

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		Comm report: To pass as amended Second reading

A bill for an act

1.1 relating to the operation of state government; providing appropriations 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; making a transfer to the budget reserve; cancellation
1.5 of certain appropriations; transferring money to the budget reserve; allowing
1.6 prepay for certain software and information technology hosting services;
1.7 providing reimbursement for reasonable accommodation; modifying grant
1.8 agreement provisions; making changes to guaranteed energy-savings program,
1.9 small business requirements, and targeted group businesses; changing certain
1.10 requirements for the practice of cosmetology; assessing certain costs for Office of
1.11 Administrative Hearings; changing a rehabilitation or renovation grant from the
1.12 Minnesota Amateur Sports Commission; changing or establishing certain fees;
1.13 modifying certain filing requirements for corporations; modifying provisions for
1.14 accountants; modifying debt service provision for the legislative parking garage;
1.15 requiring the same room numbers on signage in the Capitol to identify legacy
1.16 rooms; providing in-lieu of rent evaluation; making changes to provisions for
1.17 military and veterans affairs; changing provisions covering pari-mutuel horse
1.18 racing; modifying provisions for cigarette and tobacco license; providing civil
1.19 penalties; requiring reports; amending Minnesota Statutes 2014, sections 3.8843,
1.20 subdivision 5; 16A.065; 16B.97, subdivision 1; 16B.98, subdivisions 1, 11;
1.21 16C.144; 16C.16, subdivision 2, by adding a subdivision; 16C.19; 155A.21;
1.22 155A.23, subdivision 8, by adding subdivisions; 155A.24, subdivision 2;
1.23 155A.25, subdivisions 1a, 5, by adding subdivisions; 155A.27, subdivisions
1.24 1, 2, 5a; 155A.271; 155A.29, subdivisions 1, 2, by adding a subdivision;
1.25 155A.30, subdivisions 5, 10; 161.1419, subdivision 8; 190.16, by adding a
1.26 subdivision; 190.19, subdivisions 2a, 3; 192.26, by adding a subdivision; 192.38,
1.27 subdivision 1; 192.501, by adding a subdivision; 197.133; 198.03, subdivisions
1.28 2, 3; 211B.37; 240.01, subdivision 22, by adding subdivisions; 240.011; 240.03;
1.29 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5, 6; 240.135; 240.15,
1.30 subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23; 240A.09; 270C.722,
1.31 subdivision 1; 270C.728, by adding a subdivision; 272.484; 297F.01, subdivision
1.32 14; 297F.03, subdivisions 5, 6; 297F.04, subdivision 1; 297F.13, subdivision 4;
1.33 297F.19, by adding a subdivision; 297F.20, by adding subdivisions; 297F.21,
1.34 subdivision 1; 303.19; 304A.301, subdivisions 1, 5, 6, by adding a subdivision;
1.35 326A.01, subdivisions 2, 12, 13a, 15, 16; 326A.02, subdivisions 3, 5; 326A.05,
1.36 subdivisions 1, 3; 326A.08, subdivision 7; 326A.10; 336A.09, subdivision 1;
1.37 364.09; 461.12, subdivision 8; Laws 2013, chapter 142, article 1, section 10;
1.38 Laws 2014, chapter 287, section 25; proposing coding for new law in Minnesota
1.39

2.1 Statutes, chapters 3; 16B; 297F; repealing Minnesota Statutes 2014, sections
 2.2 155A.23, subdivision 6; 197.131; 197.132; 240.01, subdivisions 12, 23; 297F.185.

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

2.4 **ARTICLE 1**

2.5 **STATE GOVERNMENT APPROPRIATIONS**

2.6 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

2.18 Sec. 2. **LEGISLATURE**

2.19 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>70,913,000</u>	<u>\$</u>	<u>71,811,000</u>
---	------------------	--------------------------	------------------	--------------------------

2.20 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
2.21 <u>General</u>	<u>70,785,000</u>	<u>71,683,000</u>
2.22 <u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

2.24 The amounts that may be spent for each
 2.25 purpose are specified in the following
 2.26 subdivisions.

2.27 <u>Subd. 2. Senate</u>	<u>23,372,000</u>	<u>23,976,000</u>
------------------------------------	--------------------------	--------------------------

2.28 <u>Subd. 3. House of Representatives</u>	<u>30,524,000</u>	<u>30,524,000</u>
--	--------------------------	--------------------------

2.29 To avoid cost overruns, on June 1, 2015,
 2.30 the commissioner of administration
 2.31 shall determine whether the house of
 2.32 representatives has vacated the house
 2.33 chamber as of June 1, 2015, and whether the
 2.34 chief clerk of the house of representatives

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

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

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

3.26	<u>Appropriations by Fund</u>		
3.27	<u>General</u>	<u>16,889,000</u>	<u>17,183,000</u>
3.28	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

3.29 \$6,678,000 the first year and \$6,793,000
 3.30 the second year are for the Office of the
 3.31 Legislative Auditor.
 3.32 \$297,000 in fiscal year 2016 and \$297,000
 3.33 in fiscal year 2017 are for the Office of
 3.34 the Revisor of Statutes to maintain and
 3.35 improve information technology services.

4.1 The approved complement of the revisor of
 4.2 statutes is increased by five positions. This
 4.3 appropriation shall be added to the revisor's
 4.4 budget base.

4.5 \$35,000 in fiscal year 2016 and \$35,000 in
 4.6 fiscal year 2017 are to provide support to the
 4.7 Legislative Commission on Data Practices
 4.8 established under Minnesota Statutes, section
 4.9 3.8843. This is a onetime appropriation.

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

4.16 **Sec. 3. GOVERNOR AND LIEUTENANT**
 4.17 **GOVERNOR**

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

4.18 (a) This appropriation is to fund the Office of
 4.19 the Governor and Lieutenant Governor.

4.20 (b) Up to \$19,000 the first year and up to
 4.21 \$19,000 the second year are for necessary
 4.22 expenses in the normal performance of
 4.23 the Governor's and Lieutenant Governor's
 4.24 duties for which no other reimbursement is
 4.25 provided.

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

5.1 the previous fiscal year. The Office of the
 5.2 Governor shall inform the chairs and ranking
 5.3 minority members of the committees before
 5.4 initiating any interagency agreements.

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

5.6 \$35,000 from the general fund is for an
 5.7 infrastructure stress study. This is a onetime
 5.8 appropriation and may be used in either year
 5.9 of the biennium.

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

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

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

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

5.23 Any funds available in the account
 5.24 established in Minnesota Statutes, section
 5.25 5.30, pursuant to the Help America Vote Act,
 5.26 are appropriated for the purposes and uses
 5.27 authorized by federal law.

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

5.30 **Campaign Finance and Public Disclosure**
 5.31 **Board Web Site Redevelopment Project.**

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

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

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

6.24 Campaign Violations Hearings. \$115,000
 6.25 in fiscal year 2016 and \$115,000 in fiscal year
 6.26 2017 are appropriated from the general fund
 6.27 for the cost of considering complaints filed
 6.28 under Minnesota Statutes, section 211B.32.
 6.29 These amounts may be used in either year
 6.30 of the biennium.

6.31 \$6,000 in fiscal year 2016 and \$6,000 in
 6.32 fiscal year 2017 are appropriated from the
 6.33 general fund to the Office of Administrative
 6.34 Hearings for the cost of considering data
 6.35 practices complaints filed under Minnesota

7.1 Statutes, section 13.085. These amounts may
 7.2 be used in either year of the biennium.

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

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

7.16 During the biennium ending June 30, 2017,
 7.17 MN.IT Services must not charge fees to a
 7.18 public noncommercial educational television
 7.19 broadcast station eligible for funding under
 7.20 Minnesota Statutes, chapter 129D, for
 7.21 access to the state broadcast infrastructure.
 7.22 If the access fees not charged to public
 7.23 noncommercial educational television
 7.24 broadcast stations total more than \$400,000
 7.25 for the biennium, the office may charge for
 7.26 access fees in excess of these amounts.

7.27 Sec. 11. **ADMINISTRATION**

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

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

7.32 **Subd. 2. Government and Citizen Services** **10,009,000 9,144,000**

8.1 \$74,000 the first year and \$74,000 the second
 8.2 year are for the Council on Developmental
 8.3 Disabilities.

8.4 \$735,000 the first year and \$65,000 the
 8.5 second year are to conduct a disparity study
 8.6 required under Minnesota Statutes, section
 8.7 16C.16, subdivision 5. This is a onetime
 8.8 appropriation.

8.9 \$500,000 in fiscal year 2016 and \$500,000
 8.10 in fiscal year 2017 are credited to the
 8.11 accommodation account established in
 8.12 Minnesota Statutes, section 16B.4805.

8.13 In fiscal year 2016, the commissioner of
 8.14 administration may use five percent of
 8.15 the appropriation for fiscal year 2016 for
 8.16 developing policies and procedures to
 8.17 implement the reimbursement program
 8.18 established in Minnesota Statutes, section
 8.19 16B.4805, and for educating qualifying
 8.20 agencies about the availability of and
 8.21 process for receiving reimbursement for
 8.22 accommodation expenses.

8.23 \$100,000 in fiscal year 2016 and \$100,000
 8.24 in fiscal year 2017 are for the Information
 8.25 Policy Analysis Division to provide training
 8.26 and technical assistance to local units of
 8.27 government on compliance with Minnesota
 8.28 Statutes, chapter 13, the Minnesota Data
 8.29 Practices Act. This is a onetime appropriation
 8.30 and is available until June 30, 2019.

8.31 Subd. 3. **Strategic Management Services** 1,975,000 2,009,000

8.32 Subd. 4. **Fiscal Agent** 13,157,000 11,737,000

8.33 The appropriations under this section are to
 8.34 the commissioner of administration for the
 8.35 purposes specified.

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

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

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

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

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

9.30 (d) \$592,000 the first year and \$592,000 the
9.31 second year are for community service grants
9.32 to public educational radio stations. This
9.33 appropriation may be used to disseminate
9.34 emergency information in foreign languages.

10.1 The base for fiscal year 2018 is \$392,000 and
10.2 for fiscal year 2019 is \$392,000.

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

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

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

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

10.31 **Sec. 12. CAPITOL AREA**
10.32 **ARCHITECTURAL AND PLANNING**
10.33 **BOARD** **\$ 340,000 \$ 345,000**

10.34 **Sec. 13. MINNESOTA MANAGEMENT AND**
10.35 **BUDGET** **\$ 22,277,000 \$ 23,569,000**

11.1 \$1,000,000 in fiscal year 2016 and
 11.2 \$2,000,000 in fiscal year 2017 are to maintain
 11.3 and upgrade statewide business systems,
 11.4 including, but not limited to, the statewide
 11.5 accounting system, the human resource and
 11.6 payroll system, the employment application
 11.7 system, the enterprise learning management
 11.8 system, the budget planning and analysis
 11.9 system, the fiscal note tracking system, and
 11.10 capital budget system.

11.11 Sec. 14. **REVENUE**
 11.12 **Subdivision 1. Total Appropriation** \$ **146,587,000** \$ **147,067,000**

11.13 Appropriations by Fund

11.14		<u>2016</u>	<u>2017</u>
11.15	<u>General</u>	<u>142,352,000</u>	<u>142,832,000</u>
11.16	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
11.17	<u>Highway User Tax</u>		
11.18	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
11.19	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

11.20 **Subd. 2. Tax System Management** 117,971,000 118,451,000

11.21 Appropriations by Fund

11.22	<u>General</u>	<u>113,736,000</u>	<u>114,216,000</u>
11.23	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
11.24	<u>Highway User Tax</u>		
11.25	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
11.26	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

11.27 **Appropriation; Taxpayer Assistance. (a)**
 11.28 \$400,000 in fiscal year 2016 and \$400,000
 11.29 in fiscal year 2017 from the general fund
 11.30 are for grants to one or more nonprofit
 11.31 organizations, qualifying under section
 11.32 501(c)(3) of the Internal Revenue Code of
 11.33 1986, to coordinate, facilitate, encourage, and
 11.34 aid in the provision of taxpayer assistance
 11.35 services. The unencumbered balance in the

12.1 first year does not cancel but is available for
 12.2 the second year.

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

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

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

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

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

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

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

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

12.32 The general fund appropriation is for fiscal
 12.33 years 2016 and 2017 only.

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

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

13.16 Sec. 17. **STATE LOTTERY**

13.17 Notwithstanding Minnesota Statutes, section
 13.18 349A.10, subdivision 3, the operating budget
 13.19 must not exceed \$31,000,000 in fiscal year
 13.20 2016 and \$31,000,000 in fiscal year 2017.

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

13.22 **Mighty Ducks.** \$4,000,000 in fiscal year
 13.23 2016 is for the purposes of Minnesota
 13.24 Statutes, section 240A.09, paragraph (b).

13.25 Sec. 19. **COUNCIL ON BLACK**
 13.26 **MINNESOTANS** \$ **396,000** \$ **401,000**

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

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

13.31 Sec. 22. **INDIAN AFFAIRS COUNCIL** \$ **569,000** \$ **576,000**

14.1 **Sec. 23. MINNESOTA HISTORICAL**
 14.2 **SOCIETY**

14.3 **Subdivision 1. Total Appropriation** **\$ 23,086,000 \$ 23,326,000**

14.4 The amounts that may be spent for each
 14.5 purpose are specified in the following
 14.6 subdivisions.

14.7 **Subd. 2. Operations and Programs** 22,515,000 22,955,000

14.8 The base is \$22,322,000 per year for the
 14.9 fiscal years 2018-2019 biennium. Increased
 14.10 funding in fiscal years 2016 and 2017 is for
 14.11 the following purposes:

14.12 (1) \$430,000 the first year and \$870,000 the
 14.13 second year to provide capacity to continue
 14.14 to deliver history programs and services
 14.15 across Minnesota. The base is \$487,000 per
 14.16 year for the fiscal years 2018-2019 biennium;

14.17 (2) \$500,000 the first year and \$500,000
 14.18 the second year for digital preservation
 14.19 and access, including planning and
 14.20 implementation of a program to preserve
 14.21 and make available resources related to
 14.22 Minnesota history; and

14.23 (3) \$250,000 the first year and \$250,000
 14.24 the second year for activities to enhance
 14.25 educational achievement through history
 14.26 education to be delivered statewide, in
 14.27 conjunction with historic sites. This is a
 14.28 onetime appropriation.

14.29 Notwithstanding Minnesota Statutes, section
 14.30 138.668, the Minnesota Historical Society
 14.31 may not charge a fee for its general tours at
 14.32 the Capitol, but may charge fees for special
 14.33 programs other than general tours.

14.34 **Subd. 3. Fiscal Agent**

15.1	<u>(a) Minnesota International Center</u>		<u>39,000</u>	<u>39,000</u>
15.2	<u>(b) Minnesota Air National Guard Museum</u>		<u>17,000</u>	<u>17,000</u>
15.3	<u>(c) Minnesota Military Museum</u>		<u>100,000</u>	<u>100,000</u>
15.4	<u>\$50,000 in fiscal year 2016 and \$50,000 in</u>			
15.5	<u>fiscal year 2017 are for an archivist position.</u>			
15.6	<u>This is a onetime appropriation and available</u>			
15.7	<u>until June 30, 2017.</u>			
15.8	<u>(d) Farmamerica</u>		<u>315,000</u>	<u>115,000</u>
15.9	<u>\$200,000 in fiscal year 2016 is for a grant</u>			
15.10	<u>to Farmamerica, the Minnesota agriculture</u>			
15.11	<u>interpretive center, for capital improvements.</u>			
15.12	<u>(e) Hockey Hall of Fame</u>		<u>100,000</u>	<u>100,000</u>
15.13	<u>Balances Forward.</u> Any unencumbered			
15.14	<u>balance remaining in this subdivision the first</u>			
15.15	<u>year does not cancel but is available for the</u>			
15.16	<u>second year of the biennium.</u>			
15.17	Sec. 24. <u>BOARD OF THE ARTS</u>			
15.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>7,522,000</u>	<u>\$ 7,530,000</u>
15.19	<u>The amounts that may be spent for each</u>			
15.20	<u>purpose are specified in the following</u>			
15.21	<u>subdivisions.</u>			
15.22	<u>Subd. 2. Operations and Services</u>		<u>583,000</u>	<u>591,000</u>
15.23	<u>Subd. 3. Grants Program</u>		<u>4,800,000</u>	<u>4,800,000</u>
15.24	<u>Subd. 4. Regional Arts Councils</u>		<u>2,139,000</u>	<u>2,139,000</u>
15.25	<u>Unencumbered Balance Available.</u> Any			
15.26	<u>unencumbered balance remaining in this</u>			
15.27	<u>section the first year does not cancel, but is</u>			
15.28	<u>available for the second year of the biennium.</u>			
15.29	<u>Projects located in Minnesota; travel</u>			
15.30	<u>restriction.</u> Money appropriated in this			
15.31	<u>section and distributed as grants may only</u>			

16.1 be spent on projects located in Minnesota.
 16.2 A recipient of a grant funded by an
 16.3 appropriation in this section must not use
 16.4 more than ten percent of the total grant for
 16.5 costs related to travel outside the state of
 16.6 Minnesota.

16.7 **Sec. 25. MINNESOTA HUMANITIES**
 16.8 **CENTER** \$ **350,000** \$ **350,000**

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

16.10 **Sec. 27. BOARD OF ARCHITECTURE**
 16.11 **ENGINEERING, LAND SURVEYING,**
 16.12 **LANDSCAPE ARCHITECTURE,**
 16.13 **GEOSCIENCE, AND INTERIOR DESIGN** \$ **784,000** \$ **794,000**

16.14 **Sec. 28. BOARD OF COSMETOLOGIST**
 16.15 **EXAMINERS** \$ **2,565,000** \$ **2,584,000**

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

16.17 **Sec. 30. GENERAL CONTINGENT**
 16.18 **ACCOUNTS** \$ **1,000,000** \$ **500,000**

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
16.19		
16.20		
16.21	<u>General</u>	<u>500,000</u>
16.22		<u>-0-</u>
16.23	<u>State Government</u>	
16.24	<u>Special Revenue</u>	<u>400,000</u>
16.25	<u>Workers'</u>	
16.26	<u>Compensation</u>	<u>100,000</u>

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

16.31 (b) If an appropriation in this section for
 16.32 either year is insufficient, the appropriation
 16.33 for the other year is available for it.

17.1 (c) If a contingent account appropriation
 17.2 is made in one fiscal year, it should be
 17.3 considered a biennial appropriation.

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

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

17.11 Sec. 32. **MINNESOTA STATE RETIREMENT**
 17.12 **SYSTEM**

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

17.14 The amounts that may be spent for each
 17.15 purpose are specified in the following
 17.16 subdivisions.

17.17 Subd. 2. **Combined Legislators and**
 17.18 **Constitutional Officers Retirement Plan**

17.19 Under Minnesota Statutes, sections 3A.03,
 17.20 subdivision 2; 3A.04, subdivisions 3 and 4;
 17.21 and 3A.115.

17.22 If an appropriation in this section for either
 17.23 year is insufficient, the appropriation for the
 17.24 other year is available for it.

17.25 Sec. 33. **PUBLIC EMPLOYEES**
 17.26 **RETIREMENT ASSOCIATION** \$ 16,000,000 \$ 16,000,000

17.27 General employees retirement plan of the
 17.28 Public Employees Retirement Association
 17.29 relating to the merged former MERF division.

17.30 These amounts are estimated to be needed
 17.31 under Minnesota Statutes, section 353.505.

17.32 Sec. 34. **TEACHERS RETIREMENT**
 17.33 **ASSOCIATION** \$ 29,831,000 \$ 29,831,000

18.1 The amounts estimated to be needed are as
 18.2 follows:

18.3 **Special Direct State Aid.** \$27,331,000 the
 18.4 first year and \$27,331,000 the second year
 18.5 are for special direct state aid authorized
 18.6 under Minnesota Statutes, section 354.436.

18.7 **Special Direct State Matching Aid.**
 18.8 \$2,500,000 the first year and \$2,500,000
 18.9 the second year are for special direct state
 18.10 matching aid authorized under Minnesota
 18.11 Statutes, section 354.435.

18.12 **Sec. 35. ST. PAUL TEACHERS**
 18.13 **RETIREMENT FUND**

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

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

18.19 **Sec. 36. MILITARY AFFAIRS**

18.20 **Subdivision 1. Total Appropriation**

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

18.21 The amounts that may be spent for each
 18.22 purpose are specified in the following
 18.23 subdivisions.

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

9,661,000 9,661,000

18.25 **Subd. 3. General Support**

4,319,000 4,319,000

18.26 \$1,500,000 in fiscal year 2016 and
 18.27 \$1,500,000 in fiscal year 2017 are for
 18.28 reimbursement grants under Minnesota
 18.29 Statutes, section 190.16, subdivision 6b.

18.30 **Subd. 4. Enlistment Incentives**

6,888,000 6,888,000

18.31 **Appropriation Availability.** If
 18.32 appropriations for either year of the biennium

19.1 are insufficient, the appropriation from the
 19.2 other year is available. The appropriations
 19.3 for enlistment incentives are available until
 19.4 expended.

19.5 **Transfer Authority.** Of the funds carried
 19.6 forward from fiscal year 2015 to fiscal
 19.7 year 2016, in the enlistment incentives
 19.8 appropriation, \$10,000,000 in fiscal year
 19.9 2016 may be transferred to the maintenance
 19.10 of training facilities appropriation to
 19.11 address significant maintenance backlog
 19.12 to the department's military training and
 19.13 community centers. This is a onetime
 19.14 transfer and is available until June 30, 2019.

19.15 Sec. 37. **VETERANS AFFAIRS**

19.16 <u>Subdivision 1. Total Appropriation</u>	<u>\$ 65,495,000</u>	<u>\$ 67,691,000</u>
--	-----------------------------	-----------------------------

19.17 The amounts that may be spent for each
 19.18 purpose are specified in the following
 19.19 subdivisions.

19.20 <u>Subd. 2. Veterans Programs and Services</u>	<u>16,393,000</u>	<u>16,461,000</u>
---	--------------------------	--------------------------

19.21 \$44,000 for a transfer to the Department
 19.22 of Education to implement the expedited
 19.23 and temporary licensing provisions of
 19.24 Minnesota Statutes, section 197.4552. This
 19.25 appropriation is available until June 30, 2017.

19.26 **Veterans Service Organizations.** \$353,000
 19.27 each year is for grants to the following
 19.28 congressionally chartered veterans service
 19.29 organizations, as designated by the
 19.30 commissioner: Disabled American Veterans,
 19.31 Military Order of the Purple Heart, the
 19.32 American Legion, Veterans of Foreign Wars,
 19.33 Vietnam Veterans of America, AMVETS,
 19.34 and Paralyzed Veterans of America. This

20.1 funding must be allocated in direct proportion
20.2 to the funding currently being provided by
20.3 the commissioner to these organizations.

20.4 **Minnesota Assistance Council for**
20.5 **Veterans.** \$750,000 each year is for a grant
20.6 to the Minnesota Assistance Council for
20.7 Veterans to provide assistance throughout
20.8 Minnesota to veterans and their families who
20.9 are homeless or in danger of homelessness,
20.10 including assistance with the following:

20.11 (1) utilities;

20.12 (2) employment; and

20.13 (3) legal issues.

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

20.23 **Honor Guards.** \$200,000 each year is
20.24 for compensation for honor guards at
20.25 the funerals of veterans under Minnesota
20.26 Statutes, section 197.231. This amount is
20.27 added to the program's base funding.

20.28 **Minnesota GI Bill.** \$200,000 each year is
20.29 for the costs of administering the Minnesota
20.30 GI Bill postsecondary educational benefits,
20.31 on-the-job training, and apprenticeship
20.32 program under Minnesota Statutes, section
20.33 197.791. Of this amount, \$100,000 is for
20.34 transfer to the Office of Higher Education.

21.1 **Gold Star Program.** \$100,000 each year
 21.2 is for administering the Gold Star Program
 21.3 for surviving family members of deceased
 21.4 veterans. This amount is added to the
 21.5 program's base funding.

21.6 **County Veterans Service Office.**
 21.7 \$1,100,000 each year is for funding the
 21.8 County Veterans Service Office grant
 21.9 program under Minnesota Statutes, section
 21.10 197.608.

21.11 <u>Subd. 3. Veterans Homes</u>	<u>49,102,000</u>	<u>51,230,000</u>
---	-------------------	-------------------

21.12 The base is \$51,234,000 for fiscal year 2018
 21.13 and \$51,238,000 for fiscal year 2019.

21.14 **Veterans Homes Special Revenue Account.**
 21.15 The general fund appropriations made to the
 21.16 department may be transferred to a veterans
 21.17 homes special revenue account in the special
 21.18 revenue fund in the same manner as other
 21.19 receipts are deposited according to Minnesota
 21.20 Statutes, section 198.34, and are appropriated
 21.21 to the department for the operation of
 21.22 veterans homes facilities and programs.

21.23 **Repair and Betterment.** \$500,000 in the
 21.24 first year and \$500,000 in the second year
 21.25 are for repair and betterment of Minnesota
 21.26 veterans homes.

21.27 **Maximize Federal Reimbursements.**
 21.28 The department will seek opportunities
 21.29 to maximize federal reimbursements of
 21.30 Medicare-eligible expenses and will provide
 21.31 annual reports to the commissioner of
 21.32 management and budget on the federal
 21.33 Medicare reimbursements received.
 21.34 Contingent upon future federal Medicare

22.1 receipts, reductions to the homes' general

22.2 fund appropriation may be made.

22.3 **Sec. 38. APPROPRIATION**

22.4 **CANCELLATIONS**

22.5 All unspent funds, estimated to be \$44,000,

22.6 to implement the expedited and temporary

22.7 licensing provisions of Minnesota Statutes,

22.8 section 197.4552, under Laws 2014, chapter

22.9 312, article 4, section 2, subdivision 8, are

22.10 canceled to the general fund on June 30, 2015.

22.11 All unspent funds, estimated to be \$150,000,

22.12 from the Web site redevelopment project

22.13 appropriation under Laws 2013, chapter

22.14 142, article 1, section 7, are canceled to the

22.15 general fund on June 30, 2015.

22.16 **Sec. 39. BUDGET RESERVE INCREASE.**

22.17 On July 1, 2015, the commissioner of management and budget shall transfer

22.18 \$250,000,000 to the budget reserve under Minnesota Statutes, section 16A.152,

22.19 subdivision 1a, in the general fund.

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

22.21 **ARTICLE 2**

22.22 **STATE GOVERNMENT OPERATIONS**

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

22.24 Subd. 5. **Staff.** Legislative staff must provide administrative and research assistance

22.25 to the commission. The Legislative Coordinating Commission may, if funding is available,

22.26 appoint staff to provide research assistance.

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

22.28 Subdivision 1. **Debt service.** The amount necessary to pay the principal and interest

22.29 components of the rental payment required under the August 1, 2014, lease-purchase

22.30 agreement between the Department of Administration and the Department of Management

22.31 and Budget for the Senate Building authorized under Laws 2013, chapter 143, article 12,

23.1 section 21, is annually appropriated from the general fund to the senate. This subdivision
 23.2 is effective for the term of the lease-purchase agreement.

23.3 Subd. 2. **Operations and maintenance.** (a) \$1,088,000 in fiscal year 2016,
 23.4 \$2,224,000 in fiscal year 2017, \$2,280,000 in fiscal year 2018, and \$2,337,000 in fiscal year
 23.5 2019 and later, are appropriated from the general fund to the senate to pay for operations
 23.6 and maintenance costs associated with the Senate Building authorized under Laws 2013,
 23.7 chapter 143, article 12, section 21. Notwithstanding sections 16B.04 and 16B.24, and in the
 23.8 event that the commissioner of administration breaches any obligations under agreements
 23.9 with the senate relating to the Senate Building, the senate may contract with other entities
 23.10 for the provision of operations and maintenance services for the Senate Building.

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

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

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

23.22 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**
 23.23 **DOCUMENTS.**

23.24 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an
 23.25 agency to make advance deposits or payments for software or software maintenance
 23.26 services for state-owned or leased electronic data processing equipment, for information
 23.27 technology hosting services, for sole source maintenance agreements where it is not
 23.28 cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required
 23.29 by the renter to guarantee the availability of space, for registration fees where advance
 23.30 payment is required or advance payment discount is provided, and for newspaper,
 23.31 magazine, and other subscription fees customarily paid for in advance. The commissioner
 23.32 may also allow advance deposits by any department with the Library of Congress and
 23.33 federal Supervisor of Documents for items to be purchased from those federal agencies.

24.1 Sec. 4. **[16B.4805] ACCOMMODATION REIMBURSEMENT.**

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

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

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

24.9 (3) reasonable accommodations that involve onetime expenses that total more than
24.10 \$1,000 for an employee in a fiscal year.

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

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

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

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

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

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

24.32 (2) the cost of accommodations requested;

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

24.34 (4) the number of requests made for employees and the number of requests for
24.35 applicants for employment;

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

- 25.1 (6) any remaining balance left in the account;
 25.2 (7) if the account was depleted, the date on which funds were exhausted and the
 25.3 number, type, and cost of accommodations that were not reimbursed to state agencies; and
 25.4 (8) a description of how the account was promoted to state agencies.

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

25.7 Sec. 5. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

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

25.14 (b) This section does not apply to general obligation grants as defined by section
 25.15 16A.695 and capital project grants to political subdivisions as defined by section 16A.86.

25.16 Sec. 6. Minnesota Statutes 2014, section 16B.98, subdivision 1, is amended to read:

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

25.21 (b) This section does not apply to general obligation grants as defined by section
 25.22 16A.695 and also capital project grants to political subdivisions as defined by section
 25.23 16A.86.

25.24 Sec. 7. Minnesota Statutes 2014, section 16B.98, subdivision 11, is amended to read:

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

26.1 Sec. 8. Minnesota Statutes 2014, section 16C.144, is amended to read:

26.2 **16C.144 GUARANTEED ENERGY-SAVINGS PROGRAM.**

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

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

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

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

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

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

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

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

26.22 (1) utility rates;

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

26.24 (3) square footage of the facility;

26.25 (4) operational schedule of the facility;

26.26 (5) facility temperature set points;

26.27 (6) weather; and

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

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

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

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

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

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

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

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

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

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

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

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

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

28.1 (6) the qualified provider gives a sufficient bond in accordance with section
 28.2 574.26 to the commissioner for the faithful implementation and installation of the utility
 28.3 cost-savings measures.

28.4 Subd. 3. ~~Lease purchase agreement~~ **Project financing.** The commissioner
 28.5 may enter into a ~~lease purchase agreement~~ project financing with any party for the
 28.6 implementation of utility cost-savings measures in accordance with the guaranteed
 28.7 energy-savings agreement. ~~The implementation costs of the utility cost-savings measures~~
 28.8 ~~recommended in the engineering report shall not exceed the amount to be saved in utility~~
 28.9 ~~and operation and maintenance costs over the term of the lease purchase agreement.~~ The
 28.10 term of the ~~lease purchase agreement~~ project financing shall not exceed 25 years from
 28.11 the date of final installation. The ~~lease~~ project financing is assignable in accordance with
 28.12 terms approved by the commissioner of management and budget.

28.13 Subd. 4. **Use of capital cost avoidance.** The affected state agency may contribute
 28.14 funds for capital cost avoidance for guaranteed energy-savings agreements. Use of capital
 28.15 cost avoidance is subject to the guaranteed energy-savings program guidelines within the
 28.16 Department of Administration.

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

28.24 Sec. 9. Minnesota Statutes 2014, section 16C.16, subdivision 2, is amended to read:

28.25 Subd. 2. **Small business.** The commissioner shall adopt ~~rules defining the size~~
 28.26 standards for "small business" found in Code of Federal Relations, title 49, section
 28.27 26.65, for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142.
 28.28 ~~The definition must include only businesses with their,~~ provided that the business has
 28.29 its principal place of business in Minnesota. ~~The definition must establish different~~
 28.30 ~~size standards for various types of businesses. In establishing these standards, the~~
 28.31 ~~commissioner must consider the differences among industries caused by the size of the~~
 28.32 ~~market for goods or services and the relative size and market share of the competitors~~
 28.33 ~~operating in those markets.~~

29.1 Sec. 10. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision
29.2 to read:

29.3 Subd. 13. **State-funded projects.** (a) Notwithstanding section 16C.001, this
29.4 subdivision applies to contracts for state-funded capital improvement projects in excess of
29.5 \$100,000 that are issued by organizations not subject to the small business requirements of
29.6 this section, including municipalities as defined in section 466.01, subdivision 1.

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

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

29.12 Sec. 11. Minnesota Statutes 2014, section 16C.19, is amended to read:

29.13 **16C.19 ELIGIBILITY; RULES.**

29.14 (a) A small business wishing to participate in the programs under section 16C.16,
29.15 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
29.16 by rule standards and procedures for certifying that small targeted group businesses,
29.17 small businesses located in economically disadvantaged areas, and veteran-owned small
29.18 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.
29.19 The commissioner shall adopt by rule standards and procedures for hearing appeals and
29.20 grievances and other rules necessary to carry out the duties set forth in sections 16C.16
29.21 to 16C.21.

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

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

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

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

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

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

30.7 (g) The commissioner may adopt rules to implement the programs under section
 30.8 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

30.9 Sec. 12. Minnesota Statutes 2014, section 155A.21, is amended to read:

30.10 **155A.21 POLICY.**

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

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

30.17 Sec. 13. Minnesota Statutes 2014, section 155A.23, subdivision 8, is amended to read:

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

30.23 Sec. 14. Minnesota Statutes 2014, section 155A.23, is amended by adding a
 30.24 subdivision to read:

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

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

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

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

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

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

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

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

31.14 Subd. 16. **School manager.** A "school manager" is a cosmetologist who is a salon
31.15 manager and who has a school manager license. A school manager must maintain an
31.16 active salon manager's license.

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

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

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

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

31.26 Sec. 20. Minnesota Statutes 2014, section 155A.24, subdivision 2, is amended to read:

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

32.1 Sec. 21. Minnesota Statutes 2014, section 155A.25, subdivision 1a, is amended to read:

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

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

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

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

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

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

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

32.14 (ii) ~~\$90~~ \$15 for each renewal ~~and a \$15 nonrefundable renewal application fee;~~
 32.15 ~~for a total of \$105;~~

32.16 (3) \$145 renewal of manager or instructor license, divided as follows:

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

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

32.19 (4) ~~\$350 initial salon license, divided as follows:~~

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

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

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

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

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

32.29 (6) \$4,000 initial school license, divided as follows:

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

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

32.32 (7) \$2,500 renewal of school license, divided as follows:

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

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

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

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

- 33.1 (2) manager and owner with lapsed practitioner found on inspection, \$150 each;
- 33.2 (3) lapsed practitioner or instructor found on inspection, \$200;
- 33.3 (4) lapsed salon found on inspection, \$500;
- 33.4 (5) lapsed school found on inspection, \$1,000;
- 33.5 (6) failure to display current license, \$100;
- 33.6 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 33.7 under section 155A.355, subdivision 1, \$500;
- 33.8 (8) use of prohibited razor-type callus shavers, rasps, or graters under section
- 33.9 155A.355, subdivision 2, \$500;
- 33.10 (9) performing nail or cosmetology services in esthetician salon, or performing
- 33.11 esthetician or cosmetology services in a nail salon, \$500;
- 33.12 (10) owner and manager allowing an operator to work as an independent contractor,
- 33.13 \$200;
- 33.14 (11) operator working as an independent contractor, \$100;
- 33.15 (12) refusal or failure to cooperate with an inspection, \$500;
- 33.16 (13) ~~expired cosmetologist, nail technician, esthetician, manager, school manager,~~
- 33.17 ~~and instructor license practitioner late renewal fee, \$45; and~~
- 33.18 (14) ~~expired salon or school license late renewal fee, \$50.~~
- 33.19 ~~(e)~~ (d) Administrative fees are as follows:
- 33.20 (1) ~~certificate of identification, \$20~~ homebound service permit, \$50 three-year fee;
- 33.21 (2) name change, \$20;
- 33.22 (3) ~~letter of license verification~~ certification of licensure, \$30 each;
- 33.23 (4) duplicate license, \$20;
- 33.24 (5) ~~processing fee, \$10;~~
- 33.25 ~~(6)~~ special event permit, \$75 per year; ~~and~~
- 33.26 ~~(7)~~ (6) registration of hair braiders, \$20 per year;
- 33.27 (7) \$100 for each temporary military license for a cosmetologist, nail technician,
- 33.28 esthetician, or advanced practice esthetician one-year fee;
- 33.29 (8) expedited initial individual license, \$150;
- 33.30 (9) expedited initial salon license, \$300;
- 33.31 (10) instructor continuing education provider approval, \$150 each year; and
- 33.32 (11) practitioner continuing education provider approval, \$150 each year.

33.33 Sec. 22. Minnesota Statutes 2014, section 155A.25, subdivision 5, is amended to read:

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

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

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

34.8 Sec. 23. Minnesota Statutes 2014, section 155A.25, is amended by adding a
34.9 subdivision to read:

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

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

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

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

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

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

34.31 Sec. 26. Minnesota Statutes 2014, section 155A.27, subdivision 1, is amended to read:

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

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

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

35.11 Sec. 28. Minnesota Statutes 2014, section 155A.27, subdivision 5a, is amended to read:

35.12 Subd. 5a. **Temporary military license.** The board shall establish temporary
35.13 licenses for a cosmetologist, nail technician, and esthetician in accordance with section
35.14 197.4552. ~~The fee for a temporary license under this subdivision for a cosmetologist, nail~~
35.15 ~~technician, or esthetician is \$100.~~

35.16 Sec. 29. Minnesota Statutes 2014, section 155A.271, is amended to read:

35.17 **155A.271 CONTINUING EDUCATION REQUIREMENTS.**

35.18 Subdivision 1. **Continuing education requirements.** (a) Effective August 1, 2014,
35.19 to qualify for license renewal under this chapter as an individual cosmetologist, nail
35.20 technician, esthetician, advanced practice esthetician, or salon manager, the applicant
35.21 must attest to the completion of four hours of continuing education credits from an
35.22 accredited school or a professional association of cosmetology during the three years
35.23 prior to the applicant's renewal date. One credit hour of the requirement must include
35.24 instruction pertaining to state laws and rules governing the practice of cosmetology. Three
35.25 credit hours must include instruction pertaining to health, safety, and sanitation matters
35.26 consistent with the United States Department of Labor's Occupational Safety and Health
35.27 Administration standards applicable to the practice of cosmetology, or other applicable
35.28 federal health, sanitation, and safety standards, and must be regularly updated so as to
35.29 incorporate newly developed standards and accepted professional best practices. Credit
35.30 hours earned are valid for three years and may be applied simultaneously to all individual
35.31 licenses held by a licensee under this chapter. ~~This subdivision does not apply to~~
35.32 ~~instructors or inactive licenses.~~

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

- 36.6 (1) product chemistry and chemistry interaction;
 36.7 (2) proper use of machines and instruments;
 36.8 (3) business management and human relations; or
 36.9 (4) techniques relevant to the type of license held.

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

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

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

36.19 Subd. 2. ~~Schools and professional associations~~ **Continuing education providers.**
 36.20 (a) Only a board-licensed school of cosmetology, a postsecondary institution as defined in
 36.21 section 136A.103, paragraph (a), or a board-recognized professional association organized
 36.22 under chapter 317A may offer continuing education curriculum for credit under ~~this~~
 36.23 ~~section.~~ subdivision 1, paragraph (a). Continuing education curriculum under subdivision
 36.24 1, paragraph (b), may be offered by a:

- 36.25 (1) board-licensed school of cosmetology;
 36.26 (2) board-recognized professional association organized under chapter 317A; or
 36.27 (3) board-licensed salon.

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

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

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

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

37.9 Subd. 4. **Audit.** The board shall conduct random audits of active licensees
 37.10 periodically to ensure compliance with continuing education requirements. To initiate
 37.11 an audit, the board shall notify an active licensee of the audit and request proof of
 37.12 credits earned during a specified period. The licensee must provide the requested proof
 37.13 to the board within 30 days of an audit notice. The board may request that a school or
 37.14 professional association verify a licensee's credits. ~~The school or professional association~~
 37.15 continuing education provider must furnish verification, or a written statement that the
 37.16 credits are not verified, within 15 days of the board's request for verification. If the board
 37.17 determines that a licensee has failed to provide proof of necessary credits earned during
 37.18 the specified time, the board may revoke the individual's license and may deem the
 37.19 individual a lapsed practitioner subject to penalty under section 155A.25 or 155A.36.

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

37.22 Sec. 30. Minnesota Statutes 2014, section 155A.29, subdivision 1, is amended to read:

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

37.31 Sec. 31. Minnesota Statutes 2014, section 155A.29, subdivision 2, is amended to read:

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

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

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

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

38.6 (3) if applicable, evidence of compliance with workers' compensation section
38.7 176.182; and

38.8 (4) evidence of continued professional liability insurance coverage of at least
38.9 \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

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

38.14 Sec. 32. Minnesota Statutes 2014, section 155A.29, is amended by adding a
38.15 subdivision to read:

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

38.19 (1) maintain a permanent business address; and

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

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

38.22 Sec. 33. Minnesota Statutes 2014, section 155A.30, subdivision 5, is amended to read:

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

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

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

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

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

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

39.7 (6) the school must have coverage by professional liability insurance of at least
 39.8 \$25,000 per incident and an accumulation of \$150,000 for each premium year;

39.9 (7) the applicant shall provide evidence of the school's compliance with section
 39.10 176.182;

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

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

39.23 Sec. 34. Minnesota Statutes 2014, section 155A.30, subdivision 10, is amended to read:

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

39.28 Sec. 35. Minnesota Statutes 2014, section 161.1419, subdivision 8, is amended to read:

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

39.30 Sec. 36. Minnesota Statutes 2014, section 211B.37, is amended to read:

39.31 **211B.37 COSTS ASSESSED.**

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

40.1 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot
 40.2 question or an election for a statewide or legislative office must be assessed against the
 40.3 ~~appropriation from the general fund to the general account of the state elections campaign~~
 40.4 ~~account in section 10A.31, subdivision 4~~ paid from appropriations to the Office of
 40.5 Administrative Hearings for this purpose. Costs of complaints relating to any other ballot
 40.6 question or elective office must be paid from appropriations to the office for this purpose.

40.7 Sec. 37. Minnesota Statutes 2014, section 240A.09, is amended to read:

40.8 **240A.09 PLAN DEVELOPMENT; CRITERIA.**

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

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

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

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

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

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

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

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

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

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

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

41.6 (e) Proposals for ice centers and matching grants must provide for meeting the
41.7 demand for ice time for female groups by offering up to 50 percent of prime ice time, as
41.8 needed, to female groups. For purposes of this section, prime ice time means the hours
41.9 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
41.10 and Sundays.

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

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

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

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

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

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

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

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

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

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

42.1 Sec. 38. Minnesota Statutes 2014, section 272.484, is amended to read:

42.2 **272.484 FEES.**

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

42.5 (1) for a lien, certificate of discharge or subordination, and for all other notices,
42.6 including a certificate of release or nonattachment filed with the secretary of state, the fee
42.7 provided by section 336.9-525, except that the filing fee charged to the district directors
42.8 of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and~~
42.9 ~~\$15 for each additional name;~~ and

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

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

42.15 Sec. 39. Minnesota Statutes 2014, section 303.19, is amended to read:

42.16 **303.19 REINSTATEMENT.**

42.17 Subdivision 1. **Application Required filing.** Any foreign corporation whose
42.18 certificate of authority to do business in this state shall have been revoked or canceled may
42.19 ~~file~~ reinstate that authority by filing an annual renewal and the fee required by subdivision
42.20 2 with the secretary of state an application for reinstatement. Such application shall be
42.21 ~~on forms prescribed by the secretary of state, shall contain all the matters required to be~~
42.22 ~~set forth in an original application for a certificate of authority, and such other pertinent~~
42.23 ~~information as may be required by the secretary of state. If any of the information in the~~
42.24 original application for authority has changed, the foreign corporation must also file an
42.25 amended certificate setting forth the currently accurate information, with the fee required
42.26 by section 303.21, subdivision 3.

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

42.30 ~~If the certificate of authority was canceled~~ or by a judgment pursuant to section
42.31 303.18, the corporation shall pay to the commissioner of management and budget \$500
42.32 before it may be reinstated.

42.33 Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon
42.34 payment of ~~all penalties, fees and charges required by law, not including an initial license~~
42.35 ~~fee or additional license fees to the extent that they have previously been paid by the~~

43.1 ~~corporation~~ the fees imposed by this section, the secretary of state shall reinstate the
43.2 license of the corporation.

43.3 Sec. 40. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:

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

43.11 Sec. 41. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:

43.12 Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation
43.13 fails to file ~~an~~, before April 1 of any calendar year, the annual benefit report ~~in accordance~~
43.14 ~~with this section within 90 days of the date on which an annual benefit report is due~~
43.15 required by this section, the secretary of state shall revoke the corporation's status as a
43.16 public benefit corporation under this chapter and must notify the public benefit corporation
43.17 of the revocation using the information provided by the corporation pursuant to section
43.18 5.002 or 5.34 or provided in the articles.

43.19 Sec. 42. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

43.20 Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation
43.21 that has lost its public benefit corporation status for failure to timely file an annual benefit
43.22 report or by terminating that status pursuant to section 304A.103 is not entitled to the
43.23 benefits afforded to a public benefit corporation under this chapter as of the date of
43.24 revocation or termination and must amend the articles of incorporation to reflect a name
43.25 compliant with section 302A.115, but which does not include the corporate designation
43.26 provided for in section 304A.101, subdivision 2.

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

43.31 Sec. 43. Minnesota Statutes 2014, section 304A.301, is amended by adding a
43.32 subdivision to read:

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

44.5 Sec. 44. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

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

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

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

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

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

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

44.18 Sec. 45. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

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

44.24 Sec. 46. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

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

44.28 Sec. 47. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

44.29 Subd. 15. **Report.** "Report," when used with reference to ~~financial statements an~~
 44.30 attest or compilation service, means an opinion, report, or other form of language that
 44.31 states or implies assurance as to the reliability of ~~any the attested information or compiled~~
 44.32 financial statements and that also includes or is accompanied by a statement or implication

45.1 that the person or firm issuing it has special knowledge or competence in accounting or
45.2 auditing. Such a statement or implication of special knowledge or competence may arise
45.3 from use by the issuer of the report of names or titles indicating that the person or firm is an
45.4 accountant or auditor, or from the language of the report itself. The term "report" includes
45.5 any form of language that disclaims an opinion when the form of language is conventionally
45.6 understood to imply any positive assurance as to the reliability of the attested information
45.7 or compiled financial statements referred to or special competence on the part of the person
45.8 or firm issuing the language. It includes any other form of language that is conventionally
45.9 understood to imply such assurance or such special knowledge or competence.

45.10 Sec. 48. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

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

45.14 Sec. 49. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

45.15 Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members
45.16 as chair, another as vice-chair, and another as secretary and treasurer. The officers shall
45.17 hold their respective offices for a term of one year and until their successors are elected.
45.18 The affirmative vote of a majority of the qualified members of the board, or a majority of
45.19 a quorum of the board at any meeting duly called, is considered the action of the board.
45.20 The board shall meet at such times and places as may be fixed by the board. Meetings
45.21 of the board are subject to chapter 13D. A majority of the board members then in office
45.22 constitutes a quorum at any meeting duly called. The board shall retain or arrange for the
45.23 retention of all applications and all documents under oath that are filed with the board and
45.24 also records of its proceedings, and it shall maintain a registry of the names and addresses
45.25 of all licensees and registrants under this chapter. In any proceeding in court, civil or
45.26 criminal, arising out of or founded upon any provision of this chapter, copies of records of
45.27 the proceeding certified as true copies by the board chair or executive director shall be
45.28 admissible in evidence as tending to prove the contents of the records.

45.29 Sec. 50. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

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

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

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

46.3 (3) rules specifying the educational and experience qualifications required for the
46.4 issuance of certificates and the continuing professional education required for renewal
46.5 of certificates;

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

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

46.15 (6) rules that incorporate by reference the standards for attesting listed in section
46.16 326A.01, subdivision 2, that are consistent with the standards of general applicability
46.17 recognized by national accountancy organizations, including the American Institute of
46.18 Certified Public Accountants and the Public Company Accounting Oversight Board;

46.19 ~~(6)~~ (7) rules governing the manner and circumstances of use of the titles "certified
46.20 public accountant," "CPA," "registered accounting practitioner," and "RAP";

46.21 ~~(7)~~ (8) rules regarding peer review that may be required to be performed under
46.22 provisions of this chapter;

46.23 ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

46.24 ~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

46.25 ~~(10)~~ (11) rules regarding the issuance and renewals of certificates, permits, and
46.26 registrations;

46.27 ~~(11)~~ (12) rules regarding transition provisions to implement this chapter;

46.28 ~~(12)~~ (13) rules specifying the educational and experience qualifications for
46.29 registration, rules of professional conduct, rules regarding peer review, rules governing
46.30 standards for providing services, and rules regarding the conduct and content of
46.31 examination for those persons registered under section 326A.06, paragraph (b);

46.32 ~~(13)~~ (14) rules regarding fees for examinations, certificate issuance and renewal,
46.33 firm permits, registrations under section 326A.06, paragraph (b), notifications made under
46.34 section 326A.14, and late processing fees; and

47.1 ~~(14)~~ (15) upon any change to this chapter, if the board determines a change in
47.2 Minnesota Rules is required, the board may initiate the expedited process under section
47.3 14.389 up to one year after the effective date of the change to this chapter.

47.4 Sec. 51. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48.1 Sec. 52. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

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

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

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

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

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

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

48.25 (d) An individual licensee and any individual granted practice privileges under
48.26 section 326A.14 who is responsible for supervising attest or compilation services and
48.27 signs or authorizes someone to sign the accountant's report ~~on the financial statements~~
48.28 on behalf of the firm, shall meet the competency requirements set out in the professional
48.29 standards for such services.

48.30 (e) An individual licensee and any individual granted practice privileges under section
48.31 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial~~
48.32 ~~statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

48.33 Sec. 53. Minnesota Statutes 2014, section 326A.08, subdivision 7, is amended to read:

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

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

49.15 Sec. 54. Minnesota Statutes 2014, section 326A.10, is amended to read:

49.16 **326A.10 UNLAWFUL ACTS.**

49.17 (a) Only a licensee and individuals who have been granted practice privileges
 49.18 under section 326A.14 may issue a report on financial statements of any person, firm,
 49.19 organization, or governmental unit that results from providing attest services, or offer to
 49.20 render or render any attest service. Only a certified public accountant, an individual who
 49.21 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent
 49.22 permitted by board rule, a person registered under section 326A.06, paragraph (b), may
 49.23 issue a report on financial statements of any person, firm, organization, or governmental
 49.24 unit that results from providing compilation services or offer to render or render any
 49.25 compilation service. These restrictions do not prohibit any act of a public official or
 49.26 public employee in the performance of that person's duties or prohibit the performance
 49.27 by any nonlicensee of other services involving the use of accounting skills, including
 49.28 the preparation of tax returns, management advisory services, and the preparation of
 49.29 financial statements without the issuance of reports on them. Nonlicensees may prepare
 49.30 financial statements and issue nonattest transmittals or information on them which do not
 49.31 purport to be in compliance with the Statements on Standards for Accounting and Review
 49.32 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,
 49.33 to the extent permitted by board rule, prepare financial statements and issue nonattest
 49.34 transmittals or information on them.

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

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

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

50.16 (e) A person or firm that does not hold a valid certificate or permit issued under
50.17 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or
50.18 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"
50.19 "chartered accountant," "enrolled accountant," "licensed accountant," "registered
50.20 accountant," "accredited accountant," "accounting practitioner," "public accountant,"
50.21 "licensed public accountant," or any other title or designation likely to be confused
50.22 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"
50.23 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the
50.24 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals
50.25 so designated by the Internal Revenue Service.

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

50.30 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use
50.31 language in any statement relating to the financial affairs of a person or entity that is
50.32 conventionally used by licensees in reports on financial statements or on an attest service.
50.33 In this regard, the board shall issue by rule safe harbor language that nonlicensees may
50.34 use in connection with such financial information. A person or firm that does not hold a
50.35 valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or
50.36 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05

51.1 as required in this chapter shall not assume or use any title or designation that includes the
51.2 word "accountant" or "accounting" in connection with any other language, including the
51.3 language of a report, that implies that the person or firm holds such a certificate, permit,
51.4 or registration or has special competence as an accountant. A person or firm that does
51.5 not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not
51.6 otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not
51.7 assume or use any title or designation that includes the word "auditor" in connection with
51.8 any other language, including the language of a report, that implies that the person or firm
51.9 holds such a certificate or permit or has special competence as an auditor. However,
51.10 this paragraph does not prohibit any officer, partner, member, manager, or employee of
51.11 any firm or organization from affixing that person's own signature to any statement in
51.12 reference to the financial affairs of such firm or organization with any wording designating
51.13 the position, title, or office that the person holds, nor prohibit any act of a public official or
51.14 employee in the performance of the person's duties as such.

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

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

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

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

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

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

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

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

52.11 (1) signs the compilation report identifying the individual as a certified public
52.12 accountant;

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

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

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

52.21 (1) signs the compilation report identifying the individual as a registered accounting
52.22 practitioner;

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

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

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

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

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

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

52.35 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation
52.36 of this section for a firm not holding a valid permit under section 326A.05 and not having

53.1 an office in this state to provide its professional services in this state so long as it complies
53.2 with the applicable requirements of section 326A.05, subdivision 1.

53.3 Sec. 55. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

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

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

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

- 53.13 (1) the date of the inquiry;
- 53.14 (2) the name of the debtor inquired about; and
- 53.15 (3) identification of the person making the request for inquiry.

53.16 Sec. 56. Laws 2013, chapter 142, article 1, section 10, is amended to read:

53.17	Sec. 10. OFFICE OF ENTERPRISE			
53.18	<u>TECHNOLOGY MN.IT SERVICES</u>	\$	2,431,000	\$ 2,431,000

53.19 During the biennium ending June 30, 2015,
53.20 the Office of ~~Enterprise Technology~~ MN.IT
53.21 Services must not charge fees to a public
53.22 noncommercial educational television
53.23 broadcast station eligible for funding under
53.24 Minnesota Statutes, chapter 129D, for
53.25 access to the state broadcast infrastructure.
53.26 If the access fees not charged to public
53.27 noncommercial educational television
53.28 broadcast stations total more than \$400,000
53.29 for the biennium, the office may charge for
53.30 access fees in excess of these amounts.

53.31 The commissioner of Minnesota management
53.32 and budget is authorized to provide cash
53.33 flow assistance of up to \$110,000,000 from
53.34 the special revenue fund or other statutory

54.1 general funds as defined in Minnesota
 54.2 Statutes, section 16A.671, subdivision 3,
 54.3 paragraph (a), to the Office of Enterprise
 54.4 Technology MN.IT Services for the purpose
 54.5 of managing revenue and expenditure
 54.6 differences during the initial phases of IT
 54.7 consolidation. These funds shall be repaid
 54.8 with interest by ~~June 30, 2015~~ the end of the
 54.9 fiscal year 2015 closing period.

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

54.11 Sec. 57. Laws 2014, chapter 287, section 25, is amended to read:

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

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

54.20 Sec. 58. **CAPITOL ROOM NUMBERS.**

54.21 After the Capitol renovation has been completed, the commissioner of administration
 54.22 must use the same room numbers on signage to identify legacy rooms that were used to
 54.23 identify the rooms before the Capitol renovation. For purposes of this section, "Capitol
 54.24 renovation" means the construction project for which funds were appropriated in Laws
 54.25 2013, chapter 136, section 3; "legacy rooms" means any room in the Capitol after Capitol
 54.26 renovation that has dimensions and a location that are substantially similar to a room
 54.27 within the Capitol that existed before renovation; and "signage" means any posting on any
 54.28 surface in the Capitol building.

54.29 Sec. 59. **IN-LIEU OF RENT EVALUATION.**

54.30 (a) The commissioner of administration must evaluate and provide recommendations
 54.31 regarding the base appropriation to the Department of Administration for an in-lieu of rent
 54.32 payment for space costs of the legislature and veterans organizations, vending operators,

55.1 ceremonial space, and statutorily free space in the Capitol building and in other buildings
55.2 on the Capitol grounds under the custodial control of the Department of Administration.

55.3 (b) By January 15, 2017, the commissioner must report to the chairs and
55.4 ranking minority members of the committees and divisions in the senate and the
55.5 house of representatives with jurisdiction over the appropriation to the Department of
55.6 Administration for the in-lieu of rent payment. The report must:

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

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

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

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

55.20 **Sec. 60. RULEMAKING.**

55.21 (a) The Board of Cosmetologist Examiners shall adopt rules governing the licensure,
55.22 operation, and inspection of mobile salons, including facility requirements; safety and
55.23 infection control requirements; a process for a salon licensee to notify the board of the
55.24 mobile salon's location and times of operation; requirements for supplying and disposing
55.25 of water and waste products; and the scope of personal services to be provided in mobile
55.26 salons. The rules must prohibit mobile salons from violating reasonable municipal
55.27 restrictions on time and place of operation of a mobile salon within its jurisdiction,
55.28 and shall establish penalties, up to and including revocation of a license, for repeated
55.29 violations of municipal laws.

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

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

56.1 Sec. 61. **STATE AGENCY TECHNOLOGY PROJECTS.**

56.2 Any appropriation in this chapter for information technology project services and
 56.3 support is subject to Minnesota Statutes, section 16E.0466. If an agency needs ongoing
 56.4 information technology services as a result of the services and support paid for with an
 56.5 appropriation in this chapter, the agency must enter into an agreement with the Office of
 56.6 MN.IT Services to provide those services. The agreement must require the agency to pay
 56.7 the Office of MN.IT Services under rates and mechanisms specified in the agreement.

56.8 Sec. 62. **REVISOR'S INSTRUCTION.**

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

56.12 Sec. 63. **REPEALER.**

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

56.14 **ARTICLE 3**

56.15 **MILITARY AND VETERANS AFFAIRS**

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

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

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

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

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

- 56.28 (1) grants to veterans service organizations;
- 56.29 (2) outreach to underserved veterans;
- 56.30 (3) providing services and programs for veterans and their families; ~~and~~

57.1 (4) transfers to the vehicle services account for Gold Star license plates under
57.2 section 168.1253;

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

57.6 (6) grants to an eligible foundation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

59.19 **197.133 DISPOSAL OF PROPERTY AND EXPIRATION OF BOARD OF**
 59.20 **GOVERNORS.**

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

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

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

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

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

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

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

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

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

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

61.1 Subd. 3. **Arrearages.** Residents are liable for paying all of their overdue
 61.2 maintenance charges. Overdue maintenance charges incurred after May 1, 1990, may be
 61.3 charged interest according to section 334.01. A resident owing overdue maintenance to
 61.4 the state of Minnesota ~~for charges incurred prior to May 1, 1990,~~ may continue to stay in
 61.5 the home if the resident enters into an agreement, including a payment schedule, with the
 61.6 administrator for the payment of the arrearage and abides by the agreement. Residents
 61.7 who do not promptly pay maintenance or who do not abide by their agreements to pay
 61.8 overdue maintenance to the state of Minnesota may be discharged from the home. The
 61.9 payment schedule agreed to between the administrator and the resident must provide for
 61.10 the prompt payment of the overdue maintenance owed by the resident, but it must not
 61.11 reduce the resident's personal needs allowance below ~~that which is provided for in the~~
 61.12 ~~administrative rules of the facility~~ the amount specified in subdivision 2.

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

61.14 Sec. 10. **REPEALER.**

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

61.16 **ARTICLE 4**

61.17 **PARI-MUTUEL HORSE RACING**

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

61.19 Subd. 22. **Racing season.** "Racing season" means that portion of the calendar
 61.20 year starting at the beginning of the day of the first live horse race conducted by the
 61.21 licensee and concluding at the end of the day of the last live horse race conducted by
 61.22 the licensee in any year.

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

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

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

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

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

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

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

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

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

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

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

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

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

62.20 **240.011 APPOINTMENT OF DIRECTOR.**

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

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

62.28 **240.03 COMMISSION POWERS AND DUTIES.**

62.29 The commission has the following powers and duties:

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

- 63.1 (2) to issue licenses as provided in this chapter;
- 63.2 (3) to enforce all laws and rules governing horse racing;
- 63.3 (4) to collect and distribute all taxes provided for in this chapter;
- 63.4 (5) to conduct necessary investigations and inquiries and to issue subpoenas to
- 63.5 compel the attendance of witnesses and the submission of information, documents, and
- 63.6 records, and other evidence it deems necessary to carry out its duties;
- 63.7 (6) to supervise the conduct of pari-mutuel betting on horse racing;
- 63.8 (7) to employ and supervise personnel under this chapter;
- 63.9 (8) to determine the number of racing days to be held in the state and at each
- 63.10 licensed racetrack;
- 63.11 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and
- 63.12 (10) to impose fees on the racing and card playing industries sufficient to recover the
- 63.13 operating costs of the commission with the approval of the legislature according to section
- 63.14 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the
- 63.15 commissioner of management and budget may grant interim approval for any new fees
- 63.16 or adjustments to existing fees that are not statutorily specified, until such time as the
- 63.17 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial
- 63.18 budget request, the commission must propose changes to its fees that will be sufficient to
- 63.19 recover the operating costs of the commission.

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

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

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

63.23 that the applicant:

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

63.25 Laws 1983, chapter 214;

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

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

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

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

63.30 with racing or breeding;

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

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

63.33 as defined by the commission's rules; and

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

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

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

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

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

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

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

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

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

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

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

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

65.9 **240.10 LICENSE FEES.**

65.10 The fee for a class A license is \$253,000 per year and must be remitted on July 1.
 65.11 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day
 65.12 on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are~~
 65.13 ~~all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is
 65.14 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on
 65.15 class D licenses must be paid to the commission at a time and in a manner as provided by
 65.16 rule of the commission.

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

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

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

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

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

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

66.1 ~~(3) (2) for simulcasts conducted outside of the racing season, 25~~ any day a class A
66.2 facility is licensed, not less than 37 percent of the takeout remaining after deduction for the
66.3 state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state
66.4 racetrack for receipt of the signal and, before January 1, 2005, a further deduction of
66.5 eight percent of all money in all pools. In the event that wagering on simuleasts outside
66.6 of the racing season exceeds \$125 million in any calendar year, the amount set aside for
66.7 purses by this formula is increased to 30 percent on amounts between \$125,000,000 and
66.8 \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000
66.9 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of
66.10 the eight percent deduction, A deduction as agreed to between the licensee and the
66.11 horsepersons' organization representing the majority of horsepersons racing at the licensee's
66.12 class A facility during the preceding 12 months, is allowed after December 31, 2004.

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

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

66.26 (b) From the money set aside for purses, the licensee shall pay to the horseperson's
66.27 organization representing the majority of the horsepersons racing the breed involved
66.28 and contracting with the licensee with respect to purses and the conduct of the racing
66.29 meetings and providing representation to its members, an amount as may be determined
66.30 by agreement by the licensee and the horsepersons' organization sufficient to provide
66.31 benevolent programs, benefits, and services for horsepersons and their on-track employees;
66.32 an amount, sufficient to perform these services, as may be determined by agreement by
66.33 the licensee and the horseperson's organization. The amount paid may be deducted only
66.34 from the money set aside for purses to be paid in races for the breed represented by the
66.35 horseperson's organization. With respect to racing meetings where more than one breed

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

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

67.6 ~~(d) Money set aside for purses from wagering, during the racing season, on
67.7 simulcasts must be used for purses for live races conducted at the licensee's class A facility
67.8 during the same racing season, over and above the 8.4 percent purse requirement or any
67.9 higher requirement to which the parties agree, for races conducted in this state. Money
67.10 set aside for purses from wagering, outside of the racing season, on simulcasts must be
67.11 for purses for live races conducted at the licensee's class A facility during the next racing
67.12 season, over and above the 8.4 percent purse requirement or any higher requirement to
67.13 which the parties agree, for races conducted in this state.~~

67.14 ~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for
67.15 purses for live races involving the same breed involved in the simulcast except that money
67.16 set aside for purses and payments to the breeders fund from wagering on ~~full racing card~~
67.17 simulcasts of races not conducted in this state, occurring during a live mixed meet, must
67.18 be allotted to the purses and breeders fund for each breed participating in the mixed meet
67.19 as agreed upon by the breed organizations participating in the live mixed meet. The
67.20 agreement shall be in writing and filed with the commission prior to the first day of the live
67.21 mixed meet. In the absence of a written agreement filed with the commission, the money
67.22 set aside for purses and payments to the breeders fund from wagering on simulcasts,
67.23 occurring during a live mixed meet, shall be allotted to each breed participating in the live
67.24 mixed meet in the same proportion that the number of live races run by each breed bears
67.25 to the total number of live races conducted during the period of the mixed meet.

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

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

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

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

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

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

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

68.10 (b) The commission may not authorize any day for simulcasting at a class A facility
68.11 during the racing season, and a licensee may not be allowed to transmit out-of-state
68.12 telecasts of races the licensee conducts, unless the licensee has obtained the approval of
68.13 the horsepersons' organization representing the majority of the horsepersons racing the
68.14 breed involved at the licensed racetrack during the preceding 12 months. In the case of
68.15 a class A facility licensed under section 240.06, subdivision 5a, the approval applicable
68.16 to the first year of the racetrack's operation may be obtained from the horsepersons'
68.17 organization that represents the majority of horsepersons who will race the breed involved
68.18 at the licensed racetrack during the first year of the racetrack's operation.

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

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

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

69.1 on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage
 69.2 for pari-mutuel pools on a televised race must be calculated in accordance with the law or
 69.3 rules governing the sending racetrack for these pools, and must be distributed in a manner
 69.4 agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7
 69.5 and section 240.15, subdivision 5, the commission may approve procedures governing the
 69.6 definition and disposition of unclaimed tickets that are consistent with the law and rules
 69.7 governing unclaimed tickets at the sending racetrack. For the purposes of this section,
 69.8 "sending racetrack" is either the racetrack outside of this state where the horse race is
 69.9 conducted or, with the consent of the racetrack, an alternative facility that serves as the
 69.10 racetrack for the purpose of commingling pools.

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

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

69.16 **240.135 CARD CLUB REVENUE.**

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

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

69.23 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than
 69.24 14 percent to be used as purses.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

71.23 **240.22 FINES.**

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

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

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

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

72.6 **240.23 RULEMAKING AUTHORITY.**

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

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

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

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

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

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

72.19 (f) emergency action plans maintained by licensed racetracks and their periodic
 72.20 review;

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

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

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

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

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

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

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

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

72.33 **364.09 EXCEPTIONS.**

73.1 (a) This chapter does not apply to the licensing process for peace officers; to law
73.2 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire
73.3 protection agencies; to eligibility for a private detective or protective agent license; to the
73.4 licensing and background study process under chapters 245A and 245C; to the licensing
73.5 and background investigation process under chapter 240; to eligibility for school bus
73.6 driver endorsements; to eligibility for special transportation service endorsements; to
73.7 eligibility for a commercial driver training instructor license, which is governed by section
73.8 171.35 and rules adopted under that section; to emergency medical services personnel, or
73.9 to the licensing by political subdivisions of taxicab drivers, if the applicant for the license
73.10 has been discharged from sentence for a conviction within the ten years immediately
73.11 preceding application of a violation of any of the following:

73.12 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or
73.13 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

73.14 (2) any provision of chapter 152 that is punishable by a maximum sentence of
73.15 15 years or more; or

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

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

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

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

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

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

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

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

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

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

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

74.6 Sec. 23. **REPEALER.**

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

74.8 **ARTICLE 5**74.9 **REVENUE**

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

74.12 Subdivision 1. **Notice of revocation; hearings.** (a) If: ~~(1)~~ a person fails to comply
 74.13 with chapter 297A or the sales and use tax provisions of chapter 289A or the rules related
 74.14 to sales tax, ~~or (2) any retailer purchases for resale from an unlicensed seller more than~~
 74.15 ~~20,000 cigarettes or \$500 or more worth of tobacco products, without reasonable cause,~~
 74.16 the commissioner may give the person 30 days' notice in writing, specifying the violations,
 74.17 and stating that based on the violations the commissioner intends to revoke the person's
 74.18 permit issued under section 297A.84. The notice must also advise the person of the right to
 74.19 contest the revocation under this subdivision. It must also explain the general procedures
 74.20 for a contested case hearing under chapter 14. The notice may be served personally or by
 74.21 mail in the manner prescribed for service of an order of assessment.

74.22 (b) If the person does not request a hearing within 30 days after the date of the
 74.23 notice of intent, the commissioner may serve a notice of revocation of permit upon the
 74.24 person, and the permit is revoked. If a hearing is timely requested, and held, the permit
 74.25 is revoked after the commissioner serves an order of revocation of permit under section
 74.26 14.62, subdivision 1.

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

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

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

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

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

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

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

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

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

75.16 Subd. 14. **Retailer.** "Retailer" means a person ~~required to be licensed under chapter~~
 75.17 ~~46+~~ located in this state engaged in this state in the business of selling, or offering to sell,
 75.18 cigarettes or tobacco products to consumers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

77.6 (b) Within ten days after receipt of the notification from the commissioner under
77.7 paragraph (a), the licensing authority must notify the license holder by mail of the
77.8 revocation of the license or an applicant of a denial license issuance. The notice must
77.9 include a copy of the commissioner's notice to the licensing authority and information, in
77.10 the form specified by the commissioner, on the licensee's option for receiving a license
77.11 clearance from the commissioner. The licensing authority must revoke the license within
77.12 30 days after receiving the notice from the commissioner, unless it receives a license
77.13 clearance from the commissioner as provided in subdivision 2, paragraph (b).

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

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

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

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

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

77.23 (5) "Responsible person" means any individual who, either singly or jointly with
77.24 others, has the control of, supervision of, or responsibility for filing tax returns or reports,
77.25 paying taxes, or collecting or withholding and remitting taxes to the commissioner for
77.26 a license holder, or who has authority to purchase cigarettes or tobacco products, or
77.27 supervises a person who has authority to purchase cigarettes or tobacco products for
77.28 the license holder.

77.29 Subd. 2. **New licenses after revocation.** (a) An applicant who has had a
77.30 license revoked under this section, or an applicant with a responsible person who was
77.31 a responsible person for another entity for which a license was revoked under this
77.32 section, may not apply for a license or seek the reinstatement of a revoked license
77.33 unless the applicant presents to the licensing authority a license clearance issued by the
77.34 commissioner. A licensing authority must not issue a new license to an applicant with
77.35 such a responsible person or to an applicant who has had a license revoked under this

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

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

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

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

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

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

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

78.18 (c) The commissioner must pay interest on any money deposited as security. The
78.19 interest is calculated from the date of deposit to the date of refund, or date of application
78.20 to any outstanding tax liability, at a rate specified in section 270C.405. The commissioner
78.21 must refund the security deposit to the applicant at the end of the two-year period
78.22 unless the applicant has any unpaid tax liabilities payable to the commissioner. The
78.23 commissioner may apply the security deposit to unpaid tax liabilities of the applicant
78.24 owed to the commissioner and to the tax on contraband cigarettes or tobacco products
78.25 owned, possessed, sold, or offered for sale by the applicant after the license clearance
78.26 has been issued.

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

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

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

79.7 Subd. 3. **Notice and hearing.** (a) Prior to notifying a licensing authority pursuant
79.8 to subdivision 1 to revoke a license, the commissioner must send a notice to the license
79.9 holder and to any known responsible person of the license holder of the commissioner's
79.10 intent to require revocation of the license and of the license holder's or responsible person's
79.11 right to a hearing. If the license holder or responsible person requests a hearing in writing
79.12 within 30 days of the date of the notice, a contested case hearing must be held. The hearing
79.13 must be held within 45 days of the date the commissioner refers the case to the Office of
79.14 Administrative Hearings. Notwithstanding any law to the contrary, the license holder or
79.15 responsible person must be served in writing specifying the time and place of the hearing
79.16 and the allegations against the license holder or responsible person. The notice may be
79.17 served at least 20 days before the hearing personally or by mail. A license is subject to
79.18 revocation when 30 days have passed following the date of the notice in this paragraph
79.19 without the license holder requesting a hearing, or, if a hearing is timely requested, upon
79.20 adverse final determination of the case after the hearing under section 14.62, subdivision 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

81.27 (h) Cigarette packages offered for sale or held as inventory in violation of section
81.28 297F.20, subdivision 7.

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

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

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

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

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

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

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

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

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

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

82.21 Sec. 14. **REPEALER.**

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

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

APPENDIX
Article locations in S0888-2

ARTICLE 1	STATE GOVERNMENT APPROPRIATIONS	Page.Ln 2.4
ARTICLE 2	STATE GOVERNMENT OPERATIONS	Page.Ln 22.21
ARTICLE 3	MILITARY AND VETERANS AFFAIRS	Page.Ln 56.14
ARTICLE 4	PARI-MUTUEL HORSE RACING	Page.Ln 61.16
ARTICLE 5	REVENUE	Page.Ln 74.8

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 esthiology.

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: S0888-2

(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.