adjusting the operation and maintenance
27.30 cost-savings baseline annually for inflation.

27.31 (i) "~~Lease purchase agreement~~ Project financing" means ~~an agreement~~ any type of
27.32 financing including but not limited to lease, lease purchase, installment agreements, or
27.33 bonds issued by an entity, other than the state, with authority to issue bonds, obligating the
27.34 state to make regular lease payments to satisfy the lease costs of the utility cost-savings
27.35 measures until the final payment, ~~after which time the utility cost-savings measures~~
27.36 ~~become the sole property of the state of Minnesota.~~

28.1 (j) "Qualified provider" means a person or business experienced in the design,
28.2 implementation, and installation of utility cost-savings measures.

28.3 (k) "Engineering report" means a report prepared by a professional engineer licensed
28.4 by the state of Minnesota summarizing estimates of all costs of installations, modifications,
28.5 or remodeling, including costs of design, engineering, installation, maintenance, repairs,
28.6 and estimates of the amounts by which utility and operation and maintenance costs will be
28.7 reduced.

28.8 (l) "Capital cost avoidance" means money expended by a state agency to pay for
28.9 utility cost-savings measures with a guaranteed savings agreement so long as the measures
28.10 that are being implemented to achieve the utility, operation, and maintenance cost savings
28.11 are a significant portion of an overall project as determined by the commissioner.

28.12 (m) "Guaranteed energy-savings program guidelines" means policies, procedures,
28.13 and requirements of guaranteed savings agreements established by the Department of
28.14 Administration.

28.15 Subd. 2. **Guaranteed energy-savings agreement.** The commissioner may enter
28.16 into a guaranteed energy-savings agreement with a qualified provider if:

28.17 (1) the qualified provider is selected through a competitive process in accordance
28.18 with the guaranteed energy-savings program guidelines within the Department of
28.19 Administration;

28.20 (2) the qualified provider agrees to submit an engineering report prior to the
28.21 execution of the guaranteed energy-savings agreement. The cost of the engineering report
28.22 may be considered as part of the implementation costs if the commissioner enters into a
28.23 guaranteed energy-savings agreement with the provider;

28.24 (3) the term of the guaranteed energy-savings agreement shall not exceed 25 years
28.25 from the date of final installation;

28.26 (4) the commissioner finds that the amount ~~it~~ the state would spend, less the amount
28.27 contributed for capital cost avoidance, on the utility cost-savings measures recommended
28.28 in the engineering report will not exceed the amount to be saved in utility operation and
28.29 maintenance costs over 25 years from the date of implementation of utility cost-savings
28.30 measures;

28.31 (5) the qualified provider provides a written guarantee that the annual utility,
28.32 operation, and maintenance cost savings during the term of the guaranteed energy-savings
28.33 agreement will meet or exceed the annual payments due under ~~a lease purchase agreement~~
28.34 the project financing. The qualified provider shall reimburse the state for any shortfall of
28.35 guaranteed utility, operation, and maintenance cost savings; and

29.1 (6) the qualified provider gives a sufficient bond in accordance with section
 29.2 574.26 to the commissioner for the faithful implementation and installation of the utility
 29.3 cost-savings measures.

29.4 Subd. 3. ~~Lease purchase agreement~~ **Project financing.** The commissioner
 29.5 may enter into a ~~lease purchase agreement~~ project financing with any party for the
 29.6 implementation of utility cost-savings measures in accordance with the guaranteed
 29.7 energy-savings agreement. ~~The implementation costs of the utility cost-savings measures~~
 29.8 ~~recommended in the engineering report shall not exceed the amount to be saved in utility~~
 29.9 ~~and operation and maintenance costs over the term of the lease purchase agreement.~~ The
 29.10 term of the ~~lease purchase agreement~~ project financing shall not exceed 25 years from
 29.11 the date of final installation. The ~~lease~~ project financing is assignable in accordance with
 29.12 terms approved by the commissioner of management and budget.

29.13 Subd. 4. **Use of capital cost avoidance.** The affected state agency may contribute
 29.14 funds for capital cost avoidance for guaranteed energy-savings agreements. Use of capital
 29.15 cost avoidance is subject to the guaranteed energy-savings program guidelines within the
 29.16 Department of Administration.

29.17 Subd. 5. **Independent report.** For each guaranteed energy-savings agreement
 29.18 entered into, the commissioner of administration shall contract with an independent third
 29.19 party to evaluate the cost-effectiveness of each utility cost-savings measure implemented
 29.20 to ensure that such measures were the least-cost measures available. For the purposes of
 29.21 this section, "independent third party" means an entity not affiliated with the qualified
 29.22 provider, that is not involved in creating or providing conservation project services to that
 29.23 provider, and that has expertise (or access to expertise) in energy-savings practices.

29.24 Sec. 10. Minnesota Statutes 2014, section 16C.16, subdivision 2, is amended to read:

29.25 Subd. 2. **Small business.** The commissioner shall adopt ~~rules defining the size~~
 29.26 standards for "small business" found in Code of Federal Relations, title 49, section
 29.27 26.65, for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142.
 29.28 ~~The definition must include only businesses with their,~~ provided that the business has
 29.29 its principal place of business in Minnesota. ~~The definition must establish different~~
 29.30 ~~size standards for various types of businesses. In establishing these standards, the~~
 29.31 ~~commissioner must consider the differences among industries caused by the size of the~~
 29.32 ~~market for goods or services and the relative size and market share of the competitors~~
 29.33 ~~operating in those markets.~~

30.1 Sec. 11. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision
30.2 to read:

30.3 Subd. 13. **State-funded projects.** (a) Notwithstanding section 16C.001, this
30.4 subdivision applies to contracts for state-funded capital improvement projects in excess of
30.5 \$100,000 that are issued by organizations not subject to the small business requirements of
30.6 this section, including municipalities as defined in section 466.01, subdivision 1.

30.7 (b) Organizations administering contracts described in paragraph (a) shall promote
30.8 the use of targeted group businesses designated under this section and take steps to remove
30.9 barriers to equitable participation of targeted group businesses.

30.10 (c) Organizations shall cooperate with the commissioner's efforts to monitor and
30.11 measure compliance with this subdivision in the performance of state-funded contracts.

30.12 Sec. 12. Minnesota Statutes 2014, section 16C.19, is amended to read:

30.13 **16C.19 ELIGIBILITY; RULES.**

30.14 (a) A small business wishing to participate in the programs under section 16C.16,
30.15 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
30.16 by rule standards and procedures for certifying that small targeted group businesses,
30.17 small businesses located in economically disadvantaged areas, and veteran-owned small
30.18 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.
30.19 The commissioner shall adopt by rule standards and procedures for hearing appeals and
30.20 grievances and other rules necessary to carry out the duties set forth in sections 16C.16
30.21 to 16C.21.

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

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

30.27 (d) Notwithstanding paragraph ~~(e)~~ (a), for purposes of sections 16C.16 to 16C.21, a
30.28 veteran-owned small business, the principal place of business of which is in Minnesota, is
30.29 certified if it has been verified by the United States Department of Veterans Affairs as being
30.30 either a veteran-owned small business or a service-disabled veteran-owned small business,
30.31 in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

30.32 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying
30.33 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may
30.34 be read to include veteran-owned small businesses. In addition to the documentation
30.35 required in Minnesota Rules, part 1230.1700, the veteran owner must have been

31.1 discharged under honorable conditions from active service, as indicated by the veteran
 31.2 owner's most current United States Department of Defense form DD-214.

31.3 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
 31.4 minority- or woman-owned small business, the principal place of business of which is
 31.5 in Minnesota, is certified if it has been certified under the provisions of Code of Federal
 31.6 Regulations, title 49, part 26.

31.7 (g) The commissioner may adopt rules to implement the programs under section
 31.8 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

31.9 Sec. 13. Minnesota Statutes 2014, section 155A.21, is amended to read:

31.10 **155A.21 POLICY.**

31.11 The legislature finds that the health and safety of the people of the state are served
 31.12 by the licensing of the practice of cosmetology because of infection control and the use
 31.13 of chemicals, implements, apparatus, and other appliances requiring special skills and
 31.14 education.

31.15 To this end, the public will best be served by vesting these responsibilities in the
 31.16 Board of Cosmetologist Examiners.

31.17 Sec. 14. Minnesota Statutes 2014, section 155A.23, subdivision 8, is amended to read:

31.18 Subd. 8. **Manager.** A "manager" is any person who ~~conducts, operates, or manages~~
 31.19 ~~a cosmetology school or salon and who also instructs in or~~ is a cosmetologist, esthetician,
 31.20 advanced practice esthetician, or nail technician practitioner, and who has a manager
 31.21 license and provides any services under that license, as defined in subdivision 3. A school
 31.22 ~~manager must maintain an active salon manager's license.~~

31.23 Sec. 15. Minnesota Statutes 2014, section 155A.23, is amended by adding a
 31.24 subdivision to read:

31.25 Subd. 8a. **Mobile salon.** A "mobile salon" is a salon that is operated in a mobile
 31.26 vehicle or mobile structure for exclusive use to offer personal services, as defined in
 31.27 subdivision 3.

31.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

31.29 Sec. 16. Minnesota Statutes 2014, section 155A.23, is amended by adding a
 31.30 subdivision to read:

32.1 Subd. 14. **Advanced practice esthetician.** An "advanced practice esthetician" is a
32.2 person who for compensation performs personal services for the cosmetic care of the skin,
32.3 including the use of mechanical or electrical skin care apparatuses or appliances that are
32.4 used on the epidermal layer of the skin.

32.5 **EFFECTIVE DATE.** This section is effective August 1, 2015, except that a license
32.6 for an advanced practice esthetician must not be issued prior to January 1, 2018.

32.7 Sec. 17. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.8 subdivision to read:

32.9 Subd. 15. **Designated licensed salon manager.** A "designated licensed salon
32.10 manager" is a manager designated by a salon owner and registered with the board, who is
32.11 responsible with the salon owner for salon and practitioner compliance.

32.12 Sec. 18. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.13 subdivision to read:

32.14 Subd. 16. **School manager.** A "school manager" is a cosmetologist who is a salon
32.15 manager and who has a school manager license. A school manager must maintain an
32.16 active salon manager's license.

32.17 Sec. 19. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.18 subdivision to read:

32.19 Subd. 17. **Designated school manager.** A "designated school manager" is a school
32.20 manager who is designated by the school owner and registered with the board, who is
32.21 responsible with the school owner for school and instructor compliance.

32.22 Sec. 20. Minnesota Statutes 2014, section 155A.23, is amended by adding a
32.23 subdivision to read:

32.24 Subd. 18. **Practitioner.** A "practitioner" is any person licensed in the practice of
32.25 cosmetology, esthiology, or nail technology services.

32.26 Sec. 21. Minnesota Statutes 2014, section 155A.24, subdivision 2, is amended to read:

32.27 Subd. 2. **Hiring and assignment of employees.** The board has the authority to hire
32.28 qualified personnel in the classified service to assist in administering the law, including
32.29 those for the testing and licensing of applicants ~~and the continuing inspections required.~~
32.30 ~~All staff must receive periodic training to improve and maintain customer service skills,~~
32.31 ~~conducting inspections, and complaint investigations.~~

33.1 Sec. 22. Minnesota Statutes 2014, section 155A.25, subdivision 1a, is amended to read:

33.2 Subd. 1a. **Schedule.** (a) The fee schedule for licensees fees and penalties is as
 33.3 follows: provided in this subdivision.

33.4 (a) (b) Three-year license fees are as follows:

33.5 (1) cosmetologist, nail technician, or esthetician \$195 initial practitioner, manager,
 33.6 or instructor license, divided as follows:

33.7 (i) \$90 \$155 for each initial license and a \$40 nonrefundable initial license
 33.8 application fee, for a total of \$130; and

33.9 (ii) \$60 for each renewal and a \$15 nonrefundable renewal application fee, for a total
 33.10 of \$75 \$40 for each initial license application fee;

33.11 (2) instructor or manager \$115 renewal of practitioner license, divided as follows:

33.12 (i) \$120 \$100 for each initial renewal license and a \$40 nonrefundable initial license
 33.13 application fee, for a total of \$160; and

33.14 (ii) \$90 \$15 for each renewal and a \$15 nonrefundable renewal application fee;
 33.15 for a total of \$105;

33.16 (3) \$145 renewal of manager or instructor license, divided as follows:

33.17 (i) \$130 for each renewal license; and

33.18 (ii) \$15 for each renewal application fee;

33.19 (4) \$350 initial salon license, divided as follows:

33.20 (i) \$130 \$250 for each initial license and a \$100 nonrefundable initial license
 33.21 application fee, for a total of \$230; and

33.22 (ii) \$100 for each renewal and a \$50 nonrefundable renewal initial license
 33.23 application fee, for a total of \$150; and

33.24 (4) school (5) \$225 renewal of salon license, divided as follows:

33.25 (i) \$1,500 \$175 for each initial license and a \$1,000 nonrefundable initial license
 33.26 application fee, for a total of \$2,500 renewal; and

33.27 (ii) \$1,500 \$50 for each renewal and a \$500 nonrefundable renewal application
 33.28 fee, for a total of \$2,000;

33.29 (6) \$4,000 initial school license, divided as follows:

33.30 (i) \$3,000 for each initial license; and

33.31 (ii) \$1,000 for each initial license application fee; and

33.32 (7) \$2,500 renewal of school license, divided as follows:

33.33 (i) \$2,000 for each renewal; and

33.34 (ii) \$500 for each renewal application fee.

33.35 (b) (c) Penalties may be assessed in amounts up to the following:

33.36 (1) reinspection fee, variable \$150;

- 34.1 (2) manager and owner with lapsed practitioner found on inspection, \$150 each;
- 34.2 (3) lapsed practitioner or instructor found on inspection, \$200;
- 34.3 (4) lapsed salon found on inspection, \$500;
- 34.4 (5) lapsed school found on inspection, \$1,000;
- 34.5 (6) failure to display current license, \$100;
- 34.6 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 34.7 under section 155A.355, subdivision 1, \$500;
- 34.8 (8) use of prohibited razor-type callus shavers, rasps, or graters under section
- 34.9 155A.355, subdivision 2, \$500;
- 34.10 (9) performing nail or cosmetology services in esthetician salon, or performing
- 34.11 esthetician or cosmetology services in a nail salon, \$500;
- 34.12 (10) owner and manager allowing an operator to work as an independent contractor,
- 34.13 \$200;
- 34.14 (11) operator working as an independent contractor, \$100;
- 34.15 (12) refusal or failure to cooperate with an inspection, \$500;
- 34.16 (13) ~~expired cosmetologist, nail technician, esthetician, manager, school manager,~~
- 34.17 ~~and instructor license practitioner late renewal fee, \$45; and~~
- 34.18 (14) ~~expired salon or school license late renewal fee, \$50.~~
- 34.19 ~~(e)~~ (d) Administrative fees are as follows:
- 34.20 (1) ~~certificate of identification, \$20~~ homebound service permit, \$50 three-year fee;
- 34.21 (2) name change, \$20;
- 34.22 (3) ~~letter of license verification~~ certification of licensure, \$30 each;
- 34.23 (4) duplicate license, \$20;
- 34.24 (5) ~~processing fee, \$10;~~
- 34.25 ~~(6)~~ special event permit, \$75 per year; ~~and~~
- 34.26 ~~(7)~~ (6) registration of hair braiders, \$20 per year;
- 34.27 (7) \$100 for each temporary military license for a cosmetologist, nail technician,
- 34.28 esthetician, or advanced practice esthetician one-year fee;
- 34.29 (8) expedited initial individual license, \$150;
- 34.30 (9) expedited initial salon license, \$300;
- 34.31 (10) instructor continuing education provider approval, \$150 each year; and
- 34.32 (11) practitioner continuing education provider approval, \$150 each year.

34.33 Sec. 23. Minnesota Statutes 2014, section 155A.25, subdivision 5, is amended to read:

34.34 Subd. 5. **Board must approve or deny application; timeline.** Within 15 working

34.35 days of receiving a complete application and the required fees ~~for an initial or renewal~~

35.1 to apply for or renew an individual or salon license that is not an expedited license or a
 35.2 military license, the board must (1) either grant or deny the application issue the license,
 35.3 (2) issue deny the license or and notify the applicant of the denial, or (3) issue a temporary
 35.4 license to an applicant for whom no record exists regarding: (i) a complaint filed with the
 35.5 board against the applicant; or (ii) a negative action by the board against the applicant if
 35.6 the conditions in subdivision 6 are met, notify the applicant that the board must conduct
 35.7 additional review.

35.8 Sec. 24. Minnesota Statutes 2014, section 155A.25, is amended by adding a
 35.9 subdivision to read:

35.10 Subd. 6. **Additional review for certain licenses.** If an application contains
 35.11 discrepancies, the applicant is the subject of a complaint investigation, or the applicant
 35.12 has pending disciplinary actions before the board, the board will comply with the time
 35.13 limits prescribed in section 15.992 to process the application.

35.14 Sec. 25. Minnesota Statutes 2014, section 155A.25, is amended by adding a
 35.15 subdivision to read:

35.16 Subd. 7. **Temporary military license or expedited license.** Within five business
 35.17 days of receiving a completed application and the required fees for an individual or salon
 35.18 license that meets requirements for an expedited license or a temporary military license,
 35.19 the board must (1) issue the license, (2) deny the license and notify the applicant of the
 35.20 denial, or (3) notify the applicant that the board must conduct additional review if the
 35.21 application meets the conditions in subdivision 8.

35.22 **EFFECTIVE DATE.** This section is effective August 1, 2015, except that an
 35.23 expedited license must not be issued prior to January 1, 2016.

35.24 Sec. 26. Minnesota Statutes 2014, section 155A.25, is amended by adding a
 35.25 subdivision to read:

35.26 Subd. 8. **Additional review for certain temporary military license or expedited**
 35.27 **license.** If an application under subdivision 7 contains discrepancies, the applicant is the
 35.28 subject of a complaint investigation, or the applicant has pending disciplinary actions
 35.29 before the board, the board will process the application according to the time limits in
 35.30 section 15.992.

35.31 Sec. 27. Minnesota Statutes 2014, section 155A.27, subdivision 1, is amended to read:

36.1 Subdivision 1. **Licensing.** ~~Individual licensing shall be required for persons seeking~~
 36.2 A person must hold an individual license to practice in the state as a cosmetologist,
 36.3 esthetician, nail technician, advanced practice esthetician, manager, or instructor.

36.4 Sec. 28. Minnesota Statutes 2014, section 155A.27, subdivision 2, is amended to read:

36.5 Subd. 2. **Qualifications.** Qualifications for licensing in each classification shall
 36.6 be determined by the board and established by rule, and shall include educational
 36.7 and experiential prerequisites. The rules shall require a demonstrated knowledge of
 36.8 procedures necessary to protect the health and safety of the practitioner and the consumer
 36.9 of cosmetology services, including but not limited to ~~chemical applications~~ infection
 36.10 control, use of implements, apparatuses and other appliances, and the use of chemicals.

36.11 Sec. 29. Minnesota Statutes 2014, section 155A.27, subdivision 5a, is amended to read:

36.12 Subd. 5a. **Temporary military license.** The board shall establish temporary
 36.13 licenses for a cosmetologist, nail technician, and esthetician in accordance with section
 36.14 197.4552. ~~The fee for a temporary license under this subdivision for a cosmetologist, nail~~
 36.15 ~~technician, or esthetician is \$100.~~

36.16 Sec. 30. Minnesota Statutes 2014, section 155A.271, is amended to read:

36.17 **155A.271 CONTINUING EDUCATION REQUIREMENTS.**

36.18 Subdivision 1. **Continuing education requirements.** (a) Effective August 1, 2014,
 36.19 to qualify for license renewal under this chapter as an individual cosmetologist, nail
 36.20 technician, esthetician, advanced practice esthetician, or salon manager, the applicant
 36.21 must attest to the completion of four hours of continuing education credits from an
 36.22 accredited school or a professional association of cosmetology during the three years
 36.23 prior to the applicant's renewal date. One credit hour of the requirement must include
 36.24 instruction pertaining to state laws and rules governing the practice of cosmetology. Three
 36.25 credit hours must include instruction pertaining to health, safety, and sanitation matters
 36.26 consistent with the United States Department of Labor's Occupational Safety and Health
 36.27 Administration standards applicable to the practice of cosmetology, or other applicable
 36.28 federal health, sanitation, and safety standards, and must be regularly updated so as to
 36.29 incorporate newly developed standards and accepted professional best practices. Credit
 36.30 hours earned are valid for three years and may be applied simultaneously to all individual
 36.31 licenses held by a licensee under this chapter. ~~This subdivision does not apply to~~
 36.32 ~~instructors or inactive licenses.~~

37.1 (b) Effective August 1, 2017, in addition to the hours of continuing education credits
 37.2 required under paragraph (a), to qualify for license renewal under this chapter as an
 37.3 individual cosmetologist, nail technician, esthetician, advanced practice esthetician, or
 37.4 salon manager, the applicant must also attest to the completion of one four-hour continuing
 37.5 education course from a continuing education provider based on any or all of the following:

- 37.6 (1) product chemistry and chemistry interaction;
 37.7 (2) proper use of machines and instruments;
 37.8 (3) business management and human relations; or
 37.9 (4) techniques relevant to the type of license held.

37.10 Credits must be completed during the three years prior to the applicant's renewal date and
 37.11 may be applied simultaneously to other individual licenses held as applicable, except
 37.12 that credits completed under this paragraph must not duplicate credits completed under
 37.13 paragraph (a).

37.14 (c) Paragraphs (a) and (b) do not apply to an instructor license, a school manager
 37.15 license, or an inactive license.

37.16 Subd. 1a. **Product sales or marketing prohibited.** The marketing or sale of
 37.17 any product is prohibited during a continuing education class receiving credit under
 37.18 subdivision 1.

37.19 Subd. 2. ~~Schools and professional associations~~ **Continuing education providers.**
 37.20 (a) Only a board-licensed school of cosmetology, a postsecondary institution as defined in
 37.21 section 136A.103, paragraph (a), or a board-recognized professional association organized
 37.22 under chapter 317A may offer continuing education curriculum for credit under ~~this~~
 37.23 ~~section.~~ subdivision 1, paragraph (a). Continuing education curriculum under subdivision
 37.24 1, paragraph (b), may be offered by a:

- 37.25 (1) board-licensed school of cosmetology;
 37.26 (2) board-recognized professional association organized under chapter 317A; or
 37.27 (3) board-licensed salon.

37.28 The school and professional association may offer online and independent study
 37.29 options to achieve maximum involvement of licensees ~~and is.~~ Continuing education
 37.30 providers are encouraged to offer classes available in foreign language formats.

37.31 (b) Board ~~recognition~~ authorization of a ~~professional association~~ continuing
 37.32 education provider under paragraph (a) is valid for ~~three years~~ one calendar year and is
 37.33 contingent upon submission and preapproval of the ~~general curriculum~~ lesson plan or
 37.34 plans with learning objectives for the class to be offered and the payment of the application
 37.35 fee in section 155A.25, subdivision 1a, paragraph (d), clause (11). The board may revoke
 37.36 ~~recognition~~ authorization of a continuing education provider at any time for just cause and

38.1 the board may demand return of documents required under subdivision 3. The professional
 38.2 association offering continuing education must be organized under chapter 317A.

38.3 Subd. 3. **Proof of credits.** ~~The school or professional association~~ continuing
 38.4 education provider shall provide to licensees who attend a class a receipt to prove
 38.5 completion of the class. Licensees shall retain proof of their continuing education credits
 38.6 for one year beyond the credit's expiration. The school or professional association
 38.7 continuing education provider shall retain documentation of all licensees successfully
 38.8 completing a class and the licensee's credit hours for five years.

38.9 Subd. 4. **Audit.** The board shall conduct random audits of active licensees
 38.10 periodically to ensure compliance with continuing education requirements. To initiate
 38.11 an audit, the board shall notify an active licensee of the audit and request proof of
 38.12 credits earned during a specified period. The licensee must provide the requested proof
 38.13 to the board within 30 days of an audit notice. The board may request that a school or
 38.14 professional association verify a licensee's credits. ~~The school or professional association~~
 38.15 continuing education provider must furnish verification, or a written statement that the
 38.16 credits are not verified, within 15 days of the board's request for verification. If the board
 38.17 determines that a licensee has failed to provide proof of necessary credits earned during
 38.18 the specified time, the board may revoke the individual's license and may deem the
 38.19 individual a lapsed practitioner subject to penalty under section 155A.25 or 155A.36.

38.20 **EFFECTIVE DATE.** Subdivision 1 is effective August 1, 2017. Subdivision 1a is
 38.21 effective the day following final enactment. Subdivisions 2 to 4 are effective July 1, 2015.

38.22 Sec. 31. Minnesota Statutes 2014, section 155A.29, subdivision 1, is amended to read:

38.23 Subdivision 1. **Licensing.** ~~Any~~ A person who offers must not offer cosmetology
 38.24 services for compensation in this state shall be (1) licensed as a salon if not employed by
 38.25 another licensed salon or (2) employed as an esthetician or cosmetologist in connection
 38.26 with medical care in relation to esthiology in the office of a licensed physician unless the
 38.27 services are provided by a licensee in a licensed salon or as otherwise provided in this
 38.28 section. Each salon must be licensed as a cosmetology salon, a nail salon, esthetician
 38.29 salon, or advanced practice esthetician salon. A salon may hold more than one type of
 38.30 salon license.

38.31 Sec. 32. Minnesota Statutes 2014, section 155A.29, subdivision 2, is amended to read:

38.32 Subd. 2. **Requirements.** (a) The conditions and process by which a salon is licensed
 38.33 shall be established by the board by rule. In addition to those requirements, no license

39.1 shall be issued unless the board first determines that the conditions in clauses (1) to (5)
39.2 have been satisfied:

39.3 (1) compliance with all local and state laws, particularly relating to matters of
39.4 sanitation, health, and safety;

39.5 (2) the employment of a manager, as defined in section 155A.23, subdivision 8;

39.6 (3) if applicable, evidence of compliance with workers' compensation section
39.7 176.182; and

39.8 (4) evidence of continued professional liability insurance coverage of at least
39.9 \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

39.10 ~~(b) A licensed esthetician or nail technician who complies with the health, safety,
39.11 sanitation, inspection, and insurance rules promulgated by the board to operate a salon
39.12 solely for the performance of those personal services defined in section 155A.23,
39.13 subdivision 5, in the case of an esthetician, or subdivision 7, in the case of a nail technician.~~

39.14 Sec. 33. Minnesota Statutes 2014, section 155A.29, is amended by adding a
39.15 subdivision to read:

39.16 Subd. 2a. **Requirements for mobile salon.** In addition to complying with the
39.17 requirements for a salon in subdivision 2, the holder of a salon license for a mobile salon
39.18 must:

39.19 (1) maintain a permanent business address; and

39.20 (2) notify the board of the locations and schedule of operation of a mobile salon.

39.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

39.22 Sec. 34. Minnesota Statutes 2014, section 155A.30, subdivision 5, is amended to read:

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

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

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

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

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

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

40.7 (6) the school must have coverage by professional liability insurance of at least
 40.8 \$25,000 per incident and an accumulation of \$150,000 for each premium year;

40.9 (7) the applicant shall provide evidence of the school's compliance with section
 40.10 176.182;

40.11 (8) the applicant, except the state and its political subdivisions as described in
 40.12 section 471.617, subdivision 1, shall file with the board a continuous corporate surety
 40.13 bond in the amount of \$10,000, conditioned upon the faithful performance of all contracts
 40.14 and agreements with students made by the applicant. The bond shall run to the state of
 40.15 Minnesota and to any person who may have a cause of action against the applicant arising
 40.16 at any time after the bond is filed and before it is canceled for breach of any contract or
 40.17 agreement made by the applicant with any student. The aggregate liability of the surety for
 40.18 all breaches of the conditions of the bond shall not exceed \$10,000. The surety of the bond
 40.19 may cancel it upon giving 60 days' notice in writing to the board and shall be relieved of
 40.20 liability for any breach of condition occurring after the effective date of cancellation; and

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

40.23 Sec. 35. Minnesota Statutes 2014, section 155A.30, subdivision 10, is amended to read:

40.24 Subd. 10. **Discrimination prohibited.** ~~No Each school, duly approved under~~
 40.25 ~~sections 155A.21 to 155A.36, shall refuse to teach any student, otherwise qualified, on~~
 40.26 ~~account of race, sex, creed, color, citizenship, national origin, or sexual preference must~~
 40.27 ~~comply with the Minnesota Human Rights Act under chapter 363A.~~

40.28 Sec. 36. Minnesota Statutes 2014, section 161.1419, subdivision 8, is amended to read:

40.29 Subd. 8. **Expiration.** The commission expires on June 30, ~~2016~~ 2020.

40.30 Sec. 37. Minnesota Statutes 2014, section 211B.37, is amended to read:

40.31 **211B.37 COSTS ASSESSED.**

40.32 Except as otherwise provided in section 211B.36, subdivision 3, the chief
 40.33 administrative law judge shall assess the cost of considering complaints filed under section

41.1 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot
 41.2 question or an election for a statewide or legislative office must be assessed against the
 41.3 ~~appropriation from the general fund to the general account of the state elections campaign~~
 41.4 ~~account in section 10A.31, subdivision 4~~ paid from appropriations to the Office of
 41.5 Administrative Hearings for this purpose. Costs of complaints relating to any other ballot
 41.6 question or elective office must be paid from appropriations to the office for this purpose.

41.7 Sec. 38. Minnesota Statutes 2014, section 240A.09, is amended to read:

41.8 **240A.09 PLAN DEVELOPMENT; CRITERIA.**

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

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

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

41.17 (1) "indoor air quality improvements" means: (i) renovation or replacement of
 41.18 heating, ventilating, and air conditioning systems in existing indoor ice arenas whose
 41.19 ice resurfacing and ice edging equipment are not powered by electricity in order to
 41.20 reduce concentrations of carbon monoxide and nitrogen dioxide; and (ii) acquisition of
 41.21 zero-emission ice resurfacing and ice edging equipment. The new or renovated systems
 41.22 may include continuous electronic air monitoring devices to automatically activate the
 41.23 ventilation systems when the concentration of carbon monoxide or nitrogen dioxide
 41.24 reaches a predetermined level; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42.24 (l) The commission may make grants for rehabilitation and renovation. A
42.25 rehabilitation or renovation grant for air quality may not exceed \$200,000 and a
42.26 rehabilitation or renovation grant for R-22 elimination may not exceed \$50,000 for
42.27 indirect cooling systems and may not exceed \$400,000 for direct cooling systems. Priority
42.28 must be given to grant applications for indoor air quality improvements, including zero
42.29 emission ice resurfacing equipment, and for projects that eliminate R-22.

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

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

42.33 **EFFECTIVE DATE.** This section is effective July 1, 2015.

43.1 Sec. 39. Minnesota Statutes 2014, section 272.484, is amended to read:

43.2 **272.484 FEES.**

43.3 The fee for filing and indexing each notice of lien or certificate or notice affecting
43.4 the lien is:

43.5 (1) for a lien, certificate of discharge or subordination, and for all other notices,
43.6 including a certificate of release or nonattachment filed with the secretary of state, the fee
43.7 provided by section 336.9-525, except that the filing fee charged to the district directors
43.8 of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and~~
43.9 ~~\$15 for each additional name;~~ and

43.10 (2) for a lien, certificate of discharge or subordination, and for all other notices,
43.11 including a certificate of release or nonattachment filed with the county recorder, the fee
43.12 for filing a real estate mortgage in the county where filed.

43.13 The officer shall bill the district directors of internal revenue or other appropriate
43.14 federal officials on a monthly basis for fees for documents filed by them.

43.15 Sec. 40. Minnesota Statutes 2014, section 299F.011, is amended by adding a
43.16 subdivision to read:

43.17 Subd. 4d. **Single-family dwelling; fire sprinklers.** (a) The State Building Code, the
43.18 State Fire Code, or a political subdivision of the state by code, by ordinance, or in any
43.19 other way, must not require the installation of fire sprinklers, any fire sprinkler system
43.20 components, or automatic fire-extinguishing equipment or devices in any new or existing
43.21 single-family detached dwelling unit.

43.22 (b) Nothing in this subdivision shall be construed to affect or limit a requirement
43.23 for smoke or fire detectors, alarms, or their components.

43.24 Sec. 41. Minnesota Statutes 2014, section 303.19, is amended to read:

43.25 **303.19 REINSTATEMENT.**

43.26 Subdivision 1. **Application Required filing.** Any foreign corporation whose
43.27 certificate of authority to do business in this state shall have been revoked or canceled may
43.28 file reinstate that authority by filing an annual renewal and the fee required by subdivision
43.29 2 with the secretary of state an application for reinstatement. Such application shall be
43.30 on forms prescribed by the secretary of state, shall contain all the matters required to be
43.31 set forth in an original application for a certificate of authority, and such other pertinent
43.32 information as may be required by the secretary of state. If any of the information in the
43.33 original application for authority has changed, the foreign corporation must also file an

44.1 amended certificate setting forth the currently accurate information, with the fee required
 44.2 by section 303.21, subdivision 3.

44.3 Subd. 2. **Fee.** If the certificate of authority was revoked by the secretary of state
 44.4 pursuant to section 303.17, ~~the corporation shall pay to the commissioner of management~~
 44.5 ~~and budget \$250 before it may be reinstated.~~

44.6 ~~If the certificate of authority was canceled~~ or by a judgment pursuant to section
 44.7 303.18, the corporation shall pay to the commissioner of management and budget \$500
 44.8 before it may be reinstated.

44.9 Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon
 44.10 payment of ~~all penalties, fees and charges required by law, not including an initial license~~
 44.11 ~~fee or additional license fees to the extent that they have previously been paid by the~~
 44.12 ~~corporation~~ the fees imposed by this section, the secretary of state shall reinstate the
 44.13 license of the corporation.

44.14 Sec. 42. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:

44.15 Subdivision 1. **Report required.** ~~No later than 90 days after the conclusion of~~
 44.16 ~~each calendar year~~ Before each April 1, a public benefit corporation must deliver to the
 44.17 secretary of state for filing an annual benefit report covering the 12-month period ending
 44.18 on December 31 of ~~that~~ the previous year and pay a fee of \$35 to the secretary of state.
 44.19 The annual benefit report must state the name of the public benefit corporation, be signed
 44.20 by the public benefit corporation's chief executive officer not more than 30 days before the
 44.21 report is delivered to the secretary of state for filing, and must be current when signed.

44.22 Sec. 43. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:

44.23 Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation
 44.24 fails to file ~~an~~, before April 1 of any calendar year, the annual benefit report ~~in accordance~~
 44.25 ~~with this section within 90 days of the date on which an annual benefit report is due~~
 44.26 required by this section, the secretary of state shall revoke the corporation's status as a
 44.27 public benefit corporation under this chapter and must notify the public benefit corporation
 44.28 of the revocation using the information provided by the corporation pursuant to section
 44.29 5.002 or 5.34 or provided in the articles.

44.30 Sec. 44. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

44.31 Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation
 44.32 that has lost its public benefit corporation status for failure to timely file an annual benefit
 44.33 report or by terminating that status pursuant to section 304A.103 is not entitled to the

45.1 benefits afforded to a public benefit corporation under this chapter as of the date of
45.2 revocation or termination and must amend the articles of incorporation to reflect a name
45.3 compliant with section 302A.115, but which does not include the corporate designation
45.4 provided for in section 304A.101, subdivision 2.

45.5 (b) Within 30 days of issuance of revocation of public benefit corporation status by
45.6 the secretary of state, filing a renewal complying with this section and a \$500 fee with
45.7 the secretary of state will reinstate the corporation as a public benefit corporation under
45.8 this chapter as of the date of revocation.

45.9 Sec. 45. Minnesota Statutes 2014, section 304A.301, is amended by adding a
45.10 subdivision to read:

45.11 Subd. 8. **Failure to change corporate name.** The duration of a corporation that has
45.12 had public benefit status terminated or revoked and which fails to change the corporate
45.13 name as provided in subdivision 6 expires automatically 30 days after termination or
45.14 revocation of the public benefit corporation status.

45.15 Sec. 46. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

45.16 Subd. 2. **Attest.** "Attest" means ~~to provide~~ providing any of the following financial
45.17 statement services:

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

45.20 (2) a review of a financial statement performed in accordance with the Statements on
45.21 Standards for Accounting and Review Services (SSARS);

45.22 (3) an examination of prospective financial information performed in accordance
45.23 with the Statements on Standards for Attestation Engagements (SSAE); ~~and~~

45.24 (4) ~~any~~ an engagement performed in accordance with ~~auditing and related the~~
45.25 standards of the Public Company Accounting Oversight Board (PCAOB); and

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

45.28 Sec. 47. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

45.29 Subd. 12. **Peer review.** "Peer review" means ~~an independent~~ a study, appraisal, or
45.30 review of one or more aspects of the professional work of a licensee or CPA firm that
45.31 issues attest or compilation reports, or the professional work of a person registered under
45.32 section 326A.06, paragraph (b), by persons who are not affiliated with the licensee or
45.33 CPA firm being reviewed.

46.1 Sec. 48. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

46.2 Subd. 13a. **Principal place of business.** "Principal place of business" means the
46.3 office location designated by the licensee for purposes of substantial equivalency and
46.4 reciprocity ~~in this state and in other states.~~

46.5 Sec. 49. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

46.6 Subd. 15. **Report.** "Report," when used with reference to ~~financial statements~~ an
46.7 attest or compilation service, means an opinion, report, or other form of language that
46.8 states or implies assurance as to the reliability of ~~any~~ the attested information or compiled
46.9 financial statements and that also includes or is accompanied by a statement or implication
46.10 that the person or firm issuing it has special knowledge or competence in accounting or
46.11 auditing. Such a statement or implication of special knowledge or competence may arise
46.12 from use by the issuer of the report of names or titles indicating that the person or firm is an
46.13 accountant or auditor, or from the language of the report itself. The term "report" includes
46.14 any form of language that disclaims an opinion when the form of language is conventionally
46.15 understood to imply any positive assurance as to the reliability of the attested information
46.16 or compiled financial statements referred to or special competence on the part of the person
46.17 or firm issuing the language. It includes any other form of language that is conventionally
46.18 understood to imply such assurance or such special knowledge or competence.

46.19 Sec. 50. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

46.20 Subd. 16. **State.** "State" means any state of the United States, the District of
46.21 Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern
46.22 Mariana Islands, and Guam; except that "this state" means the state of Minnesota.

46.23 Sec. 51. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

46.24 Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members
46.25 as chair, another as vice-chair, and another as secretary and treasurer. The officers shall
46.26 hold their respective offices for a term of one year and until their successors are elected.
46.27 The affirmative vote of a majority of the qualified members of the board, or a majority of
46.28 a quorum of the board at any meeting duly called, is considered the action of the board.
46.29 The board shall meet at such times and places as may be fixed by the board. Meetings
46.30 of the board are subject to chapter 13D. A majority of the board members then in office
46.31 constitutes a quorum at any meeting duly called. The board shall retain or arrange for the
46.32 retention of all applications and all documents under oath that are filed with the board and
46.33 also records of its proceedings, and it shall maintain a registry of the names and addresses

47.1 of all licensees and registrants under this chapter. In any proceeding in court, civil or
 47.2 criminal, arising out of or founded upon any provision of this chapter, copies of records of
 47.3 the proceeding certified as true copies by the board chair or executive director shall be
 47.4 admissible in evidence as tending to prove the contents of the records.

47.5 Sec. 52. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

47.6 Subd. 5. **Rules.** The board may adopt rules governing its administration and
 47.7 enforcement of this chapter and the conduct of licensees and persons registered under
 47.8 section 326A.06, paragraph (b), including:

47.9 (1) rules governing the board's meetings and the conduct of its business;

47.10 (2) rules of procedure governing the conduct of investigations and hearings and
 47.11 discipline by the board;

47.12 (3) rules specifying the educational and experience qualifications required for the
 47.13 issuance of certificates and the continuing professional education required for renewal
 47.14 of certificates;

47.15 (4) rules of professional conduct directed to controlling the quality and probity
 47.16 of services by licensees, and dealing among other things with independence, integrity,
 47.17 and objectivity; competence and technical standards; and responsibilities to the public
 47.18 and to clients;

47.19 (5) rules governing the professional standards applicable to licensees including
 47.20 adoption of the standards specified in section 326A.01, subdivision 2, and as developed
 47.21 for general application by recognized national accountancy organizations such as the
 47.22 American Institute of Certified Public Accountants or the Public Company Accounting
 47.23 Oversight Board;

47.24 (6) rules that incorporate by reference the standards for attesting listed in section
 47.25 326A.01, subdivision 2, that are consistent with the standards of general applicability
 47.26 recognized by national accountancy organizations, including the American Institute of
 47.27 Certified Public Accountants and the Public Company Accounting Oversight Board;

47.28 ~~(6)~~ (7) rules governing the manner and circumstances of use of the titles "certified
 47.29 public accountant," "CPA," "registered accounting practitioner," and "RAP";

47.30 ~~(7)~~ (8) rules regarding peer review that may be required to be performed under
 47.31 provisions of this chapter;

47.32 ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

47.33 ~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

47.34 ~~(10)~~ (11) rules regarding the issuance and renewals of certificates, permits, and
 47.35 registrations;

48.1 ~~(11)~~ (12) rules regarding transition provisions to implement this chapter;
 48.2 ~~(12)~~ (13) rules specifying the educational and experience qualifications for
 48.3 registration, rules of professional conduct, rules regarding peer review, rules governing
 48.4 standards for providing services, and rules regarding the conduct and content of
 48.5 examination for those persons registered under section 326A.06, paragraph (b);
 48.6 ~~(13)~~ (14) rules regarding fees for examinations, certificate issuance and renewal,
 48.7 firm permits, registrations under section 326A.06, paragraph (b), notifications made under
 48.8 section 326A.14, and late processing fees; and
 48.9 ~~(14)~~ (15) upon any change to this chapter, if the board determines a change in
 48.10 Minnesota Rules is required, the board may initiate the expedited process under section
 48.11 14.389 up to one year after the effective date of the change to this chapter.

48.12 Sec. 53. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

48.13 Subdivision 1. **General.** The board shall grant or renew permits to practice as
 48.14 a CPA firm to entities that make application and demonstrate their qualifications in
 48.15 accordance with this section.

48.16 (a) The following must hold a permit issued under this section:

48.17 (1) any firm with an office in this state performing attest services as defined in
 48.18 section 326A.01, subdivision 2;

48.19 (2) to the extent required by section 326A.10, paragraph (k), any firm with an office
 48.20 in this state performing compilation services as defined in section 326A.01, subdivision 6;

48.21 (3) any firm with an office in this state that uses the title "CPA" or "CPA firm"; or

48.22 (4) any firm that does not have an office in this state but performs attest services
 48.23 as described in section 326A.01, subdivision 2, paragraph (1), (3), or (4), for a client
 48.24 having its headquarters in this state.

48.25 (b) A firm possessing a valid permit from another state which does not have an office
 48.26 in this state may perform services described in section 326A.01, subdivision 2, clause (2)
 48.27 or (5), or subdivision 6, for a client having its headquarters in this state and may use the
 48.28 title "CPA" or "CPA firm" without a permit issued under this section only if:

48.29 (1) it has the qualifications described in subdivision 3, paragraph (b);

48.30 (2) as a condition to the renewal of the firm's permit issued by the other state, that
 48.31 state requires a peer review which contains the requirements equivalent to subdivision 8,
 48.32 paragraphs (a) and (e); and

48.33 (3) it performs the services through an individual who has been granted practice
 48.34 privileges under section 326A.14.

49.1 (c) A firm possessing a valid permit from another state that does not have an office
49.2 in this state and which is not subject to the requirements of paragraph (a), clause (4), or
49.3 (b), may perform other professional services while using the title "CPA" or "CPA firm" in
49.4 this state without a permit issued under this section only if the firm:

49.5 (1) has the qualifications described in subdivision 3, paragraph (b);

49.6 (2) performs the services through an individual who has been granted practice
49.7 privileges under section 326A.14; and

49.8 (3) can lawfully perform the services in the state where the individuals with practice
49.9 privileges have their principal place of business.

49.10 Sec. 54. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

49.11 Subd. 3. **Qualifications.** (a) An applicant for initial issuance or renewal of a permit
49.12 to practice under this section shall comply with the requirements in this subdivision.

49.13 (b) Notwithstanding chapter 319B or any other provision of law, a simple majority
49.14 of the ownership of the firm, in terms of financial interests and voting rights of all partners,
49.15 officers, shareholders, members, or managers, must belong to holders of certificates who
49.16 are licensed in some state, and the partners, officers, shareholders, members, or managers,
49.17 whose principal place of business is in this state, and who perform professional services in
49.18 this state, must hold valid certificates issued under section 326A.04 or the corresponding
49.19 provision of prior law. Although firms may include nonlicensee owners, the firm and
49.20 its ownership must comply with rules adopted by the board. The firm shall register all
49.21 nonlicensee owners with the state board as set forth by rule. An individual who has been
49.22 granted practice privileges under section 326A.14 and who performs services for which
49.23 a firm permit is required under section 326A.14, subdivision 1, paragraph (d), is not
49.24 required to obtain a certificate from the board under section 326A.04.

49.25 (c) A CPA firm may include nonlicensee owners provided that:

49.26 (1) the firm designates a licensee of this state, or in the case of a firm that must
49.27 have a permit according to section 326A.14, subdivision 1, paragraph (d), a licensee of
49.28 another state who meets the requirements in section 326A.14, subdivision 1, paragraph
49.29 (a) or (b), who is responsible for the proper registration of the firm and identifies that
49.30 individual to the board;

49.31 (2) all nonlicensee owners are persons of good moral character and are active
49.32 individual participants in the CPA firm or affiliated entities; and

49.33 (3) the firm complies with other requirements imposed by the board in rule.

49.34 (d) An individual licensee and any individual granted practice privileges under
49.35 section 326A.14 who is responsible for supervising attest or compilation services and

50.1 signs or authorizes someone to sign the accountant's report ~~on the financial statements~~
 50.2 on behalf of the firm, shall meet the competency requirements set out in the professional
 50.3 standards for such services.

50.4 (e) An individual licensee and any individual granted practice privileges under section
 50.5 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial~~
 50.6 ~~statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

50.7 Sec. 55. Minnesota Statutes 2014, section 326A.08, subdivision 7, is amended to read:

50.8 Subd. 7. **Violation; penalties; costs of proceeding.** (a) The board may impose
 50.9 a civil penalty not to exceed ~~\$2,000~~ \$5,000 per violation upon a person or a firm that
 50.10 violates an order, statute, or rule that the board has issued or is empowered to enforce.

50.11 (b) The board may, in addition, impose a fee to reimburse the board for all or
 50.12 part of the cost of the proceedings, including reasonable investigative costs, resulting
 50.13 in disciplinary or corrective action authorized by this section, the imposition of civil
 50.14 penalties, or the issuance of a cease and desist order. The fee may be imposed when the
 50.15 board shows that the position of the person or firm that violates a statute, rule, or order
 50.16 that the board has issued or is empowered to enforce is not substantially justified, unless
 50.17 special circumstances make an award unjust, notwithstanding the provisions of Minnesota
 50.18 Rules, part 1400.8401. The costs include, but are not limited to, the amount paid by the
 50.19 board for services from the office of administrative hearings, attorney and reasonable
 50.20 investigative fees, court reporters, witnesses, reproduction of records, board members' per
 50.21 diem compensation, board staff time, and expense incurred by board members and staff.

50.22 Sec. 56. Minnesota Statutes 2014, section 326A.10, is amended to read:

50.23 **326A.10 UNLAWFUL ACTS.**

50.24 (a) Only a licensee and individuals who have been granted practice privileges
 50.25 under section 326A.14 may issue a report on financial statements of any person, firm,
 50.26 organization, or governmental unit that results from providing attest services, or offer to
 50.27 render or render any attest service. Only a certified public accountant, an individual who
 50.28 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent
 50.29 permitted by board rule, a person registered under section 326A.06, paragraph (b), may
 50.30 issue a report on financial statements of any person, firm, organization, or governmental
 50.31 unit that results from providing compilation services or offer to render or render any
 50.32 compilation service. These restrictions do not prohibit any act of a public official or
 50.33 public employee in the performance of that person's duties or prohibit the performance
 50.34 by any nonlicensee of other services involving the use of accounting skills, including

51.1 the preparation of tax returns, management advisory services, and the preparation of
51.2 financial statements without the issuance of reports on them. Nonlicensees may prepare
51.3 financial statements and issue nonattest transmittals or information on them which do not
51.4 purport to be in compliance with the Statements on Standards for Accounting and Review
51.5 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,
51.6 to the extent permitted by board rule, prepare financial statements and issue nonattest
51.7 transmittals or information on them.

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

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

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

51.23 (e) A person or firm that does not hold a valid certificate or permit issued under
51.24 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or
51.25 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"
51.26 "chartered accountant," "enrolled accountant," "licensed accountant," "registered
51.27 accountant," "accredited accountant," "accounting practitioner," "public accountant,"
51.28 "licensed public accountant," or any other title or designation likely to be confused
51.29 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"
51.30 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the
51.31 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals
51.32 so designated by the Internal Revenue Service.

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

52.1 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use
52.2 language in any statement relating to the financial affairs of a person or entity that is
52.3 conventionally used by licensees in reports on financial statements or on an attest service.
52.4 In this regard, the board shall issue by rule safe harbor language that nonlicensees may
52.5 use in connection with such financial information. A person or firm that does not hold a
52.6 valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or
52.7 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05
52.8 as required in this chapter shall not assume or use any title or designation that includes the
52.9 word "accountant" or "accounting" in connection with any other language, including the
52.10 language of a report, that implies that the person or firm holds such a certificate, permit,
52.11 or registration or has special competence as an accountant. A person or firm that does
52.12 not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not
52.13 otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not
52.14 assume or use any title or designation that includes the word "auditor" in connection with
52.15 any other language, including the language of a report, that implies that the person or firm
52.16 holds such a certificate or permit or has special competence as an auditor. However,
52.17 this paragraph does not prohibit any officer, partner, member, manager, or employee of
52.18 any firm or organization from affixing that person's own signature to any statement in
52.19 reference to the financial affairs of such firm or organization with any wording designating
52.20 the position, title, or office that the person holds, nor prohibit any act of a public official or
52.21 employee in the performance of the person's duties as such.

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

52.28 (2) A common brand name or network name part, including common initials, used
52.29 by a CPA firm in its name, is not misleading if the firm is a network firm as defined in
52.30 the American Institute of Certified Public Accountants (AICPA) Code of Professional
52.31 Conduct in effect July 1, 2011, and when offering or rendering services that require
52.32 independence under AICPA standards, the firm must comply with the AICPA code's
52.33 applicable standards on independence.

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

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

53.4 (2) the person or firm performs no attest or compilation services and issues no
53.5 reports with respect to the ~~financial statements~~ information of any other persons, firms, or
53.6 governmental units in this state; and

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

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

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

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

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

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

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

53.27 (1) signs the compilation report identifying the individual as a registered accounting
53.28 practitioner;

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

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

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

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

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

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

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

54.10 Sec. 57. Minnesota Statutes 2014, section 326B.809, is amended to read:

54.11 **326B.809 WRITTEN CONTRACT REQUIRED.**

54.12 (a) All agreements including proposals, estimates, bids, quotations, contracts,
54.13 purchase orders, and change orders between a licensee and a customer for the performance
54.14 of a licensee's services must be in writing and must contain the following:

54.15 (1) a detailed summary of the services to be performed;

54.16 (2) a description of the specific materials to be used or a list of standard features
54.17 to be included; and

54.18 (3) the total contract price or a description of the basis on which the price will
54.19 be calculated.

54.20 (b) Before entering into an agreement, the licensee shall provide a prospective
54.21 customer with written performance guidelines for the services to be performed.

54.22 Performance guidelines also must be included or incorporated by reference in the
54.23 agreement. All agreements shall be signed and dated by the licensee and customer.

54.24 (c) Before entering into an agreement, the licensee shall offer a prospective customer
54.25 the option to install fire sprinklers, any fire sprinkler system components, or automatic
54.26 fire-extinguishing equipment or devices in any new single-family detached dwelling unit.
54.27 The offer shall be included or incorporated by reference in the agreement. All agreements
54.28 shall be signed and dated by the licensee and customer.

54.29 ~~(e)~~ (d) The licensee shall provide to the customer, at no charge, a signed and
54.30 dated document at the time that the licensee and customer sign and date the document.
54.31 Documents include agreements, performance guidelines, fire sprinkler opt-in forms, and
54.32 mechanic's lien waivers.

54.33 Sec. 58. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

55.1 Subdivision 1. **Procedure.** (a) ~~Oral~~ Online and written inquiries regarding
 55.2 information provided by the filing of effective financing statements or lien notices may
 55.3 be ~~made at any filing office~~ submitted to the secretary of state during regular business
 55.4 hours or, if submitted online, at any time.

55.5 (b) ~~A filing office receiving an oral or written inquiry shall, upon request~~ The
 55.6 secretary of state must, upon receiving an inquiry, provide an oral or facsimile a prompt
 55.7 response to the inquiry.

55.8 (c) ~~A filing office~~ The secretary of state shall maintain a record of inquiries made
 55.9 under this section including:

- 55.10 (1) the date of the inquiry;
- 55.11 (2) the name of the debtor inquired about; and
- 55.12 (3) identification of the person making the request for inquiry.

55.13 Sec. 59. Laws 2013, chapter 142, article 1, section 10, is amended to read:

55.14 Sec. 10. **OFFICE OF ENTERPRISE**
 55.15 **TECHNOLOGY MN.IT SERVICES** \$ 2,431,000 \$ 2,431,000

55.16 During the biennium ending June 30, 2015,
 55.17 the Office of ~~Enterprise Technology~~ MN.IT
 55.18 Services must not charge fees to a public
 55.19 noncommercial educational television
 55.20 broadcast station eligible for funding under
 55.21 Minnesota Statutes, chapter 129D, for
 55.22 access to the state broadcast infrastructure.

55.23 If the access fees not charged to public
 55.24 noncommercial educational television
 55.25 broadcast stations total more than \$400,000
 55.26 for the biennium, the office may charge for
 55.27 access fees in excess of these amounts.

55.28 The commissioner of Minnesota management
 55.29 and budget is authorized to provide cash
 55.30 flow assistance of up to \$110,000,000 from
 55.31 the special revenue fund or other statutory
 55.32 general funds as defined in Minnesota
 55.33 Statutes, section 16A.671, subdivision 3,
 55.34 paragraph (a), to the Office of ~~Enterprise~~
 55.35 Technology MN.IT Services for the purpose

56.1 of managing revenue and expenditure
 56.2 differences during the initial phases of IT
 56.3 consolidation. These funds shall be repaid
 56.4 with interest by ~~June 30, 2015~~ the end of the
 56.5 fiscal year 2015 closing period.

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

56.7 Sec. 60. Laws 2014, chapter 287, section 25, is amended to read:

56.8 Sec. 25. **PARKING RAMP; REQUIRED USER FINANCING.**

56.9 The amount equivalent to debt service on the design and construction costs allocated
 56.10 to the parking garage to be located on the block bounded by Sherburne Avenue on the north,
 56.11 Park Street on the west, University Avenue on the south, and North Capitol Boulevard on
 56.12 the east ~~must be user-financed from~~ must be transferred from parking fees collected and
 56.13 deposited into the state parking account and ~~credited to the debt service account for the~~
 56.14 Legislative Office Facility. to the general fund to offset any direct appropriations made to
 56.15 the senate for debt service payments for the legislative parking garage.

56.16 Sec. 61. **CAPITOL ROOM NUMBERS.**

56.17 After the Capitol renovation has been completed, the commissioner of administration
 56.18 must use the same room numbers on signage to identify legacy rooms that were used to
 56.19 identify the rooms before the Capitol renovation. For purposes of this section, "Capitol
 56.20 renovation" means the construction project for which funds were appropriated in Laws
 56.21 2013, chapter 136, section 3; "legacy rooms" means any room in the Capitol after Capitol
 56.22 renovation that has dimensions and a location that are substantially similar to a room
 56.23 within the Capitol that existed before renovation; and "signage" means any posting on any
 56.24 surface in the Capitol building.

56.25 Sec. 62. **IN-LIEU OF RENT EVALUATION.**

56.26 (a) The commissioner of administration must evaluate and provide recommendations
 56.27 regarding the base appropriation to the Department of Administration for an in-lieu of rent
 56.28 payment for space costs of the legislature and veterans organizations, vending operators,
 56.29 ceremonial space, and statutorily free space in the Capitol building and in other buildings
 56.30 on the Capitol grounds under the custodial control of the Department of Administration.

56.31 (b) By January 15, 2017, the commissioner must report to the chairs and
 56.32 ranking minority members of the committees and divisions in the senate and the

57.1 house of representatives with jurisdiction over the appropriation to the Department of
 57.2 Administration for the in-lieu of rent payment. The report must:

57.3 (1) identify the amount and quality of space that will be occupied by the senate, the
 57.4 house of representatives, and veterans organizations, ceremonial space, and statutorily free
 57.5 space, in fiscal years 2018 and 2019, including a comparison to the amount and quality of
 57.6 space occupied by the same tenants in fiscal year 2013;

57.7 (2) evaluate and justify the expense components included and assumptions made in
 57.8 determining lease rates and make comparisons to market rates; and

57.9 (3) evaluate whether the base funding for fiscal years 2018 and 2019 for the in-lieu
 57.10 of rent appropriation is justified, and if not, recommend an increase or decrease.

57.11 (c) In conducting the evaluation and preparing the report, the commissioner must
 57.12 consult with the secretary of the senate, the chief clerk of the house of representatives, the
 57.13 commissioner of employment and economic development on behalf of the services for the
 57.14 blind, and the commissioner of veterans affairs on behalf of veterans organizations that use
 57.15 space for which the Department of Administration receives an in-lieu of rent appropriation.

57.16 **Sec. 63. RULEMAKING.**

57.17 (a) The Board of Cosmetologist Examiners shall adopt rules governing the licensure,
 57.18 operation, and inspection of mobile salons, including facility requirements; safety and
 57.19 infection control requirements; a process for a salon licensee to notify the board of the
 57.20 mobile salon's location and times of operation; requirements for supplying and disposing
 57.21 of water and waste products; and the scope of personal services to be provided in mobile
 57.22 salons. The rules must prohibit mobile salons from violating reasonable municipal
 57.23 restrictions on time and place of operation of a mobile salon within its jurisdiction,
 57.24 and shall establish penalties, up to and including revocation of a license, for repeated
 57.25 violations of municipal laws.

57.26 (b) The Board of Cosmetologist Examiners shall adopt rules governing the advanced
 57.27 practice esthetician license, including the educational and training requirements, scope of
 57.28 practice, and the conditions and process of issuing and renewing the license.

57.29 **EFFECTIVE DATE.** Paragraph (a) of this section is effective the day following
 57.30 final enactment. Paragraph (b) of this section is effective January 1, 2016, and expires
 57.31 January 1, 2019.

57.32 **Sec. 64. STATE AGENCY TECHNOLOGY PROJECTS.**

57.33 Any appropriation in this chapter for information technology project services and
 57.34 support is subject to Minnesota Statutes, section 16E.0466. If an agency needs ongoing

58.1 information technology services as a result of the services and support paid for with an
58.2 appropriation in this chapter, the agency must enter into an agreement with the Office of
58.3 MN.IT Services to provide those services. The agreement must require the agency to pay
58.4 the Office of MN.IT Services under rates and mechanisms specified in the agreement.

58.5 Sec. 65. **SOCCER STADIUM.**

58.6 No state funds may be appropriated or tax expenditures used to fund the construction
58.7 of a new major league soccer stadium. The state may not incur debt of the state to fund
58.8 construction of a new major league soccer stadium.

58.9 Sec. 66. **REVISOR'S INSTRUCTION.**

58.10 The revisor of statutes shall change the word "sanitation" to "infection control" and
58.11 the word "lapsed" to "expired" wherever they appear in Minnesota Statutes, chapter 155A,
58.12 or Minnesota Rules, chapter 2105 or 2110.

58.13 Sec. 67. **REPEALER.**

58.14 Minnesota Statutes 2014, section 155A.23, subdivision 6, is repealed.

58.15 **ARTICLE 3**

58.16 **MILITARY AND VETERANS AFFAIRS**

58.17 Section 1. Minnesota Statutes 2014, section 190.16, is amended by adding a
58.18 subdivision to read:

58.19 Subd. 6b. **Reimbursement grants.** The adjutant general shall administer a
58.20 reimbursement grant program under section 192.26, subdivision 3, and pay grants to local
58.21 units of government to reimburse them for paying salary and benefits to public safety
58.22 employees on authorized leave under section 192.26, subdivision 1.

58.23 **EFFECTIVE DATE.** This section is effective the day following final enactment
58.24 for reimbursement of eligible costs incurred by local units of government in calendar
58.25 year 2016 and thereafter.

58.26 Sec. 2. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

58.27 Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans
58.28 Affairs from the Minnesota "Support Our Troops" account may be used for:

58.29 (1) grants to veterans service organizations;

58.30 (2) outreach to underserved veterans;

59.1 (3) providing services and programs for veterans and their families; ~~and~~
 59.2 (4) transfers to the vehicle services account for Gold Star license plates under
 59.3 section 168.1253;

59.4 (5) grants of up to \$100,000 to any organization approved by the commissioner of
 59.5 veterans affairs for the purpose of supporting and improving the lives of veterans and
 59.6 their families; and

59.7 (6) grants to an eligible foundation.

59.8 (b) For purposes of this subdivision, "eligible foundation" includes any organization
 59.9 that:

59.10 (1) is a tax-exempt organization under section 501(c) of the Internal Revenue
 59.11 Code; and

59.12 (2) is a nonprofit corporation under chapter 317A and the organization's articles of
 59.13 incorporation specify that a purpose of the organization includes (i) providing assistance
 59.14 to veterans and their families or (ii) enhancing the lives of veterans and their families.

59.15 Sec. 3. Minnesota Statutes 2014, section 190.19, subdivision 3, is amended to read:

59.16 Subd. 3. **Annual report.** The adjutant general and commissioner of veterans affairs
 59.17 must report by February 1, 2007, and each year thereafter, to the chairs and ranking minority
 59.18 members of the legislative committees and divisions with jurisdiction over military and
 59.19 veterans' affairs on the number, amounts, and use of grants made by the adjutant general
 59.20 each agency from the Minnesota "Support Our Troops" account in the previous year.

59.21 Sec. 4. Minnesota Statutes 2014, section 192.26, is amended by adding a subdivision
 59.22 to read:

59.23 Subd. 3. **State reimbursement for costs of authorized leave.** (a) For purposes of
 59.24 this subdivision, the terms in this paragraph have the meanings given them:

59.25 (1) "public safety employees" means peace officers, firefighters, and ambulance
 59.26 service personnel, as defined in section 144E.001, subdivision 3a, who are full-time
 59.27 employees of a local unit of government;

59.28 (2) "local unit of government" means a county or home rule charter or statutory
 59.29 city; and

59.30 (3) "salary and benefits" means the wages or salaries and benefits paid to employees
 59.31 of the local unit of government on authorized leave under this section.

59.32 (b) The adjutant general shall make grants to local units of government to reimburse
 59.33 them for salary and benefits paid to public safety employees on authorized leave under
 59.34 this section.

60.1 (c) To be eligible for state reimbursement of the amount of salary and benefits
 60.2 paid for the preceding calendar year as determined under this subdivision, the local unit
 60.3 of government shall apply to the adjutant general by March 15. By July 15, the adjutant
 60.4 general shall pay the reimbursement grants to the local units of government.

60.5 (d) The adjutant general shall prescribe the form and supporting information that
 60.6 must be supplied by the local unit of government as part of the application for state
 60.7 reimbursement.

60.8 (e) An appropriation by law from the general fund to the adjutant general must be
 60.9 used to pay the grants. If the appropriation is insufficient to pay the entire sum of all of
 60.10 the reimbursements for eligible costs for which local units of government have applied,
 60.11 the adjutant general shall reduce each grant proportionally so that the sum of the grants
 60.12 equals the available appropriation.

60.13 **EFFECTIVE DATE.** This section is effective the day following final enactment
 60.14 for reimbursement of eligible costs incurred by local units of government in calendar
 60.15 year 2016 and thereafter.

60.16 Sec. 5. Minnesota Statutes 2014, section 192.38, subdivision 1, is amended to read:

60.17 Subdivision 1. **Temporary emergency relief.** If any officer or enlisted member
 60.18 of the military forces is wounded or otherwise disabled, dies from disease contracted or
 60.19 injuries received, or is killed while in state active service as defined in section 190.05,
 60.20 subdivision 5a, the officer or member, or in the case of death the officer's or member's
 60.21 dependent spouse, child, or parent, may be provided with ~~immediate temporary relief as~~
 60.22 ~~necessary in cases of severe hardship, in an amount to be determined by the adjutant general~~
 60.23 ~~and approved by the governor~~ a death gratuity payment equal to the amount allowed for
 60.24 service members in a federal active service status. All payments under this subdivision
 60.25 shall be made from appropriations for ~~the maintenance of the state military forces~~
 60.26 emergency services. The adjutant general shall notify the Department of Management and
 60.27 Budget of any payments made pursuant to this subdivision and the amount of it shall be
 60.28 subtracted from any award made by the Department of Management and Budget.

60.29 Sec. 6. Minnesota Statutes 2014, section 192.501, is amended by adding a subdivision
 60.30 to read:

60.31 Subd. 1d. **Reclassification bonus program.** (a) The adjutant general must establish
 60.32 a program to provide a bonus to eligible members of the Minnesota National Guard who
 60.33 complete training that results in the award of a new military occupational specialty or

61.1 Air Force specialty code in specialties that are identified by the adjutant general to be
 61.2 necessary for the enhanced readiness of the Minnesota National Guard.

61.3 (b) Eligibility for the bonus is limited to a member of the National Guard who:

61.4 (1) is serving satisfactorily as determined by the adjutant general;

61.5 (2) has 16 or fewer years of services creditable for retirement; and

61.6 (3) undergoes military training deemed by the adjutant general as sufficiently

61.7 important to the readiness of the National Guard or a unit of the National Guard to warrant
 61.8 the payment of a bonus in an amount to generally encourage the member's participation
 61.9 in the training.

61.10 The adjutant general may, within the limitations of this paragraph and other applicable
 61.11 laws, determine additional eligibility criteria for the bonus, and must specify all of the
 61.12 criteria in regulations and publish changes as necessary.

61.13 (c) The bonus payments must be made on a schedule that is determined and
 61.14 published in department regulations by the adjutant general.

61.15 (d) If a member fails to complete a term of reenlistment or an obligated term of
 61.16 commissioned service for which a bonus was paid, the adjutant general may seek to
 61.17 recoup a prorated amount of the bonus as determined by the adjutant general.

61.18 Sec. 7. Minnesota Statutes 2014, section 197.133, is amended to read:

61.19 **197.133 DISPOSAL OF PROPERTY AND EXPIRATION OF BOARD OF**
 61.20 **GOVERNORS.**

61.21 (a) If a majority of the board determines that the disposal of the Big Island Veterans
 61.22 camp or a portion of the camp is in the best interests of Minnesota veterans, or if the camp
 61.23 is not used solely as a camp for and by disabled and other veterans and their families and
 61.24 operated and maintained in compliance with all state, federal, and local laws, the board
 61.25 may dispose of the property at market value as provided in this section. Before disposing
 61.26 of the property, the board shall give notice by certified mail to the commissioner of
 61.27 veterans affairs of its decision to dispose of the property. The commissioner shall publish
 61.28 the notice in the State Register. Interested governmental agencies have until the end of the
 61.29 next legislative session after the notice to appropriate money to purchase the property.

61.30 (b) Proceeds realized from the disposal of the property and any assets on hand at
 61.31 the time of the disposal of the property, must be placed in an irrevocable trust to be used
 61.32 for the initiation or maintenance of veterans programs in the state of Minnesota. Trustees
 61.33 must be appointed in the same manner as provided for under Minnesota Statutes 2014,
 61.34 section 197.131. The trustees shall consult with the commissioner of veterans affairs to
 61.35 determine the needs of Minnesota veterans and provide the commissioner with an annual

62.1 written report on the trust. The commissioner must approve all expenditures from the
 62.2 trust. A certified audit of all assets, expenditures, and property must be conducted prior
 62.3 to any disposition of any assets under the control of the board. Any board member who
 62.4 would benefit directly or indirectly financially from the sale of this property must be
 62.5 removed by the board and a successor appointed as provided by Minnesota Statutes 2014,
 62.6 section 197.131. Upon final disposition of all assets to the trust, the board must disband.
 62.7 Should the assets of the trust be exhausted, the trust must be terminated.

62.8 (c) The trustees appointed under paragraph (b) shall have the exclusive authority
 62.9 to remove a trustee of the trust established under paragraph (b). A trustee may be
 62.10 removed at any time without cause upon a majority vote of the trustees with consent
 62.11 of the commissioner of veterans affairs.

62.12 (d) A vacancy in a trusteeship of the trust established under paragraph (b) must
 62.13 be filled for the remainder of the unexpired term in the same manner as the original
 62.14 appointment.

62.15 Sec. 8. Minnesota Statutes 2014, section 198.03, subdivision 2, is amended to read:

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

62.24 (b) Using the authority granted in section 198.003, the commissioner shall set out
 62.25 in rules the method of calculating each domiciliary resident's maintenance charge. This
 62.26 maintenance charge shall establish a personal needs allowance based on each domiciliary
 62.27 resident's monthly income. For the period of July 1, 2015, to June 30, 2016, the personal
 62.28 needs allowance shall not be less than \$122 per month. For the period of July 1, 2016,
 62.29 to June 30, 2017, the personal needs allowance shall not be less than \$130 per month.
 62.30 Thereafter, the minimum personal needs allowance must be adjusted by multiplying
 62.31 the allowance by one-half of the percentage change of the Consumer Price Index on
 62.32 the first day of each fiscal year.

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

62.34 Sec. 9. Minnesota Statutes 2014, section 198.03, subdivision 3, is amended to read:

63.1 Subd. 3. **Arrearages.** Residents are liable for paying all of their overdue
 63.2 maintenance charges. Overdue maintenance charges incurred after May 1, 1990, may be
 63.3 charged interest according to section 334.01. A resident owing overdue maintenance to
 63.4 the state of Minnesota ~~for charges incurred prior to May 1, 1990,~~ may continue to stay in
 63.5 the home if the resident enters into an agreement, including a payment schedule, with the
 63.6 administrator for the payment of the arrearage and abides by the agreement. Residents
 63.7 who do not promptly pay maintenance or who do not abide by their agreements to pay
 63.8 overdue maintenance to the state of Minnesota may be discharged from the home. The
 63.9 payment schedule agreed to between the administrator and the resident must provide for
 63.10 the prompt payment of the overdue maintenance owed by the resident, but it must not
 63.11 reduce the resident's personal needs allowance below ~~that which is provided for in the~~
 63.12 ~~administrative rules of the facility~~ the amount specified in subdivision 2.

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

63.14 Sec. 10. **REPEALER.**

63.15 Minnesota Statutes 2014, sections 197.131; and 197.132, are repealed.

63.16 **ARTICLE 4**

63.17 **PARI-MUTUEL HORSE RACING**

63.18 Section 1. Minnesota Statutes 2014, section 240.01, subdivision 22, is amended to read:

63.19 Subd. 22. **Racing season.** "Racing season" means that portion of the calendar
 63.20 year starting at the beginning of the day of the first live horse race conducted by the
 63.21 licensee and concluding at the end of the day of the last live horse race conducted by
 63.22 the licensee in any year.

63.23 ~~For purposes of this chapter, the racing season begins before the first Saturday in~~
 63.24 ~~May and continues for not less than 25 consecutive weeks.~~

63.25 **EFFECTIVE DATE.** This section is effective January 1, 2016.

63.26 Sec. 2. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
 63.27 to read:

63.28 Subd. 28. **Takeout.** "Takeout" means the total amount of money, excluding
 63.29 breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

63.30 Sec. 3. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
 63.31 to read:

64.1 Subd. 29. **Handle** "Handle" means the aggregate of all pari-mutuel pools, excluding
 64.2 refundable wagers or cancellations.

64.3 Sec. 4. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
 64.4 to read:

64.5 Subd. 30. **Mixed meet.** "Mixed meet" means a racing day or series of racing days
 64.6 on which the racing of more than one breed of horse occurs.

64.7 Sec. 5. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
 64.8 to read:

64.9 Subd. 31. **Banked.** "Banked" means any game of chance that is played with the
 64.10 house as a participant in the game, where the house takes on all players, collects from all
 64.11 losers, and pays all winners, and the house can win.

64.12 Sec. 6. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
 64.13 to read:

64.14 Subd. 32. **Steward.** A "steward" means an official described in section 240.16. The
 64.15 term steward includes the terms "judge," "chief steward," and "presiding judge," and
 64.16 applies to stewards and judges of the commission or a class B licensee, but not to other
 64.17 racing officials, such as paddock or placement judges, who are employees or agents of
 64.18 a class B licensee.

64.19 Sec. 7. Minnesota Statutes 2014, section 240.011, is amended to read:

64.20 **240.011 APPOINTMENT OF DIRECTOR.**

64.21 The governor shall appoint the director of the Minnesota Racing Commission,
 64.22 who serves in the unclassified service at the governor's pleasure. The director must be
 64.23 a person qualified by experience ~~in the administration and regulation of pari-mutuel~~
 64.24 ~~racing~~ and training to possess the skills necessary to discharge the duties of the director.
 64.25 The governor must select a director from a list of one or more names submitted by the
 64.26 Minnesota Racing Commission.

64.27 Sec. 8. Minnesota Statutes 2014, section 240.03, is amended to read:

64.28 **240.03 COMMISSION POWERS AND DUTIES.**

64.29 The commission has the following powers and duties:

64.30 (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public
 64.31 interest;

- 65.1 (2) to issue licenses as provided in this chapter;
- 65.2 (3) to enforce all laws and rules governing horse racing;
- 65.3 (4) to collect and distribute all taxes provided for in this chapter;
- 65.4 (5) to conduct necessary investigations and inquiries and to issue subpoenas to
- 65.5 compel the attendance of witnesses and the submission of information, documents, and
- 65.6 records, and other evidence it deems necessary to carry out its duties;
- 65.7 (6) to supervise the conduct of pari-mutuel betting on horse racing;
- 65.8 (7) to employ and supervise personnel under this chapter;
- 65.9 (8) to determine the number of racing days to be held in the state and at each
- 65.10 licensed racetrack;
- 65.11 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and
- 65.12 (10) to impose fees on the racing and card playing industries sufficient to recover the
- 65.13 operating costs of the commission with the approval of the legislature according to section
- 65.14 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the
- 65.15 commissioner of management and budget may grant interim approval for any new fees
- 65.16 or adjustments to existing fees that are not statutorily specified, until such time as the
- 65.17 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial
- 65.18 budget request, the commission must propose changes to its fees that will be sufficient to
- 65.19 recover the operating costs of the commission.

65.20 Sec. 9. Minnesota Statutes 2014, section 240.08, subdivision 2, is amended to read:

65.21 Subd. 2. **Application.** (a) An application for a class C license must be on a form

65.22 the commission prescribes and must be accompanied by an affidavit of qualification

65.23 that the applicant:

65.24 ~~(a)~~ (1) is not in default in the payment of an obligation or debt to the state under

65.25 Laws 1983, chapter 214;

65.26 ~~(b)~~ (2) does not have a felony conviction of record in a state or federal court and

65.27 does not have a state or federal felony charge pending;

65.28 ~~(c)~~ (3) is not and never has been connected with or engaged in an illegal business;

65.29 ~~(d)~~ (4) has never been found guilty of fraud or misrepresentation in connection

65.30 with racing or breeding;

65.31 ~~(e)~~ (5) has never been found guilty of a violation of law or rule relating to horse

65.32 racing, pari-mutuel betting or any other form of gambling which is a serious violation

65.33 as defined by the commission's rules; and

66.1 ~~(f) (6)~~ (6) has never been found to have knowingly violated ~~a rule or an~~ order of the
 66.2 commission or a law or rule of Minnesota or another jurisdiction relating to horse racing,
 66.3 pari-mutuel betting, or any other form of gambling.

66.4 (b) The application must also contain an irrevocable consent statement, to be signed
 66.5 by the applicant, which states that suits and actions relating to the subject matter of the
 66.6 application or acts or omissions arising from it may be commenced against the applicant in
 66.7 any court of competent jurisdiction in this state by the service on the secretary of state of
 66.8 any summons, process, or pleading authorized by the laws of this state. If any summons,
 66.9 process, or pleading is served upon the secretary of state, it must be by duplicate copies.
 66.10 One copy must be retained in the Office of the Secretary of State and the other copy must
 66.11 be forwarded immediately by certified mail to the address of the applicant, as shown by
 66.12 the records of the commission.

66.13 Sec. 10. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

66.14 Subd. 4. **License issuance and renewal.** If the commission determines that
 66.15 the applicant is qualified for the occupation for which licensing is sought and will
 66.16 not adversely affect the public health, welfare, and safety or the integrity of racing in
 66.17 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding
 66.18 for a renewal of a class C license it may renew the license. Class C licenses are effective
 66.19 for a minimum of one year for all class C licenses, and up to three years for certain
 66.20 classifications of class C licenses to be determined by the commission.

66.21 **EFFECTIVE DATE.** This section is effective July 1, 2015.

66.22 Sec. 11. Minnesota Statutes 2014, section 240.08, subdivision 5, is amended to read:

66.23 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C
 66.24 license for a violation of law or rule which in the commission's opinion adversely affects
 66.25 the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an
 66.26 intentional false statement made in a license application.

66.27 The commission may suspend a class C license for up to one year for a violation of
 66.28 law, order or rule.

66.29 The commission may delegate to its designated agents the authority to impose
 66.30 suspensions of class C licenses, and the revocation or suspension of a class C license may
 66.31 be appealed to the commission according to its rules.

66.32 (b) A license revocation or suspension for more than 90 days is a contested case
 66.33 under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to
 66.34 criminal penalties imposed for a violation of law or rule. The commission may summarily

67.1 suspend a license for more than 90 days prior to a contested case hearing where it is
 67.2 necessary to ensure the integrity of racing or to protect the public health, welfare, or safety.
 67.3 A contested case hearing must be held within ~~20~~ 30 days of the summary suspension and
 67.4 the administrative law judge's report must be issued within ~~20~~ 30 days from the close of
 67.5 the hearing record. In all cases involving summary suspension the commission must issue
 67.6 its final decision within 30 days from receipt of the report of the administrative law judge
 67.7 and subsequent exceptions and argument under section 14.61.

67.8 Sec. 12. Minnesota Statutes 2014, section 240.10, is amended to read:

67.9 **240.10 LICENSE FEES.**

67.10 The fee for a class A license is \$253,000 per year and must be remitted on July 1.
 67.11 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day
 67.12 on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are~~
 67.13 ~~all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is
 67.14 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on
 67.15 class D licenses must be paid to the commission at a time and in a manner as provided by
 67.16 rule of the commission.

67.17 The commission shall by rule establish an annual license fee for each occupation it
 67.18 licenses under section 240.08 ~~but no annual fee for a class C license may exceed \$100.~~

67.19 **EFFECTIVE DATE.** This section is effective July 1, 2015.

67.20 Sec. 13. Minnesota Statutes 2014, section 240.13, subdivision 5, is amended to read:

67.21 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a
 67.22 licensee, an amount equal to not less than the following percentages of all money in all
 67.23 pools must be set aside by the licensee and used for purses for races conducted by the
 67.24 licensee, provided that a licensee may agree by contract with an organization representing
 67.25 a majority of the horsepersons racing the breed involved to set aside amounts in addition
 67.26 to the following percentages, if the contract is in writing and filed with the commission:

67.27 (1) for live races conducted at a class A facility, ~~and for races that are part of full~~
 67.28 ~~racing card simulcasting that takes place within the time period of the live races,~~ 8.4
 67.29 percent of handle;

67.30 (2) ~~for simulcasts conducted during the racing season other than as provided for in~~
 67.31 ~~clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel~~
 67.32 ~~pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for~~
 67.33 ~~receipt of the signal; and~~

68.1 ~~(3) (2) for simulcasts conducted outside of the racing season, 25~~ any day a class A
68.2 facility is licensed, not less than 37 percent of the takeout remaining after deduction for the
68.3 state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state
68.4 racetrack for receipt of the signal and, before January 1, 2005, a further deduction of
68.5 eight percent of all money in all pools. In the event that wagering on simuleasts outside
68.6 of the racing season exceeds \$125 million in any calendar year, the amount set aside for
68.7 purses by this formula is increased to 30 percent on amounts between \$125,000,000 and
68.8 \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000
68.9 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of
68.10 the eight percent deduction, A deduction as agreed to between the licensee and the
68.11 horsepersons' organization representing the majority of horsepersons racing at the licensee's
68.12 class A facility during the preceding 12 months, is allowed after December 31, 2004.

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

68.21 ~~In lieu of the amount the licensee must pay to the commission for deposit in the~~
68.22 ~~Minnesota breeders fund under section 240.15, subdivision 1, The licensee shall pay to the~~
68.23 commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from
68.24 all pari-mutuel pools generated by wagering at the licensee's facility on full racing card
68.25 simulcasts of races not conducted in this state.

68.26 (b) From the money set aside for purses, the licensee shall pay to the horseperson's
68.27 organization representing the majority of the horsepersons racing the breed involved
68.28 and contracting with the licensee with respect to purses and the conduct of the racing
68.29 meetings and providing representation to its members, an amount as may be determined
68.30 by agreement by the licensee and the horsepersons' organization sufficient to provide
68.31 benevolent programs, benefits, and services for horsepersons and their on-track employees;
68.32 an amount, sufficient to perform these services, as may be determined by agreement by
68.33 the licensee and the horseperson's organization. The amount paid may be deducted only
68.34 from the money set aside for purses to be paid in races for the breed represented by the
68.35 horseperson's organization. With respect to racing meetings where more than one breed

69.1 is racing, the licensee may contract independently with the horseperson's organization
69.2 representing each breed racing.

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

69.6 ~~(d) Money set aside for purses from wagering, during the racing season, on
69.7 simulcasts must be used for purses for live races conducted at the licensee's class A facility
69.8 during the same racing season, over and above the 8.4 percent purse requirement or any
69.9 higher requirement to which the parties agree, for races conducted in this state. Money
69.10 set aside for purses from wagering, outside of the racing season, on simulcasts must be
69.11 for purses for live races conducted at the licensee's class A facility during the next racing
69.12 season, over and above the 8.4 percent purse requirement or any higher requirement to
69.13 which the parties agree, for races conducted in this state.~~

69.14 ~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for
69.15 purses for live races involving the same breed involved in the simulcast except that money
69.16 set aside for purses and payments to the breeders fund from wagering on ~~full racing card~~
69.17 simulcasts of races not conducted in this state, occurring during a live mixed meet, must
69.18 be allotted to the purses and breeders fund for each breed participating in the mixed meet
69.19 as agreed upon by the breed organizations participating in the live mixed meet. The
69.20 agreement shall be in writing and filed with the commission prior to the first day of the live
69.21 mixed meet. In the absence of a written agreement filed with the commission, the money
69.22 set aside for purses and payments to the breeders fund from wagering on simulcasts,
69.23 occurring during a live mixed meet, shall be allotted to each breed participating in the live
69.24 mixed meet in the same proportion that the number of live races run by each breed bears
69.25 to the total number of live races conducted during the period of the mixed meet.

69.26 ~~(f)~~ (e) The allocation of money set aside for purses to particular racing meets may be
69.27 adjusted, relative to overpayments and underpayments, by contract between the licensee
69.28 and the horsepersons' organization representing the majority of horsepersons racing the
69.29 breed involved at the licensee's facility.

69.30 ~~(g)~~ (f) Subject to the provisions of this chapter, money set aside from pari-mutuel
69.31 pools for purses must be for the breed involved in the race that generated the pool, except
69.32 that if the breed involved in the race generating the pari-mutuel pool is not racing in the
69.33 current racing meeting, or has not raced within the preceding 12 months at the licensee's
69.34 class A facility, money set aside for purses may be distributed proportionately to those
69.35 breeds that have run during the preceding 12 months or paid to the commission and

70.1 used for purses or to promote racing for the breed involved in the race generating the
70.2 pari-mutuel pool, or both, in a manner prescribed by the commission.

70.3 ~~(h)~~ (g) This subdivision does not apply to a class D licensee.

70.4 **EFFECTIVE DATE.** This section is effective January 1, 2016.

70.5 Sec. 14. Minnesota Statutes 2014, section 240.13, subdivision 6, is amended to read:

70.6 Subd. 6. **Simulcasting.** (a) The commission may permit an authorized licensee to
70.7 conduct simulcasting at the licensee's facility on any day authorized by the commission.
70.8 All simulcasts must comply with the Interstate Horse Racing Act of 1978, United States
70.9 Code, title 15, sections 3001 to 3007.

70.10 (b) The commission may not authorize any day for simulcasting at a class A facility
70.11 during the racing season, and a licensee may not be allowed to transmit out-of-state
70.12 telecasts of races the licensee conducts, unless the licensee has obtained the approval of
70.13 the horsepersons' organization representing the majority of the horsepersons racing the
70.14 breed involved at the licensed racetrack during the preceding 12 months. In the case of
70.15 a class A facility licensed under section 240.06, subdivision 5a, the approval applicable
70.16 to the first year of the racetrack's operation may be obtained from the horsepersons'
70.17 organization that represents the majority of horsepersons who will race the breed involved
70.18 at the licensed racetrack during the first year of the racetrack's operation.

70.19 (c) The licensee may pay fees and costs to an entity transmitting a telecast of a
70.20 race to the licensee for purposes of conducting pari-mutuel wagering on the race. The
70.21 licensee may deduct fees and costs related to the receipt of televised transmissions from a
70.22 pari-mutuel pool on the televised race, provided that one-half of any amount recouped in
70.23 this manner must be added to the amounts required to be set aside for purses.

70.24 (d) With the approval of the commission and subject to the provisions of this
70.25 subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes,
70.26 to locations outside the state, and the commission may allow this to be done on a
70.27 commingled pool basis.

70.28 (e) Except as otherwise provided in this section, simulcasting may be conducted on a
70.29 ~~separate commingled~~ separate commingled pool basis or, with the approval of the commission, on a ~~separate~~
70.30 separate pool basis. All provisions of law governing pari-mutuel betting apply to
70.31 simulcasting except as otherwise provided in this subdivision or in the commission's
70.32 rules. If pools are commingled, wagering at the licensed facility must be on equipment
70.33 electronically linked with the equipment at the licensee's class A facility or with the
70.34 sending racetrack via the totalizator computer at the licensee's class A facility. Subject to
70.35 the approval of the commission, the types of betting, takeout, and distribution of winnings

71.1 on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage
 71.2 for pari-mutuel pools on a televised race must be calculated in accordance with the law or
 71.3 rules governing the sending racetrack for these pools, and must be distributed in a manner
 71.4 agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7
 71.5 and section 240.15, subdivision 5, the commission may approve procedures governing the
 71.6 definition and disposition of unclaimed tickets that are consistent with the law and rules
 71.7 governing unclaimed tickets at the sending racetrack. For the purposes of this section,
 71.8 "sending racetrack" is either the racetrack outside of this state where the horse race is
 71.9 conducted or, with the consent of the racetrack, an alternative facility that serves as the
 71.10 racetrack for the purpose of commingling pools.

71.11 (f) Except as otherwise provided in section 240.06, subdivision 5b, paragraph (2),
 71.12 if there is more than one class B licensee conducting racing within the seven-county
 71.13 metropolitan area, simulcasting may be conducted only on races run by a breed that ran at
 71.14 the licensee's class A facility within the 12 months preceding the event.

71.15 Sec. 15. Minnesota Statutes 2014, section 240.135, is amended to read:

71.16 **240.135 CARD CLUB REVENUE.**

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

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

71.23 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than
 71.24 14 percent to be used as purses.

71.25 (b) From all amounts set aside under paragraph (a), the licensee shall set aside
 71.26 ten percent to be deposited in the breeders fund. ~~The licensee and the horseperson's~~
 71.27 ~~organization representing the majority of horsepersons who have raced at the racetrack~~
 71.28 ~~during the preceding 12 months may negotiate percentages different from those stated in~~
 71.29 ~~this section if the agreement is in writing and filed with the Racing Commission.~~

71.30 (c) It is the intent of the legislature that the proceeds of the card playing activities
 71.31 authorized by this chapter be used to improve the horse racing industry by improving purses.
 71.32 The licensee and the horseperson's organization representing the majority of horsepersons
 71.33 who have raced at the racetrack during the preceding 12 months may negotiate percentages
 71.34 that exceed those stated in this section if the agreement is in writing and filed with the
 71.35 commission. The commission shall annually review the financial details of card playing

72.1 activities and determine if the present use of card playing proceeds is consistent with the
 72.2 policy established by this paragraph. If the commission determines that the use of the
 72.3 proceeds does not comply with the policy set forth herein, then the commission shall direct
 72.4 the parties to make the changes necessary to ensure compliance. If these changes require
 72.5 legislation, the commission shall make the appropriate recommendations to the legislature.

72.6 Sec. 16. Minnesota Statutes 2014, section 240.15, subdivision 1, is amended to read:

72.7 Subdivision 1. **Taxes imposed.** (a) There is imposed a tax at the rate of six percent
 72.8 of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by
 72.9 the licensee, including breakage and amounts withheld under section 240.13, subdivision
 72.10 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of
 72.11 the next year.

72.12 In addition to the above tax, the licensee must designate and pay to the commission
 72.13 a tax of one percent of the ~~total amount bet on each racing day~~ handle for live races
 72.14 conducted at a class A facility, for deposit in the Minnesota breeders fund.

72.15 The taxes imposed by this clause must be paid from the amounts permitted to be
 72.16 withheld by a licensee under section 240.13, subdivision 4.

72.17 (b) The commission may impose an admissions tax of not more than ten cents on
 72.18 each paid admission at a licensed racetrack on a racing day if:

72.19 (1) the tax is requested by a local unit of government within whose borders the
 72.20 track is located;

72.21 (2) a public hearing is held on the request; and

72.22 (3) the commission finds that the local unit of government requesting the tax is in
 72.23 need of its revenue to meet extraordinary expenses caused by the racetrack.

72.24 Sec. 17. Minnesota Statutes 2014, section 240.15, subdivision 6, is amended to read:

72.25 Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all
 72.26 money received under this section, and all money received from license fees and fines it
 72.27 collects, according to this subdivision. All money designated for deposit in the Minnesota
 72.28 breeders fund must be paid into that fund for distribution under section 240.18 except that
 72.29 all money generated by ~~full racing card~~ simulcasts must be distributed as provided in
 72.30 section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue
 72.31 from an admissions tax imposed under subdivision 1 must be paid to the local unit of
 72.32 government at whose request it was imposed, at times and in a manner the commission
 72.33 determines. Taxes received under this section and fines collected under section 240.22
 72.34 must be paid to the commissioner of management and budget for deposit in the general

73.1 fund. All revenues from licenses and other fees imposed by the commission must be
 73.2 deposited in the state treasury and credited to a racing and card playing regulation account
 73.3 in the special revenue fund. Receipts in this account are available for the operations of the
 73.4 commission up to the amount authorized in biennial appropriations from the legislature.

73.5 Sec. 18. Minnesota Statutes 2014, section 240.16, subdivision 1, is amended to read:

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

- 73.12 (a) to ensure that races are run in accordance with the commission's rules;
- 73.13 (b) to supervise the conduct of racing to ensure the integrity of the sport;
- 73.14 (c) to settle disputes arising from the running of horse races, and to certify official
 73.15 results;
- 73.16 (d) to impose on licensees, for violation of law or commission rules, fines not
 73.17 exceeding ~~\$2,000~~ \$5,000 and license suspensions not exceeding 90 days;
- 73.18 (e) to recommend to the commission where warranted penalties in excess of those
 73.19 in clause (d);
- 73.20 (f) to otherwise enforce the laws and rules of racing; and
- 73.21 (g) to perform other duties and have other powers assigned by the commission.

73.22 Sec. 19. Minnesota Statutes 2014, section 240.22, is amended to read:

73.23 **240.22 FINES.**

73.24 (a) The commission shall by rule establish a graduated schedule of civil fines for
 73.25 violations of laws related to horse racing or of the commission's rules. The schedule
 73.26 must include minimum and maximum fines for each violation and be based on and
 73.27 reflect the culpability, frequency and severity of the violator's actions. The commission
 73.28 may impose a fine from this schedule on a licensee for a violation of those rules or laws
 73.29 relating to horse racing. The fine is in addition to any criminal penalty imposed for the
 73.30 same violation. Fines imposed by the commission must be paid to the commission and
 73.31 except as provided in paragraph (b), forwarded to the commissioner of management and
 73.32 budget for deposit in the general fund. A fine in excess of ~~\$2,000~~ \$5,000 is a contested
 73.33 case under the Administrative Procedure Act.

74.1 (b) If the commission is the prevailing party in a contested case proceeding, the
 74.2 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
 74.3 attorney fees and costs associated with the contested case.

74.4 **EFFECTIVE DATE.** This section is effective July 1, 2016.

74.5 Sec. 20. Minnesota Statutes 2014, section 240.23, is amended to read:

74.6 **240.23 RULEMAKING AUTHORITY.**

74.7 The commission has the authority, in addition to all other rulemaking authority
 74.8 granted elsewhere in this chapter to promulgate rules governing:

74.9 (a) the conduct of horse races held at licensed racetracks in Minnesota, including but
 74.10 not limited to the rules of racing, standards of entry, operation of claiming races, filing and
 74.11 handling of objections, carrying of weights, and declaration of official results;

74.12 (b) ~~wire~~ wired and wireless communications between the premises of a licensed
 74.13 racetrack and any place outside the premises;

74.14 (c) information on horse races which is sold on the premises of a licensed racetrack;

74.15 (d) liability insurance which it may require of all class A, class B, and class D
 74.16 licensees;

74.17 (e) the auditing of the books and records of a licensee by an auditor employed
 74.18 or appointed by the commission;

74.19 (f) emergency action plans maintained by licensed racetracks and their periodic
 74.20 review;

74.21 (g) safety, security, and sanitation of stabling facilities at licensed racetracks;

74.22 (h) entry fees and other funds received by a licensee in the course of conducting
 74.23 racing which the commission determines must be placed in escrow accounts;

74.24 (i) affirmative action in employment and contracting by class A, class B, and class D
 74.25 licensees; ~~and~~

74.26 (j) procedures for the sampling and testing of any horse that is eligible to race in
 74.27 Minnesota for substances or practices that are prohibited by law or rule; and

74.28 ~~(j)~~ (k) any other aspect of horse racing or pari-mutuel betting which in its opinion
 74.29 affects the integrity of racing or the public health, welfare, or safety.

74.30 Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

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

74.32 Sec. 21. Minnesota Statutes 2014, section 364.09, is amended to read:

74.33 **364.09 EXCEPTIONS.**

75.1 (a) This chapter does not apply to the licensing process for peace officers; to law
75.2 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire
75.3 protection agencies; to eligibility for a private detective or protective agent license; to the
75.4 licensing and background study process under chapters 245A and 245C; to the licensing
75.5 and background investigation process under chapter 240; to eligibility for school bus
75.6 driver endorsements; to eligibility for special transportation service endorsements; to
75.7 eligibility for a commercial driver training instructor license, which is governed by section
75.8 171.35 and rules adopted under that section; to emergency medical services personnel, or
75.9 to the licensing by political subdivisions of taxicab drivers, if the applicant for the license
75.10 has been discharged from sentence for a conviction within the ten years immediately
75.11 preceding application of a violation of any of the following:

75.12 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or
75.13 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

75.14 (2) any provision of chapter 152 that is punishable by a maximum sentence of
75.15 15 years or more; or

75.16 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving
75.17 the scene of an accident, or reckless or careless driving.

75.18 This chapter also shall not apply to eligibility for juvenile corrections employment, where
75.19 the offense involved child physical or sexual abuse or criminal sexual conduct.

75.20 (b) This chapter does not apply to a school district or to eligibility for a license
75.21 issued or renewed by the Board of Teaching or the commissioner of education.

75.22 (c) Nothing in this section precludes the Minnesota Police and Peace Officers
75.23 Training Board or the state fire marshal from recommending policies set forth in this
75.24 chapter to the attorney general for adoption in the attorney general's discretion to apply to
75.25 law enforcement or fire protection agencies.

75.26 (d) This chapter does not apply to a license to practice medicine that has been denied
75.27 or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

75.28 (e) This chapter does not apply to any person who has been denied a license to
75.29 practice chiropractic or whose license to practice chiropractic has been revoked by the
75.30 board in accordance with section 148.10, subdivision 7.

75.31 (f) This chapter does not apply to any license, registration, or permit that has
75.32 been denied or revoked by the Board of Nursing in accordance with section 148.261,
75.33 subdivision 1a.

75.34 (g) This chapter does not supersede a requirement under law to conduct a criminal
75.35 history background investigation or consider criminal history records in hiring for
75.36 particular types of employment.

76.1 Sec. 22. **REVISOR'S INSTRUCTION.**

76.2 (a) The revisor of statutes shall renumber the subdivisions in Minnesota Statutes,
 76.3 section 240.01, to put the definitions contained in that section in alphabetical order.

76.4 (b) The revisor of statutes shall correct any cross-references in Minnesota Statutes
 76.5 and Minnesota Rules as a result of the renumbering in paragraph (a).

76.6 Sec. 23. **REPEALER.**

76.7 Minnesota Statutes 2014, section 240.01, subdivisions 12 and 23, are repealed.

76.8 **ARTICLE 5**76.9 **REVENUE**

76.10 Section 1. Minnesota Statutes 2014, section 270C.722, subdivision 1, is amended to
 76.11 read:

76.12 Subdivision 1. **Notice of revocation; hearings.** (a) If: ~~(1)~~ a person fails to comply
 76.13 with chapter 297A or the sales and use tax provisions of chapter 289A or the rules related
 76.14 to sales tax, ~~or (2) any retailer purchases for resale from an unlicensed seller more than~~
 76.15 ~~20,000 cigarettes or \$500 or more worth of tobacco products, without reasonable cause,~~
 76.16 the commissioner may give the person 30 days' notice in writing, specifying the violations,
 76.17 and stating that based on the violations the commissioner intends to revoke the person's
 76.18 permit issued under section 297A.84. The notice must also advise the person of the right to
 76.19 contest the revocation under this subdivision. It must also explain the general procedures
 76.20 for a contested case hearing under chapter 14. The notice may be served personally or by
 76.21 mail in the manner prescribed for service of an order of assessment.

76.22 (b) If the person does not request a hearing within 30 days after the date of the
 76.23 notice of intent, the commissioner may serve a notice of revocation of permit upon the
 76.24 person, and the permit is revoked. If a hearing is timely requested, and held, the permit
 76.25 is revoked after the commissioner serves an order of revocation of permit under section
 76.26 14.62, subdivision 1.

76.27 **EFFECTIVE DATE.** This section is effective August 1, 2015.

76.28 Sec. 2. Minnesota Statutes 2014, section 270C.728, is amended by adding a
 76.29 subdivision to read:

76.30 **Subd. 8. Publication of revoked retail cigarette licenses.** (a) Notwithstanding
 76.31 any other law, the commissioner may publish a list of persons who have had their retail
 76.32 licenses to sell cigarettes or tobacco products revoked under section 297F.186. In the case

77.1 of a license holder that is a business entity, the commissioner may also publish the name
 77.2 of responsible persons of the license holder, as defined in section 297F.186, subdivision 1.

77.3 (b) At least 30 days before publishing the name of a license holder or responsible
 77.4 person, the commissioner shall mail a written notice to the license holder and to
 77.5 responsible persons of the license holder of the commissioner's intent to publish. This
 77.6 notice may be included as part of the notice of intent to revoke a license as required under
 77.7 section 297F.186, subdivision 3.

77.8 (c) The list may be published by any medium or method. The list must contain the
 77.9 name and address of the license holder and name of the responsible person and the date
 77.10 the license was revoked.

77.11 (d) The commissioner shall remove the name of a license holder or responsible
 77.12 person from the list five years from the date of the license revocation or upon the license
 77.13 holder or responsible person receiving a license clearance under section 297F.186.

77.14 **EFFECTIVE DATE.** This section is effective August 1, 2015.

77.15 Sec. 3. Minnesota Statutes 2014, section 297F.01, subdivision 14, is amended to read:

77.16 Subd. 14. **Retailer.** "Retailer" means a person ~~required to be licensed under chapter~~
 77.17 ~~46+~~ located in this state engaged in this state in the business of selling, or offering to sell,
 77.18 cigarettes or tobacco products to consumers.

77.19 **EFFECTIVE DATE.** This section is effective August 1, 2015.

77.20 Sec. 4. Minnesota Statutes 2014, section 297F.03, subdivision 5, is amended to read:

77.21 Subd. 5. **License fees; cigarettes.** Each application for a cigarette distributor's
 77.22 license must be accompanied by a fee of ~~\$300~~ \$500. Each application for a cigarette
 77.23 subjobber's license must be accompanied by a fee of ~~\$24~~ \$100. A distributor or subjobber
 77.24 applying for a license during the second year of a two-year licensing period is required to
 77.25 pay only one-half of the license fee.

77.26 **EFFECTIVE DATE.** This section is effective for license periods beginning after
 77.27 December 31, 2015.

77.28 Sec. 5. Minnesota Statutes 2014, section 297F.03, subdivision 6, is amended to read:

77.29 Subd. 6. **License fees; tobacco products.** Each application for a tobacco products
 77.30 distributor's license must be accompanied by a fee of ~~\$75~~ \$500. Each application for
 77.31 a tobacco products subjobber's license must be accompanied by a fee of ~~\$20~~ \$100. A

78.1 distributor or subjobber applying for a license during the second year of a two-year
78.2 licensing period is required to pay only one-half of the license fee.

78.3 **EFFECTIVE DATE.** This section is effective for license periods beginning after
78.4 December 31, 2015.

78.5 Sec. 6. Minnesota Statutes 2014, section 297F.04, subdivision 1, is amended to read:

78.6 Subdivision 1. **Powers of commissioner.** The commissioner may revoke or₂
78.7 suspend, or refuse to renew the license or licenses of any distributor or subjobber, or
78.8 refuse to issue a license to an applicant for a distributor or subjobber license, for violation
78.9 of this chapter, any other act applicable to the sale of cigarettes or tobacco products, or any
78.10 rule promulgated by the commissioner, in furtherance of this chapter.

78.11 **EFFECTIVE DATE.** This section is effective August 1, 2015.

78.12 Sec. 7. Minnesota Statutes 2014, section 297F.13, subdivision 4, is amended to read:

78.13 Subd. 4. **Retailer and subjobber to preserve purchase invoices.** Every retailer and
78.14 subjobber shall procure itemized invoices of all cigarettes or tobacco products purchased.

78.15 The retailer and subjobber shall preserve a legible copy of each invoice for one
78.16 year from the date of the invoice or as long as the cigarette or tobacco product listed on
78.17 the invoice is available for sale or in their possession, whichever period is longer. The
78.18 retailer and subjobber shall preserve copies of the invoices at each retail location or at a
78.19 central location provided that the invoice must be produced and made available at a retail
78.20 location within one hour when requested by the commissioner or duly authorized agents
78.21 and employees. Copies should be numbered and kept in chronological order.

78.22 To determine whether the business is in compliance with the provisions of this
78.23 chapter, at any time during usual business hours, the commissioner, or duly authorized
78.24 agents and employees, may enter any place of business of a retailer or subjobber without
78.25 a search warrant and inspect the premises, the records required to be kept under this
78.26 chapter, and the packages of cigarettes, tobacco products, and vending devices contained
78.27 on the premises.

78.28 **EFFECTIVE DATE.** This section is effective for sales and purchases by subjobbers
78.29 and retailers made on or after August 1, 2015.

78.30 Sec. 8. **[297F.186] REVOCATION OF CIGARETTE AND TOBACCO RETAIL**
78.31 **LICENSE.**

79.1 Subdivision 1. **Cigarette and tobacco retail revocation.** (a) A licensing authority
79.2 must not issue, transfer, or renew, and must revoke, a license if the commissioner has
79.3 notified the licensing authority that the license holder or applicant has been in possession
79.4 of contraband cigarettes or tobacco products as defined under section 297F.21 at the
79.5 location covered by the license.

79.6 (b) Within ten days after receipt of the notification from the commissioner under
79.7 paragraph (a), the licensing authority must notify the license holder by mail of the
79.8 revocation of the license or an applicant of a denial license issuance. The notice must
79.9 include a copy of the commissioner's notice to the licensing authority and information, in
79.10 the form specified by the commissioner, on the licensee's option for receiving a license
79.11 clearance from the commissioner. The licensing authority must revoke the license within
79.12 30 days after receiving the notice from the commissioner, unless it receives a license
79.13 clearance from the commissioner as provided in subdivision 2, paragraph (b).

79.14 (c) For purposes of this section, the following terms have the meanings given.

79.15 (1) "License holder" means an individual or legal entity who has a license to sell
79.16 cigarettes or tobacco products issued under chapter 461.

79.17 (2) "License" means a license to sell cigarettes or tobacco products under chapter 461.

79.18 (3) "Licensing authority" means a town board, county board, governing body of a
79.19 home rule charter or statutory city, or state agricultural society authorized to issue licenses
79.20 under chapter 461.

79.21 (4) "Applicant" is any individual, corporation, partnership, or any other legal entity
79.22 that is a holder of a license or that has filed an application to obtain a license.

79.23 (5) "Responsible person" means any individual who, either singly or jointly with
79.24 others, has the control of, supervision of, or responsibility for filing tax returns or reports,
79.25 paying taxes, or collecting or withholding and remitting taxes to the commissioner for
79.26 a license holder, or who has authority to purchase cigarettes or tobacco products, or
79.27 supervises a person who has authority to purchase cigarettes or tobacco products for
79.28 the license holder.

79.29 Subd. 2. **New licenses after revocation.** (a) An applicant who has had a
79.30 license revoked under this section, or an applicant with a responsible person who was
79.31 a responsible person for another entity for which a license was revoked under this
79.32 section, may not apply for a license or seek the reinstatement of a revoked license
79.33 unless the applicant presents to the licensing authority a license clearance issued by the
79.34 commissioner. A licensing authority must not issue a new license to an applicant with
79.35 such a responsible person or to an applicant who has had a license revoked under this

80.1 section or reinstate a revoked license unless the applicant presents to the authority a
80.2 license clearance issued by the commissioner.

80.3 (b) Except as provided in paragraph (f), the commissioner may issue a license
80.4 clearance if the applicant and all responsible persons of the applicant:

80.5 (1) sign an agreement that acknowledges that the applicant and the responsible
80.6 person will follow all laws related to the taxation of cigarettes and tobacco products,
80.7 including the requirements to:

80.8 (i) purchase all cigarettes and tobacco products from distributors and subjobbers
80.9 licensed by the commissioner;

80.10 (ii) maintain invoices of all cigarettes or tobacco products purchased as required
80.11 under section 297F.13, subdivision 4, and produce those invoices within one hour when
80.12 requested by the commissioner or duly authorized agents and employees; and

80.13 (iii) timely file and pay to the commissioner all returns and all sales taxes related to
80.14 the sale of tobacco products; and

80.15 (2) deposit with the commissioner security or a surety bond in an amount equal
80.16 to ten times the amount of tax on the contraband cigarettes or tobacco products. The
80.17 commissioner must hold the security deposit for two years.

80.18 (c) The commissioner must pay interest on any money deposited as security. The
80.19 interest is calculated from the date of deposit to the date of refund, or date of application
80.20 to any outstanding tax liability, at a rate specified in section 270C.405. The commissioner
80.21 must refund the security deposit to the applicant at the end of the two-year period
80.22 unless the applicant has any unpaid tax liabilities payable to the commissioner. The
80.23 commissioner may apply the security deposit to unpaid tax liabilities of the applicant
80.24 owed to the commissioner and to the tax on contraband cigarettes or tobacco products
80.25 owned, possessed, sold, or offered for sale by the applicant after the license clearance
80.26 has been issued.

80.27 (d) The commissioner may refund the security deposit before the end of the two-year
80.28 holding period if the license holder no longer has a license to sell cigarettes or tobacco
80.29 products issued by a licensing authority in the state.

80.30 (e) If the commissioner determines that a licensing authority has issued a new license
80.31 or reinstated a revoked license without the applicant submitting a license clearance, the
80.32 commissioner may notify the licensing authority to revoke the license. Revocations under
80.33 this subdivision are controlled by the provisions of subdivisions 1, paragraph (b), and 3.
80.34 The commissioner must send notice of intent to require revocation to the license holder
80.35 and to the responsible person of the license holder.

81.1 (f) If an applicant has had, or if a person has been a responsible person to, a
81.2 cumulative number of two or more licenses revoked under this subdivision in a five-year
81.3 period by licensing authorities within the state, the commissioner may refuse to issue a
81.4 license clearance until 24 months have elapsed after the last revocation and the applicant
81.5 has satisfied the conditions for reinstatement of a revoked license or issuance of a new
81.6 license imposed by this subdivision.

81.7 Subd. 3. **Notice and hearing.** (a) Prior to notifying a licensing authority pursuant
81.8 to subdivision 1 to revoke a license, the commissioner must send a notice to the license
81.9 holder and to any known responsible person of the license holder of the commissioner's
81.10 intent to require revocation of the license and of the license holder's or responsible person's
81.11 right to a hearing. If the license holder or responsible person requests a hearing in writing
81.12 within 30 days of the date of the notice, a contested case hearing must be held. The hearing
81.13 must be held within 45 days of the date the commissioner refers the case to the Office of
81.14 Administrative Hearings. Notwithstanding any law to the contrary, the license holder or
81.15 responsible person must be served in writing specifying the time and place of the hearing
81.16 and the allegations against the license holder or responsible person. The notice may be
81.17 served at least 20 days before the hearing personally or by mail. A license is subject to
81.18 revocation when 30 days have passed following the date of the notice in this paragraph
81.19 without the license holder requesting a hearing, or, if a hearing is timely requested, upon
81.20 adverse final determination of the case after the hearing under section 14.62, subdivision 1.

81.21 (b) The commissioner may notify a licensing authority under subdivision 1 only
81.22 after the requirements of paragraph (a) have been satisfied.

81.23 (c) A hearing under this subdivision is in lieu of any other hearing or proceeding
81.24 provided by law arising from any action taken under subdivision 1.

81.25 **EFFECTIVE DATE.** This section is effective August 1, 2015.

81.26 Sec. 9. Minnesota Statutes 2014, section 297F.19, is amended by adding a subdivision
81.27 to read:

81.28 Subd. 10. **Penalty for retailers who fail to comply.** (a) A retailer who fails to
81.29 produce an itemized invoice from a licensed seller within one hour of being requested by
81.30 the commissioner to do so as required under section 297F.13, subdivision 4, or who offers
81.31 for sale or holds in inventory cigarettes or tobacco products without a license required
81.32 under chapter 461 is subject to a penalty of \$1,000 for the first violation, \$3,000 for the
81.33 second violation, and \$5,000 for the third and each subsequent violation occurring during
81.34 any 36-month period.

82.1 (b) A retailer who offers for sale or holds in inventory untaxed cigarettes or tobacco
 82.2 products is subject to a penalty equal to the greater of \$2,000, or 150 percent of the tax
 82.3 due on the cigarettes or tobacco products.

82.4 **EFFECTIVE DATE.** This section is effective for violations occurring on or after
 82.5 August 1, 2015.

82.6 Sec. 10. Minnesota Statutes 2014, section 297F.20, is amended by adding a subdivision
 82.7 to read:

82.8 Subd. 2a. **Penalties for willful failure to file or pay.** (a) A person or consumer
 82.9 required to file a return, report, or other document with the commissioner who willfully
 82.10 attempts in any manner to evade or defeat a tax under this chapter by failing to do so
 82.11 when required is guilty of a felony.

82.12 (b) A person or consumer required to pay or to collect and remit a tax under this
 82.13 chapter, who willfully attempts to evade or defeat a tax by failing to do so when required,
 82.14 is guilty of a felony.

82.15 **EFFECTIVE DATE.** This section is effective for offenses committed on or after
 82.16 August 1, 2015.

82.17 Sec. 11. Minnesota Statutes 2014, section 297F.20, is amended by adding a subdivision
 82.18 to read:

82.19 Subd. 13. **Aggregation and consolidation of venue.** In any prosecution under this
 82.20 section, the number of unstamped cigarettes or the value of the untaxed tobacco products
 82.21 possessed, received, transported, sold, offered to be sold, or purchased in violation of
 82.22 this section within any six-month period may be aggregated and the defendant charged
 82.23 accordingly in applying the provisions of this section. When two or more offenses are
 82.24 committed by the same individual in two or more counties, the accused may be prosecuted
 82.25 in any county in which one of the offenses was committed.

82.26 **EFFECTIVE DATE.** This section is effective for offenses committed on or after
 82.27 August 1, 2015.

82.28 Sec. 12. Minnesota Statutes 2014, section 297F.21, subdivision 1, is amended to read:

82.29 Subdivision 1. **Contraband defined.** The following are declared to be contraband
 82.30 and therefore subject to civil and criminal penalties under this chapter:

82.31 (a) Cigarette packages which do not have stamps affixed to them as provided in this
 82.32 chapter, including but not limited to (i) packages with illegible stamps and packages with

83.1 stamps that are not complete or whole even if the stamps are legible, and (ii) all devices
83.2 for the vending of cigarettes in which packages as defined in item (i) are found, including
83.3 all contents contained within the devices.

83.4 (b) A device for the vending of cigarettes and all packages of cigarettes, where the
83.5 device does not afford at least partial visibility of contents. Where any package exposed
83.6 to view does not carry the stamp required by this chapter, it shall be presumed that all
83.7 packages contained in the device are unstamped and contraband.

83.8 (c) A device for the vending of cigarettes to which the commissioner or authorized
83.9 agents have been denied access for the inspection of contents. In lieu of seizure, the
83.10 commissioner or an agent may seal the device to prevent its use until inspection of
83.11 contents is permitted.

83.12 (d) A device for the vending of cigarettes which does not carry the name and address
83.13 of the owner, plainly marked and visible from the front of the machine.

83.14 (e) A device including, but not limited to, motor vehicles, trailers, snowmobiles,
83.15 airplanes, and boats used with the knowledge of the owner or of a person operating with
83.16 the consent of the owner for the storage or transportation of more than 5,000 cigarettes
83.17 which are contraband under this subdivision. When cigarettes are being transported in
83.18 the course of interstate commerce, or are in movement from either a public warehouse to
83.19 a distributor upon orders from a manufacturer or distributor, or from one distributor to
83.20 another, the cigarettes are not contraband, notwithstanding the provisions of clause (a).

83.21 (f) A device including, but not limited to, motor vehicles, trailers, snowmobiles,
83.22 airplanes, and boats used with the knowledge of the owner, or of a person operating with
83.23 the consent of the owner, for the storage or transportation of untaxed tobacco products
83.24 intended for sale in Minnesota other than those in the possession of a licensed distributor
83.25 on or before the due date for payment of the tax under section 297F.09, subdivision 2.

83.26 (g) Cigarette packages or tobacco products obtained from an unlicensed seller.

83.27 (h) Cigarette packages offered for sale or held as inventory in violation of section
83.28 297F.20, subdivision 7.

83.29 (i) Tobacco products on which the tax has not been paid by a licensed distributor.

83.30 (j) Any cigarette packages or tobacco products offered for sale or held as inventory
83.31 for which ~~there is not an invoice from a licensed seller~~ the retailer or subjobber does not
83.32 produce an itemized invoice from a licensed seller within one hour after being requested
83.33 by the commissioner to do so as required under section 297F.13, subdivision 4.

83.34 (k) Cigarette packages which have been imported into the United States in violation
83.35 of United States Code, title 26, section 5754. All cigarettes held in violation of that section

84.1 shall be presumed to have entered the United States after December 31, 1999, in the
84.2 absence of proof to the contrary.

84.3 (l) Cigarettes subject to forfeiture under section 299F.854, subdivision 5, and
84.4 cigarette packaging and markings, including the cigarettes contained therein, which do not
84.5 meet the requirements under section 299F.853, paragraph (a).

84.6 (m) All cigarettes and tobacco products, including those for which the tax has been
84.7 paid, offered for sale or held as inventory by a retailer operating without a license required
84.8 under chapter 461.

84.9 **EFFECTIVE DATE.** This section is effective August 1, 2015.

84.10 Sec. 13. Minnesota Statutes 2014, section 461.12, subdivision 8, is amended to read:

84.11 Subd. 8. **Notice to commissioner.** The licensing authority under this section shall,
84.12 within 30 days of the issuance or renewal of a license, ~~inform~~ provide the commissioner of
84.13 revenue ~~of~~, on a form prescribed by the commissioner and completed by the applicant,
84.14 the licensee's name, address, trade name, Minnesota business identification number, the
84.15 name of the individual or individuals who will be responsible for purchasing cigarettes or
84.16 tobacco products for the licensee, and the effective and expiration dates of the license.
84.17 The commissioner of revenue must also be informed of a license ~~renewal~~, transfer,
84.18 cancellation, suspension, or revocation during the license period.

84.19 **EFFECTIVE DATE.** This section is effective for licenses issued, renewed,
84.20 transferred, canceled, suspended, or revoked after December 31, 2015.

84.21 Sec. 14. **REPEALER.**

84.22 Minnesota Statutes 2014, section 297F.185, is repealed.

84.23 **EFFECTIVE DATE.** This section is effective August 1, 2015.

APPENDIX
Article locations in S0888-3

ARTICLE 1	STATE GOVERNMENT APPROPRIATIONS	Page.Ln 2.8
ARTICLE 2	STATE GOVERNMENT OPERATIONS	Page.Ln 22.29
ARTICLE 3	MILITARY AND VETERANS AFFAIRS	Page.Ln 58.15
ARTICLE 4	PARI-MUTUEL HORSE RACING	Page.Ln 63.16
ARTICLE 5	REVENUE	Page.Ln 76.8

155A.23 DEFINITIONS.

Subd. 6. **Licensed practice.** "Licensed practice" means (1) the practice of cosmetology in a licensed salon or (2) the practice of an esthetician or cosmetologist employed in the office of a licensed physician in connection with medical care related to esthology.

197.131 BOARD OF GOVERNORS OF BIG ISLAND VETERANS CAMP.

Subdivision 1. **Creation and membership.** The board of governors of the Big Island Veterans Camp - Lake Minnetonka supervises and manages the camp. The board consists of eight members. Two members each are appointed by the state level organization of the American Legion, the Disabled American Veterans, the Military Order of the Purple Heart, and the Veterans of Foreign Wars provided that at least two appointees are Vietnam veterans. The commissioner of veterans affairs or the commissioner's designee may attend and participate in an advisory capacity at any of the board meetings. The term of each member of the board is two years or until the appointment and qualification of a successor. The board selects a chair and secretary from its membership who serve terms of one year.

Subd. 2. **Vacancies and removal.** A member of the board may be removed at any time by the organization appointing that member. Also, by written notice to the appointing organization, the board may remove the member if the member has been absent for three consecutive meetings of the board. To remove a member, the board must notify in writing the appointing organization and the member after the second consecutive missed meeting that the member may be removed if the next meeting is missed. Any vacancy on the board is filled for the remainder of the unexpired term in the same manner as the original appointment.

197.132 POWERS AND DUTIES.

The board of governors of the Big Island Veterans Camp - Lake Minnetonka establishes policies for the proper management of the camp. The board may contract for services needed to operate the camp including the services of a manager, may hire employees, and may make other expenditures for the procurement of materials, services, or equipment necessary for the operation of the camp. Expenditures are made upon the approval of the chair. The board must prepare an annual report detailing a complete report of financial transactions, usage levels, and other activities regarding the management and operation of the camp. Copies of the annual reports must be submitted to each appointing organization and to the commissioner of veterans affairs. The board may accept donations, contributions, gifts, and bequests of real or personal property that may be made for the maintenance or operation of the camp.

The board shall make the camp available to veterans using the following priorities:

- (1) qualified disabled veterans and their dependents;
- (2) qualified veterans, their dependents, and surviving spouses of qualified veterans who were campers prior to the deed transfer; and
- (3) qualified veterans, their dependents, and surviving spouses of qualified veterans.

The camp must be operated as a family camp for the rest and relaxation of veterans and their dependents rather than as a program-oriented camp.

The board must publicize the camp to the greatest extent possible to make the camp's facilities known to Minnesota veterans.

The board is not a state agency. The board shall purchase liability and related insurance sufficient to indemnify the state against all claims arising from the conduct or management of the activities conducted by the board, its agents, or contractors.

240.01 DEFINITIONS.

Subd. 12. **Average daily handle.** "Average daily handle" means the total amount bet in all pari-mutuel pools at a licensed racetrack during the racing meeting divided by the number of days that horse racing was conducted at the racetrack during the racing meeting.

Subd. 23. **Full racing card.** "Full racing card" means three or more races that are: (1) part of a horse racing program being conducted at a racetrack; and (2) being simulcast or telerace simulcast at a licensed racetrack.

297F.185 REVOCATION OF SALES AND USE TAX PERMITS.

APPENDIX

Repealed Minnesota Statutes: S0888-3

(a) If a retailer purchases for resale from an unlicensed seller more than 20,000 cigarettes or \$500 or more worth of tobacco products, the commissioner may revoke the person's sales and use tax permit as provided in section 270C.722.

(b) The commissioner may revoke a retailer's sales or use permit as provided in section 270C.722 if the retailer, directly or indirectly, purchases for resale cigarettes without the proper stamp affixed.