

Tom Bottem, Director

Minnesota Senate Building
95 University Ave. W. Suite 3300
ST. PAUL, MN 55155-1800
(651) 296-4791
www.senate.mn/scrfa

S.F. No. 3975 – State Government Finance and Policy and Elections Omnibus (as amended by the Delete Everything amendment)

Author: Senator Mary Kiffmeyer

Prepared by: Andrew Erickson, Fiscal and Research Analyst (651/296-4855)
Stephanie James, Senate Counsel (651/296-0103)
Alexis Stangl, Senate Counsel (651/296-4397)
Joan White, Senate Counsel (651/296-3814)

Date: April 1, 2022

Article 1 – Appropriations

Section 1 [State Government Appropriations] specifies parameters of appropriations in the article. These appropriations are in addition to appropriations enacted in the State Government Finance and Policy and Elections and Military and Veterans Affairs omnibus budget bill of 2021. These appropriations are from the general fund unless otherwise specified, in the fiscal year indicated by the column header. All base adjustments specified in this article are adjustments to the base set in the 2021 State Government omnibus budget bill.

Section 2 [Secretary of State] appropriates money from the general fund in fiscal year 2023 to the secretary of state for grants to local units of government for election security equipment and staff.

Section 3 [Minnesota IT Services] appropriates money from the general fund in fiscal year 2023 to livestream and record election-related activity and to store certain elections data.

Section 4 [Secretary of State] amends an appropriation from 2021, 1st special session, to the secretary of state to specify that the appropriation is onetime.

Article 2 – State Government Operations

Section 1 [3.303, subdivision 6; Grants, staff; space, equipment; contracts] authorizes the executive director of the Legislative Coordinating Commission (LCC) to contract for services and supplies for the house, the senate, legislative commissions, and joint legislative offices. The executive director is required to consult with the chair and vice chair of the commission before entering into a contract for professional or technical services valued at more than \$50,000.

Section 2 [8.011; Performance of Legal Services] requires that all legal services of the attorney general be performed by an employee of the attorney general, an employee of another state government entity, or an employee of the federal government under an agreement. This summary will refer to these employees as “the listed employees.”

Specifies that the sole source of compensation paid to the employees of the attorney general for performing legal services for the state must be appropriations under Minnesota Statutes, chapter 8, and by appropriations made by law. The statutory appropriations in chapter 8 are of a portion of the money recovered from certain actions against the United States (section 8.10) and fees charged to agencies and local governments for services provided by the attorney general (section 8.15, subdivision 3).

When the attorney general contracts with anyone for legal services other than listed employees, the sole consideration must be bargained for in an arm’s length transaction. The contract must state the authority for the office to enter the contract.

Only the listed employees are allowed to work on premises leased by the Attorney General.

This section does not prohibit the Attorney General from entering a settlement agreement with a defendant arising from a case litigated or prosecuted by a federal or local governmental entity or an attorney general from another state or territory. This section does not prohibit the attorney general from employing or providing office space to an unpaid intern who is not licensed to practice law.

Section 3 [16A.0825, subd. 1; Membership] precludes a current employee of an entity in the executive or judicial branch from serving on the Legislative Salary Council.

Section 4 [15A.0825, subd. 2; Initial appointment; convening authority; first meeting in odd-numbered year] clarifies the timing for appointments to the legislative salary council and eliminates obsolete requirements.

Section 5 [15A.9825, subd. 3; Terms] eliminates obsolete language.

Section 6 [16B.32, subd. 1a; Onsite energy generation from renewable sources] eliminates requirement for analysis of the cost of including renewable energy sources on the building site for capital project proposed by a state agency. (This requirement has applied to all capital projects funded with state bond proceeds, under Minn. Stat. section 16B.325, subd. 3.) This section is effective the day after enactment and applies to a new building project for which predesign work is completed after the day of enactment.

Section 7 [16B.325, subd. 1; Development of sustainable building guidelines] precludes sustainable building guidelines from including a requirement that renewable energy sources to located on the building site. This section is effective the day after enactment and applies to a new building project for which predesign work is completed after the day of enactment.

Section 8 [16B.971; Grants to nonprofit organizations] establishes requirements for making grants to tax exempt nongovernmental organizations.

Subd. 1 [Definitions] defines terms. “Grant” means a grant of state money from any source. “Organization” means a nongovernmental organization that is tax exempt under the Internal Revenue Code.

Subd. 2 [Requirements for eligibility] specifies requirements for an organization to be eligible to receive a grant. The organization must submit to the fiscal agent two years of IRS Form 990s; must not compensate an officer or employee more than the governor’s compensation; and must not employ or have on its governing board an employee of a state agency or elected official.

Subd. 3 [Additional eligibility requirements for certain nonprofit organizations] establishes additional requirements for an organization that received more than 50% of its revenue from state funds in the preceding fiscal year, as follows: the organization must submit certified financial audits for two years preceding the grant application; and officers and members of the governing board of the organization must not have been convicted of an offense involving theft, fraud, embezzlement, or other misuse of misappropriation of funds or property.

Subd. 4 [Notice to legislature of ineligibility] requires the commissioner to notify the legislature if the commissioner determines that an organization that received a grant by law is ineligible to receive the grant.

Subd. 5 [Grant application] specifies required contents for a grant application.

Subd. 6 [Reporting on use of funds] requires an organization to report to the fiscal agent on its use of funds, with specified information. Requires the fiscal agent to provide information from the organizations to the legislature, with a summary of the use of grant proceeds and analysis of the grant recipients’ success in meeting goals, priorities, and outcomes. The report must be submitted annually.

Subd. 7 [Notice to legislature of fraud or abuse claims] requires the commissioner of administration to report comments or concerns about fraud or waste to the legislature.

This section is effective the day after enactment and applicable to grants appropriated by law after the effective date and to grant agreements executed after the effective date.

Section 9 [16B.98, subd. 8; Audit] requires grant agreements to include a clause that the records and procedures of a grantee receiving a grant of more than \$500,000 be subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for two years before the execution of the grant agreement and during the term of the agreement.

This section is effective the day after enactment and applicable to grants appropriated by law after the effective date and to grant agreements executed after the effective date.

Section 10 [118A.09, subdivision 1; Definition; qualifying government] modifies the definition of the term “qualifying government” by expanding eligible counties and cities to those whose most recent long-term, senior general obligation rating by one or more national rating organizations in the prior 18-month period is AA or higher. Current law requires the most recently issued general obligation bonds be rated in the highest category (AAA). This section is effective July 1, 2022.

Section 11 [118A.09, subdivision 2; Additional investment authority] allows qualifying governments to invest in index mutual funds and is amended by adding the requirement that the investments be made directly with the main sales office of the fund. This requirement is stricken in clause (2), which is a technical correction. This section is effective July 1, 2022.

Section 12 [118A.10; Self-insurance pools; additional investment authority] authorizes a self-insurance pool to invest in securities that are authorized investments of the State Board of Investment under chapter 11A. Before investing, the governing body must adopt an investment policy pursuant to a resolution that includes a statement that the governing body understands that the investments have risk and that the governing body understands the type of funds that are being invested and the specific investment. This section is effective the day following final enactment.

Section 13 [136F.02, subd. 1; Membership] adds requirements for the governor's consideration in making appointments to the board of trustees for Minnesota State Colleges and Universities.

Section 14 [155A.20; Board of Cosmetologist Examiners created; terms] adds four members to the Board of Cosmetologist Examiners: an advanced practice esthetician, a hair technician, and two additional public members. Eliminates high school education requirement for the members of the board from the licensed practices. This section is effective January 1, 2023.

Section 15 [155A.23, subd. 8; Manager] adds hair technician to the list of practitioners who may be a salon manager. This section is effective January 1, 2024.

Section 16 [155A.23, subd. 11; Instructor] requires the board to ensure an instructor's license as an operator or salon manager automatically continues to be active while the instructor holds an active instructor's license. Precludes the board from assessing fees for operator or manager licenses while an instructor holds an active instructor license. This section is effective January 1, 2024.

Section 17 [155A.23, subd. 18; Practitioner] modifies the definition of practitioner. This section is effective January 1, 2024

Section 18 [155A.23, subd. 21; Hair technician] defines hair technician. This section is effective January 1, 2024.

Section 19 [155A.25, subd. 1a; Schedule] changes the license term for an initial or renewal license for a practitioner, manager, instructor, salon, and school license issued by the Board of Cosmetologist Examiners from three years to four years. Eliminates a fee for temporary military licenses. This section is effective January 1, 2024.

Section 20 [155A.27, subd. 1; Licensing] adds hair technician to the list of practices a person must be licensed to perform. This section is effective January 1, 2024.

Section 21 [155A.27, subd. 5a; Temporary military license] adds hair technicians to the list of practices for which a temporary military license is available. The temporary license is for four years. An applicant may only apply once for a temporary license. This section is effective January 1, 2024, and applies to licenses issued on or after that date.

Section 22 [155A.27, subd. 6; Duration of license] extends license terms from three years to four years. Authorizes the board to extend an operator or manager license when issuing a new instructor

license to match expiration dates. This section is effective January 1, 2024, and applies to licenses issued on or after that date.

Section 23 [155A.27, subd. 7; Renewals] extends renewal license terms for practitioners from three years to four years. This section is effective January 1, 2024, and applies to licenses issued on or after that date.

Section 24 [155A.27, subd. 10; Nonresident licenses] lengthens the time that a nonresident with fewer than the required number of school hours must have been licensed in another state or country to be eligible for practitioner licenses. Makes other technical and conforming changes, by adding hair technician and eyelash technician to the practices eligible for nonresident licensing provisions. This section is effective January 1, 2024.

Section 25 [155A.27, subd. 11; Reciprocity for barbers] provides for registered barbers to be granted credit toward required hours of study for licensure in cosmetology or hair technology. The amount of credit to be offered will be determined by rule. This section is effective January 1, 2024.

Section 26 [155A.271, subd. 1; Continuing education requirements] extends to four years, from three, the time for licensees to obtain required continuing education credits. Makes technical and conforming changes. This section is effective January 1, 2024.

Section 27 [155A.29, subd. 1; Licensing] eliminates a requirement for a salon to be licensed as a specific type of salon. This section is effective July 1, 2022, by default.

Section 28 [155A.29, subd. 4; Renewal] extends the term for renewals of salon licenses from three years to four. This section is effective January 1, 2024.

Section 29 [155A.30, subd.2; Standards] adds “hair technician,” “advanced practice esthetician,” and “eyelash technician” to the list of practices for which the board is authorized to adopt rules for education. This section is effective January 1, 2024.

Section 30 [155A.30, subd. 3; Applications] modifies the written materials required for an application for license. This section is effective January 1, 2024.

Section 31 [155A.30, subd. 4; Verification of application] specifies who must sign the application for applicants who received education requirements in the Minnesota State Colleges and Universities system. This section is effective January 1, 2024.

Section 32 [155A.30, subd. 6; Fees; renewals] changes the license term for school licenses from three years to four years. This section is effective January 1, 2024.

Section 33 [155A.30, subd. 11; Instruction requirements] allows schools to offer field trips for industry educational purposes. This section is effective July 1, 2022, by default.

Section 34 [161.1419, subd. 2; Members] provides for the five citizen members of the Mississippi River Parkway Commission to serve four-year staggered terms.

Section 35 [240.131, subd. 7; Payments to state] adds a new allowed use of money in the breeders fund, a fund that supports breeders of racehorses. The new use is to support racehorse adoption, retirement, and reuposing.

Money in the breeders fund comes from several fees, taxes, and set-asides on activities related to the race tracks and their card clubs, including a fee on wagers by Minnesota residents with an advance deposit wagering provider; fees paid by licensees for wagers on simulcasts of races outside the state; source market fees from advanced deposit wagering providers; from a set-aside on card club revenue; and a tax on the handle for live races at a class A facility.

Section 36 [299E.04; Expiration] extends the expiration date of the advisory committee on Capitol Area security from June 30, 2022, to June 30, 2036.

Section 37 [326A.09; Reinstatement] authorizes the board of accountancy to reinstate an expired license in the same manner as the board is authorized to reinstate a suspended, revoked, or surrendered license. This section is effective the day after enactment.

Section 38 [349.151, subd. 4d; Electronic pull-tab devices and electronic pull-tab game system] prohibits the Gambling Control Board from deactivating or prohibiting electronic pull-tab devices, games, or game systems that had been approved by the board under rules at the time of the approval, unless the legislature, by law, requires the devices, games, or game systems to comply with later-adopted rules.

Section 39 [349.1721, subd. 1; Cumulative or carryover games] makes electronic pull-tab games exempt from rules regarding cumulative or carryover prizes that are adopted after the game was approved, unless the legislature, by law, requires the electronic pull-tab game to comply with later-adopted rules.

Section 40 [349.1721, subd. 2; Event games] makes electronic pull-tab games exempt from rules relating to selection of winner by random selection that are adopted after the game was approved, unless the legislature, by law, requires the electronic pull-tab game to comply with later-adopted rules.

Section 41 [Board of Cosmetologist Examiners licensing working group] establish a working group to evaluate the salon manager license and school manager license; evaluate the requirements for special event services and homebound services permit and consider merging the two; evaluating an endorsement-based licensing structure. The working group must report to the legislature by January 1, 2024. This section is effective July 1, 2022, by default.

Section 42 [Mississippi River Parkway Commission; citizen members] specifies the end dates of the staggered terms for the current citizen members of the Mississippi River Parkway Commission. This section works in conjunction with the requirement in section 4 for the citizen members to serve staggered terms.

Section 43 [United States Amateur Sports and Training Center in Dakota County; report] requires the Minnesota Amateur Sports Commission to study the development of an amateur sports and training center in Dakota County. The study must address specified topics. The commission must report to the legislature on the results of the study by January 15, 2023.

Section 44 [Department of Iron Range Resources and Rehabilitation; separation and retention incentive program authorization] authorizes the commissioner of Iron Range Resources and Rehabilitation (IRRR) to provide incentive programs for the department's employees for separation

and retention. The bill requires that the incentives be paid solely from funds made available to the commissioner from minerals taxes. Participation is at the employee's option.

The incentive programs must be consistent with laws passed in 2009 (as amended in 2010) that authorized early separation incentives to employees over 60 years with 30 years of service for purposes of pension benefits. The 2009 program authorized the following components of an incentive:

- (1) employer-paid postseparation health, medical, and dental insurance until age 65; and
- (2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

The 2009 law required the commissioner to establish eligibility requirements for employees to receive an incentive and allowed the commissioner to designate specific programs or employees as eligible to be offered the incentive program.

Section 45 [Public land survey monument restoration] requires the chief geospatial information officer to report by January 1, 2023, to the legislature, detailing the status of the monuments that mark public land survey corners and the work needed to restore the monuments with estimates from counties on the cost to complete the work. The report must propose a schedule for state funding, if warranted, for grants to counties to complete the work, an identification of federal money that could be used for the work, specify whether each county has used or has plans to use the taxing authority granted in statute to pay for the work, or provide another proposal for funding the work. This section is effective the day after enactment.

Section 46 [Revisor instruction] instructs the Revisor to change the name of the board of cosmetologist examiners to the board of cosmetology. This section is effective July 1, 2022, by default.

Section 47 [Repealer] repeals: (a) the Candidate Advisory Council that had been tasked with assisting the governor in identifying criteria and candidates for nonstudent membership on the board of trustees for Minnesota State Colleges and Universities; and (b) an obsolete provision for the board of accountancy. This section is effective the day after enactment.

Article 3 – Elections & Campaign Finance

Section 1 [10A.01, subd. 10; Candidate] amends the definition of “candidate” to refer to a person who, among other requirements, has received contributions or made expenditures in excess of \$200. This section is effective the day following final enactment.

Section 2 [10A.105, subd. 1; Single committee] prohibits a candidate from accepting contributions from a source in aggregate of more than \$200 unless the candidate has a principal campaign committee. This section is effective the day following final enactment.

Section 3 [10A.14, subd. 1; First registration] requires the treasurer of a political committee, political fund, principal campaign committee, or party unit to register with the board no later than

14 days after the entity has made a contribution, received, contributions, or made expenditures in excess of \$200. This section is effective the day following final enactment.

Section 4 [10A.20, subd. 6; Report when no committee] requires a candidate without a campaign committee who makes campaign expenditures in excess of \$200 in a year to file a report with the board. This section is effective the day following final enactment.

Section 5 [10A.25, subd. 2; Amounts] states that spending limits are increased for certain candidates if that candidate has not raised or spent more than \$200 in a run for certain offices. This section is effective the day following final enactment.

Section 6 [10A.273, subd. 1; Contributions during legislative session] prohibits lobbyists, political committees, and political funds from making contributions at any time for membership in a facility during a regular legislative session of the facility is operated by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a house of the legislature

Section 7 [13.607, subd. 6a; Registered voter lists] adds a cross reference to section 8 in the data practices act. This section is effective the day following final enactment and applies to requests for data made on or after that date.

Section 8 [201.022, subd. 4; Data] consolidates provisions from elsewhere in law related to voter data. Classifies data in the statewide voter registration as public data on individuals. There are some exceptions to the general This section is effective the day following final enactment and applies to requests for data made on or after that date.

Section 9 [201.091, subd. 4; Public information list] amends the law on the public information list to conform with the changes made in section 8. This section is effective the day following final enactment and applies to requests for data made on or after that date.

Section 10 [201.091, subd. 4a; Presidential nomination primary political party list] amends the law on presidential nomination primaries to conform with the changes made in section 8. Makes a technical change to the headnote. This section is effective the day following final enactment and applies to requests for data made on or after that date.

Section 11 [201.091, subd. 10; Requests for data] states that nothing in the section on voter lists prevents a person from requesting public data as provided in section 8. This section is effective the day following final enactment and applies to requests for data made on or after that date.

Section 12 [201.121, subd. 1; Entry of registration information] requires voter registration applications submitted on election day to be entered into the statewide voter registration system before the start of the canvas for that election. The secretary of state is required to electronically transmit voter registration applications to county auditors. Technical changes are made. This section is effective September 1, 2022.

Section 13 [203B.07, subd. 1; Delivery of envelopes, directions] makes technical changes so that the section references the proper type of absentee ballot envelope.

Section 14 [203B.07, subd. 2; Design of envelopes] makes technical changes so that the section references the proper type of absentee ballot envelope.

Section 15 [203B.07, subd. 3; Eligibility certificate] makes technical changes so that the section references the proper type of absentee ballot envelope.

Section 16 [203B.08, subd. 1; Marking and return by voter] allows an absentee voter to personally deliver an absentee ballot to the office of the county auditor or municipal clerk. An agent must not deposit another person's absentee ballots in a drop box. This section is effective the day following final enactment.

Section 17 [203B.081, subd. 1] amends the timing requirements for absentee voting polling places. If the county auditor designates additional absentee voting polling places, the polling places must be open during the absentee voting period for the same hours and days as the office of the county auditor. In municipalities administering absentee voting, additional polling places must be open during the absentee voting period for the same hours as the municipal clerk's office.

Section 18 [203B.082; Absentee ballot drop boxes; security and integrity] makes several changes relating to absentee ballot drop boxes, including requirements related to location and signage. Each ballot box must be continually livestreamed and available for use during the whole absentee voting period. The county auditor or municipal clerk must maintain a log for each drop box and include specified information. The total number of ballots collected from drop boxes must be shared with the local canvassing board and the state canvassing board. The secretary of state is prohibited from adopting rules to implement provisions related to drop boxes. This section is effective September 1, 2022.

Section 19 [203B.121, subd. 1; Establishment; applicable laws] prohibits deputy county auditors or deputy city clerks from serving on the ballot board unless the deputy was appointed as an election judge. This section is effective the day following final enactment.

Section 20 [203B.121, subd. 4; Opening of envelopes] requires members of a ballot board to verify that an absentee ballot includes the required security marking before depositing the ballot into the ballot box. If a ballot does not include the required security marking, the ballot must not be counted.

Section 21 [203B.121, subd. 5; Storage and counting of absentee ballots] specifies that the counting of absentee ballots must be public. Vote totals may only be disclosed in accordance with section 31. This section is effective the day following final enactment.

Section 22 [203B.121, subd. 6; Ballot board observers] authorizes ballot board observers to observe ballot board activity. Political parties or candidates, depending on the election, may appoint ballot board observers. Ballot board observers must complete election judge training, including training on processing absentee ballots. Ballot board observers must be allowed to be within 4 feet of envelopes being handled but must not handle any of the ballots or envelopes. A ballot board observer must not make lists of voters and must not interfere with the board's activities. The ballot board may remove a ballot board observer if the observer is disrupting the board's work. The election official must notify ballot board observers of the date, time, and location when ballot board activities will be taking place. This section is effective May 15, 2022.

Section 23 [203B.121, subd. 7; Livestreaming] requires the county auditor, municipal clerk, or school district clerk to livestream specified locations during the absentee voting period, on election

day, and any day after the election where absentee ballots are being processed. The cameras must be positioned to livestream activities taking place, the ballots, and all doors in the room.

Section 24 [203B.155; Livestreaming requirements] sets forth the framework for implementing the livestreaming required by sections 18 and 23. The commissioner of information technology services must ensure that all livestreams are available on the Department of Information Technology Services' website. The secretary of state and local governments must post a link to the website where the public may view the livestreams. The commissioner must record the livestreams and maintain the recordings for 22 months. The recordings are public data and may be requested from the commissioner. The county auditor, city clerk, and school board clerk are not required to maintain any livestreamed or recorded data or provide access to the data. Provisions are made for potential livestream disruptions. This section is effective September 1, 2022.

Section 25 [203B.21, subd. 1; Form] makes technical changes so that the section references the proper type of absentee ballot envelope.

Section 26 [203B.21, subd. 3; Back of signature envelope] makes technical changes so that the section references the proper type of absentee ballot envelope.

Section 27 [203B.23, subd. 2; Duties] makes technical changes so that the section references the proper type of absentee ballot envelope.

Section 28 [203B.24, subd. 1; Check of voter eligibility; proper execution of certificate] makes technical changes so that the section references the proper type of absentee ballot envelope.

Section 29 [204B.32, subd. 3; Contributions for election expenses prohibited] prohibits local governments from accepting contributions from for-profit businesses or nonprofit organizations for the purposes of paying election-related expenses.

Section 30 [204B.36, subd. 1; Type] requires absentee ballots to be printed on paper that contains a security marking in a size that allows verification of the ballot's authenticity. The security marking must be designed so that it does not interfere with the ability to tabulate the ballot. This does not apply to UOCAVA absentee ballots.

Section 31 [204C.19, subd. 3; Premature disclosure of count results] prohibits anyone from disclosing any results for a precinct until all results from that precinct have been counted, including absentee ballots received and processed by 8 p.m. on election day. This section is effective the day following final enactment.

Section 32 [204D.16; Sample general election ballots; posting; publication] amends the requirements to publish a sample ballot. Instead of publishing a sample ballot, the county auditor must public a generic ballot that includes only the races and candidates that appear on the ballot for every precinct. The ballot must also include a specified statement about where to find additional information.

Section 33 [206.805, subd. 1; Contracts required] requires the secretary of state to establish a state contract for ballot paper bearing the required security markings.

Section 34 [206.83; Testing of voting systems] amends the public notice requirements for the

pre-election accuracy testing of voting systems. Notice must be given 14 days before the testing and must be published in the official paper, posted on the relevant website, and sent to the secretary of state for posting on the secretary's website. The secretary of state must notify the political party chairs when notices are posted and where to find them. This section is effective the day following final enactment.

Section 35 [211B.075; Absentee ballot applications distributed by committees and private organizations] requires that any mailing sent by a committee or private organization that includes an absentee ballot application or sample ballot to include specific disclaimers and design elements. An absentee ballot sent by or on behalf of a committee or private organization must not be pre-filled with the voter's information.

Section 36 [Secretary of state; reports] requires the secretary of state to submit two reports on how election grants were awarded.

Section 37 [Repealer] repeals two subdivisions. Minn. Stat. section 13.607, subd. 6, is the current provision in the data practices act that references voter data. This is replaced by section 7 of the bill. Minn. Stat. section 201.091, subd. 9, is the current list of data that must not be provided to the public. This is replaced by section 8. This section is effective the day following final enactment.

Section 38 [Effective date] provides a July 1, 2022, effective date for sections in Article 3 where a different date is not specified.