

1.1 **Senator Murphy from the Committee on State and Local Government and Veterans,**
 1.2 **to which was referred**

1.3 **S.F. No. 1424:** A bill for an act relating to state government; repealing interagency
 1.4 transfer reports; repealing Minnesota Statutes 2022, section 15.0395.

1.5 Reports the same back with the recommendation that the bill be amended as follows:

1.6 Delete everything after the enacting clause and insert:

1.7 **"ARTICLE 1**

1.8 **STATE GOVERNMENT**

1.9 Section 1. **[1.1471] STATE FIRE MUSEUM.**

1.10 The Bill and Bonnie Daniels Firefighters Hall and Museum in Minneapolis is designated
 1.11 as the official state fire museum.

1.12 Sec. 2. Minnesota Statutes 2022, section 3.303, subdivision 6, is amended to read:

1.13 Subd. 6. **Grants; staff; space; equipment; contracts.** (a) The commission may make
 1.14 grants, employ an executive director and other staff, and obtain office space, equipment,
 1.15 and supplies necessary to perform its duties.

1.16 (b) The executive director may enter into contracts in compliance with section 3.225 to
 1.17 provide necessary services and supplies for the house of representatives and the senate, and
 1.18 for legislative commissions and joint legislative offices. A contract for professional or
 1.19 technical services that is valued at more than \$50,000 may be made only after the executive
 1.20 director has consulted with the chair and vice-chair of the commission.

1.21 Sec. 3. Minnesota Statutes 2022, section 3.855, subdivision 2, is amended to read:

1.22 Subd. 2. Unrepresented state employee negotiations compensation. (a) ~~The~~
 1.23 ~~commissioner of management and budget shall regularly advise the commission on the~~
 1.24 ~~progress of collective bargaining activities with state employees under the state Public~~
 1.25 ~~Employment Labor Relations Act. During negotiations, the commission may make~~
 1.26 ~~recommendations to the commissioner as it deems appropriate but no recommendation shall~~
 1.27 ~~impose any obligation or grant any right or privilege to the parties.~~

1.28 ~~(b)~~ (a) The commissioner of management and budget shall submit to the chair of the
 1.29 commission any ~~negotiated collective bargaining agreements, arbitration awards,~~
 1.30 ~~compensation plans; or salaries for legislative approval or disapproval. Negotiated agreements~~
 1.31 ~~shall be submitted within five days of the date of approval by the commissioner or the date~~

2.1 ~~of approval by the affected state employees, whichever occurs later. Arbitration awards~~
 2.2 ~~shall be submitted within five days of their receipt by the commissioner. prepared under~~
 2.3 ~~section 43A.18, subdivisions 2, 3, 3b, and 4. The chancellor of the Minnesota State Colleges~~
 2.4 ~~and Universities shall submit any compensation plan under section 43A.18, subdivision 3a.~~
 2.5 If the commission disapproves a ~~collective bargaining agreement, award,~~ compensation
 2.6 plan, or salary, the commission shall specify in writing to the parties those portions with
 2.7 which it disagrees and its reasons. If the commission approves a ~~collective bargaining~~
 2.8 ~~agreement, award,~~ compensation plan, or salary, it shall submit the matter to the legislature
 2.9 to be accepted or rejected under this section.

2.10 ~~(e)~~ (b) When the legislature is not in session, the commission may give interim approval
 2.11 to a ~~negotiated collective bargaining agreement, salary, or~~ compensation plan, ~~or arbitration~~
 2.12 ~~award. When the legislature is not in session, failure of the commission to disapprove a~~
 2.13 ~~collective bargaining agreement or arbitration award within 30 days constitutes approval.~~
 2.14 The commission shall submit the ~~negotiated collective bargaining agreements, salaries, and~~
 2.15 ~~compensation plans, or arbitration awards~~ for which it has provided approval to the entire
 2.16 legislature for ratification at a special legislative session called to consider them or at its
 2.17 next regular legislative session as provided in this section. Approval or disapproval by the
 2.18 commission is not binding on the legislature.

2.19 ~~(d)~~ (c) When the legislature is not in session, the proposed ~~collective bargaining~~
 2.20 ~~agreement, arbitration decision,~~ salary, or compensation plan must be implemented upon
 2.21 its approval by the commission, and state employees covered by the proposed ~~agreement~~
 2.22 ~~or arbitration decision~~ plan or salary do not have the right to strike while the interim approval
 2.23 is in effect. ~~Wages and economic fringe benefit increases provided for in the agreement or~~
 2.24 ~~arbitration decision paid in accordance with the interim approval by the commission are~~
 2.25 ~~not affected, but the wages or benefit increases must cease to be paid or provided effective~~
 2.26 ~~upon the rejection of the agreement, arbitration decision, salary, or compensation plan, or~~
 2.27 ~~upon adjournment of the legislature without acting on it.~~

2.28 Sec. 4. Minnesota Statutes 2022, section 3.855, subdivision 3, is amended to read:

2.29 Subd. 3. **Other salaries and compensation plans.** The commission shall also:

2.30 (1) review and approve, reject, or modify a plan for compensation and terms and
 2.31 conditions of employment prepared and submitted by the commissioner of management
 2.32 and budget under section 43A.18, subdivision 2, covering all state employees who are not
 2.33 represented by an exclusive bargaining representative and whose compensation is not
 2.34 provided for by chapter 43A or other law;

3.1 (2) review and approve, reject, or modify a plan for total compensation and terms and
 3.2 conditions of employment for employees in positions identified as being managerial under
 3.3 section 43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for
 3.4 in law or other plans established under chapter 43A;

3.5 (3) review and approve, reject, or modify recommendations for salaries submitted by
 3.6 the governor or other appointing authority under section 15A.0815, subdivision 5, covering
 3.7 agency head positions listed in section 15A.0815;

3.8 (4) review and approve, reject, or modify recommendations for salary range of officials
 3.9 of higher education systems under section 15A.081, subdivision 7c;

3.10 (5) review and approve, reject, or modify plans for compensation, terms, and conditions
 3.11 of employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and

3.12 (6) review and approve, reject, or modify the plan for compensation, terms, and conditions
 3.13 of employment of classified employees in the office of the legislative auditor under section
 3.14 3.971, subdivision 2.

3.15 Sec. 5. Minnesota Statutes 2022, section 3.855, subdivision 5, is amended to read:

3.16 Subd. 5. **Information required.** The commissioner of management and budget must
 3.17 submit to the Legislative Coordinating Commission the following information with the
 3.18 submission of a ~~collective bargaining agreement or compensation plan under subdivisions~~
 3.19 subdivision 2 and 3:

3.20 (1) for each agency and for each proposed ~~agreement or plan~~, a comparison of biennial
 3.21 compensation costs under the current ~~agreement or plan~~ to the projected biennial
 3.22 compensation costs under the proposed ~~agreement or plan~~, paid with funds appropriated
 3.23 from the general fund;

3.24 (2) for each agency and for each proposed ~~agreement or plan~~, a comparison of biennial
 3.25 compensation costs under the current ~~agreement or plan~~ to the projected biennial
 3.26 compensation costs under the proposed ~~agreement or plan~~, paid with funds appropriated
 3.27 from each fund other than the general fund;

3.28 (3) for each agency and for each proposed ~~agreement or plan~~, an identification of the
 3.29 amount of the additional biennial compensation costs that are attributable to salary and
 3.30 wages and to the cost of nonsalary and nonwage benefits; and

3.31 (4) for each agency, for clauses (1) to (3), the impact of the aggregate of all ~~agreements~~
 3.32 ~~and plans~~ being submitted to the commission.

4.1 Sec. 6. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to
4.2 read:

4.3 Subd. 1a. **Definition.** (a) For purposes of this section, the following term has the meaning
4.4 given.

4.5 (b) "Security records" means data, documents, recordings, or similar that:

4.6 (1) were originally collected, created, received, maintained, or disseminated by a member
4.7 of the commission during a closed meeting or a closed portion of a meeting; and

4.8 (2) are security information as defined by section 13.37, subdivision 1, or otherwise
4.9 pertain to cybersecurity briefings and reports; issues related to cybersecurity systems; or
4.10 deficiencies in or recommendations regarding cybersecurity services, infrastructure, and
4.11 facilities, if disclosure of the records would pose a danger to or compromise cybersecurity
4.12 infrastructure, facilities, procedures, or responses.

4.13 Sec. 7. Minnesota Statutes 2022, section 3.888, subdivision 5, is amended to read:

4.14 **Subd. 5. Meetings.** The commission must meet at least three times per calendar year.
4.15 The meetings of the commission are subject to section 3.055, except that the commission
4.16 may close a meeting when necessary to safeguard the state's cybersecurity. ~~The minutes,~~
4.17 ~~recordings, and documents from a closed meeting under this subdivision~~ Security records
4.18 shall be maintained by the Legislative Coordinating Commission and shall not be made
4.19 available to the public until at least eight years but no more than 20 years after the date of
4.20 the closed meeting.

4.21 Sec. 8. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to
4.22 read:

4.23 Subd. 5a. **Closed meetings procedures.** The commission must adopt procedures for
4.24 conducting closed meetings before the commission's first closed meeting. At a minimum,
4.25 the procedures must include:

4.26 (1) a requirement to provide notice to the public, when practicable, before each closed
4.27 meeting of the commission's intent and authority to hold a closed meeting or to hold a closed
4.28 session during an otherwise open meeting;

4.29 (2) a requirement that the commission minimize the number of people present at a closed
4.30 meeting to those necessary to conduct the meeting;

5.1 (3) a requirement that votes shall not be taken during a closed meeting or a closed portion
 5.2 of a meeting pursuant to this section;

5.3 (4) steps the commission must take if a commission member is alleged to have violated
 5.4 the confidentiality of a closed meeting; and

5.5 (5) guidance for the Legislative Coordinating Commission for the public release of
 5.6 security records following the eight year record requirement in subdivision 5. The meetings
 5.7 of the Legislative Coordinating Commission under this subdivision are exempt from section
 5.8 3.055 when necessary to safeguard the confidentiality of security records.

5.9 Sec. 9. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to
 5.10 read:

5.11 Subd. 5b. **Alleged member closed meeting confidentiality violations.** Notwithstanding
 5.12 any law to the contrary, if a complaint alleging a member violated the confidentiality of a
 5.13 closed meeting is brought to a legislative committee with jurisdiction over ethical conduct,
 5.14 the committee with jurisdiction over ethical conduct must preserve the confidentiality of
 5.15 the closed meeting at issue.

5.16 Sec. 10. Minnesota Statutes 2022, section 3.97, subdivision 2, is amended to read:

5.17 Subd. 2. **Membership; terms; meetings; compensation; powers.** The Legislative Audit
 5.18 Commission consists of:

5.19 (1) three members of the senate appointed by the ~~Subcommittee on Committees of the~~
 5.20 ~~Committee on Rules and Administration of the senate~~ majority leader;

5.21 (2) three members of the senate appointed by the senate minority leader;

5.22 (3) three members of the house of representatives appointed by the speaker of the house;
 5.23 and

5.24 (4) three members of the house of representatives appointed by the house of
 5.25 representatives minority leader.

5.26 Members shall serve until replaced, or until they are not members of the legislative body
 5.27 from which they were appointed. Appointing authorities shall fill vacancies on the
 5.28 commission within 30 days of a vacancy being created.

5.29 The commission shall meet in January of each odd-numbered year to elect its chair and
 5.30 vice-chair. They shall serve until successors are elected. The chair and vice-chair shall
 5.31 alternate biennially between the senate and the house of representatives, and shall be of

6.1 different political parties. The commission shall meet at the call of the chair. The members
 6.2 shall serve without compensation but be reimbursed for their reasonable expenses as members
 6.3 of the legislature. The commission may exercise the powers prescribed by section 3.153.

6.4 Sec. 11. Minnesota Statutes 2022, section 3.972, subdivision 3, is amended to read:

6.5 Subd. 3. **Audit contracts.** ~~Notwithstanding any other law,~~ A state department, board,
 6.6 commission, or other state agency ~~shall not negotiate a contract~~ contracting with a public
 6.7 accountant for an audit, except a contract negotiated by the state auditor for an audit of a
 6.8 local government, ~~unless the contract has been reviewed by the legislative auditor.~~ The
 6.9 ~~legislative auditor shall not participate in the selection of the public accountant but shall~~
 6.10 ~~review and submit written comments on the proposed contract within seven days of its~~
 6.11 ~~receipt. Upon completion of the audit, the legislative auditor shall be given~~ must provide
 6.12 the legislative auditor with a copy of the final report of the audit upon completion of the
 6.13 audit.

6.14 Sec. 12. Minnesota Statutes 2022, section 3.978, subdivision 2, is amended to read:

6.15 Subd. 2. **Inquiry and inspection power; duty to aid legislative auditor.** All public
 6.16 officials and their deputies and employees, and all corporations, firms, and individuals
 6.17 having business involving the receipt, disbursement, or custody of public funds shall at all
 6.18 times: (1) afford reasonable facilities for examinations by the legislative auditor; (2) ~~make~~
 6.19 ~~provide~~ returns and reports required by the legislative auditor; (3) attend and answer under
 6.20 oath the legislative auditor's lawful inquiries; (4) produce and exhibit all books, accounts,
 6.21 documents, data of any classification, and property that the legislative auditor requests to
 6.22 inspect; and (5) in all things cooperate with the legislative auditor.

6.23 Sec. 13. Minnesota Statutes 2022, section 3.979, subdivision 2, is amended to read:

6.24 Subd. 2. **Access to data by commission members.** Members of the commission have
 6.25 access to not public data that is collected or used by the legislative auditor ~~and classified as~~
 6.26 ~~not public or as private or confidential~~ only as authorized by resolution of the commission.
 6.27 The commission may not authorize its members to have access to private or confidential
 6.28 data on individuals collected or used in connection with the collection of any tax.

6.29 Sec. 14. Minnesota Statutes 2022, section 3.979, subdivision 3, is amended to read:

6.30 Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit,
 6.31 program evaluation, special review, or investigation, ~~or~~ assessment of an allegation or report

7.1 submitted to the legislative auditor. Notwithstanding any other law, data relating to an audit
7.2 are not public or with respect to data on individuals are confidential or protected nonpublic
7.3 until the final report of the audit has been released by the legislative auditor or the audit is
7.4 no longer being actively pursued. Upon release of a final audit report by the legislative
7.5 auditor, data relating to an audit are public except data otherwise classified as not public.
7.6 Unless the data is subject to a more restrictive classification by another law, upon the
7.7 legislative auditor's decision to no longer actively pursue an audit without the release of a
7.8 final audit report, data relating to an audit are private or nonpublic.

7.9 (b) Data related to an audit but not published in the audit report and that the legislative
7.10 auditor reasonably believes will be used in litigation ~~are not public and with respect to data~~
7.11 ~~on individuals~~ are confidential or protected nonpublic until the litigation has been completed
7.12 or is no longer being actively pursued.

7.13 (c) Data that could reasonably be used to determine the identity of an individual or entity
7.14 supplying data for an audit are private or nonpublic if the data supplied ~~by the individual~~
7.15 ~~were needed for an audit and the individual would not have been provided the data~~ to the
7.16 legislative auditor without an assurance that the ~~individual's~~ identity of the individual or
7.17 entity would remain private or nonpublic, or the legislative auditor reasonably believes that
7.18 ~~the subject data would not have been provided the data.~~

7.19 (d) ~~The definitions of terms provided in section 13.02 apply for purposes of this~~
7.20 ~~subdivision~~ Data related to an audit that were obtained from a nongovernmental entity have
7.21 the classification that the data would have if obtained from the government entity for which
7.22 the data were created, collected, or maintained by the nongovernmental entity.

7.23 (e) The legislative auditor may disseminate data of any classification to:

7.24 (1) a government entity, other than a law enforcement agency or prosecuting authority,
7.25 if the dissemination of the data aids a pending audit; or

7.26 (2) a law enforcement agency or prosecuting authority if there is reason to believe that
7.27 the data are evidence of criminal activity within the agency's or authority's jurisdiction.

7.28 Notwithstanding the classification of data as confidential or protected nonpublic, an individual
7.29 or entity who supplies information for an audit may authorize the legislative auditor to
7.30 release data that would identify the individual or entity for the purpose of conducting the
7.31 audit. Data disseminated pursuant to this paragraph are subject to section 13.03, subdivision
7.32 4, paragraph (c).

8.1 Sec. 15. Minnesota Statutes 2022, section 3.979, is amended by adding a subdivision to
8.2 read:

8.3 Subd. 6. **Definitions.** The definitions of terms provided in section 13.02 apply for
8.4 purposes of this section.

8.5 Sec. 16. Minnesota Statutes 2022, section 9.031, subdivision 3, is amended to read:

8.6 Subd. 3. **Collateral.** (a) In lieu of the corporate bond required in subdivision 2, a
8.7 depository may deposit with the commissioner of management and budget collateral to
8.8 secure state funds that are to be deposited with it. The Executive Council must approve the
8.9 collateral.

8.10 (b) The Executive Council shall not approve any collateral except:

8.11 ~~(1) bonds and certificates of indebtedness, other than bonds secured by real estate, that~~
8.12 ~~are legal investments for savings banks under any law of the state; and~~

8.13 ~~(2) bonds of any insular possession of the United States, of any state, or of any agency~~
8.14 ~~of this state, the payment of the principal and interest of which is provided for by other than~~
8.15 ~~direct taxation.~~

8.16 (1) United States government treasury bills, treasury notes, and treasury bonds;

8.17 (2) issues of United States government agencies and instrumentalities, as quoted by a
8.18 recognized industry quotation service available to the state;

8.19 (3) general obligation securities of any state other than the state and its agencies or local
8.20 government with taxing powers that is rated "A" or better by a national bond rating service,
8.21 or revenue obligation securities of any state other than the state and its agencies or local
8.22 government with taxing powers which is rated "AA" or better by a national bond rating
8.23 service;

8.24 (4) irrevocable standby letters of credit issued by Federal Home Loan Banks to the state
8.25 accompanied by written evidence that the bank's public debt is rated "AA" or better by
8.26 Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

8.27 (5) time deposits that are fully insured by any federal agency.

8.28 (c) The collateral deposited shall be accompanied by an assignment thereof to the state,
8.29 which assignment shall recite that:

8.30 (1) the depository will pay all the state funds deposited with it to the commissioner of
8.31 management and budget, free of exchange or other charge, at any place in this state

9.1 designated by the commissioner of management and budget; if the deposit is a time deposit
9.2 it shall be paid, together with interest, only when due; and

9.3 (2) in case of default by the depository the state may sell the collateral, or as much of it
9.4 as is necessary to realize the full amount due from the depository, and pay any surplus to
9.5 the depository or its assigns.

9.6 (d) Upon the direction of the Executive Council, the commissioner of management and
9.7 budget, on behalf of the state, may reassign in writing to the depository any registered
9.8 collateral pledged to the state by assignment thereon.

9.9 (e) A depository may deposit collateral of less value than the total designation and may,
9.10 at any time during the period of its designation, deposit additional collateral, withdraw
9.11 excess collateral, and substitute other collateral for all or part of that on deposit. Approval
9.12 of the Executive Council is not necessary for the withdrawal of excess collateral.

9.13 (f) If the depository is not in default the commissioner of management and budget shall
9.14 pay the interest collected on the deposited collateral to the depository.

9.15 (g) In lieu of depositing collateral with the commissioner of management and budget,
9.16 collateral may also be placed in safekeeping in a restricted account at a Federal Reserve
9.17 bank, or in an account at a trust department of a commercial bank or other financial institution
9.18 that is not owned or controlled by the financial institution furnishing the collateral. The
9.19 selection shall be approved by the commissioner.

9.20 Sec. 17. Minnesota Statutes 2022, section 13.04, subdivision 4, is amended to read:

9.21 Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject
9.22 of the data may contest the accuracy or completeness of public or private data about
9.23 themselves.

9.24 (b) To exercise this right, an individual shall notify in writing the responsible authority
9.25 of the government entity that maintains the data, describing the nature of the disagreement.

9.26 (c) Upon receiving notification from the data subject, the responsible authority shall
9.27 within 30 days either:

9.28 (1) correct the data found to be inaccurate or incomplete and attempt to notify past
9.29 recipients of inaccurate or incomplete data, including recipients named by the individual;
9.30 or

9.31 (2) notify the individual that the responsible authority believes has determined the data
9.32 to be correct. If the challenged data are determined to be accurate or complete, the responsible

10.1 authority shall inform the individual of the right to appeal the determination to the
 10.2 commissioner as specified under paragraph (d). Data in dispute shall be disclosed only if
 10.3 the individual's statement of disagreement is included with the disclosed data.

10.4 (d) A data subject may appeal the determination of the responsible authority ~~may be~~
 10.5 ~~appealed~~ pursuant to the provisions of the Administrative Procedure Act relating to contested
 10.6 cases. An individual must submit an appeal to the commissioner within 60 days of the
 10.7 responsible authority's notice of the right to appeal or as otherwise provided by the rules of
 10.8 the commissioner. Upon receipt of an appeal by an individual, the commissioner shall,
 10.9 before issuing the order and notice of a contested case hearing required by chapter 14, try
 10.10 to resolve the dispute through education, conference, conciliation, or persuasion. If the
 10.11 parties consent, the commissioner may refer the matter to mediation. Following these efforts,
 10.12 the commissioner shall dismiss the appeal or issue the order and notice of hearing.

10.13 (e) The commissioner may dismiss an appeal without first attempting to resolve the
 10.14 dispute or before issuing an order and notice of a contested case hearing if:

10.15 (1) the appeal to the commissioner is not timely;

10.16 (2) the appeal concerns data previously presented as evidence in a court proceeding in
 10.17 which the data subject was a party; or

10.18 (3) the individual making the appeal is not the subject of the data challenged as inaccurate
 10.19 or incomplete.

10.20 ~~(b)~~ (f) Data on individuals that have been successfully challenged by an individual must
 10.21 be completed, corrected, or destroyed by a government entity without regard to the
 10.22 requirements of section 138.17.

10.23 (g) After completing, correcting, or destroying successfully challenged data, a government
 10.24 entity may retain a copy of the commissioner of administration's order issued under chapter
 10.25 14 or, if no order were issued, a summary of the dispute between the parties that does not
 10.26 contain any particulars of the successfully challenged data.

10.27 Sec. 18. Minnesota Statutes 2022, section 15.066, is amended by adding a subdivision to
 10.28 read:

10.29 Subd. 3. **Advice and consent time limit.** If the senate does not reject an appointment
 10.30 within 60 legislative days of the day of receipt of the letter of appointment by the president
 10.31 of the senate, the senate has consented to the appointment.

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

11.1 Sec. 19. Minnesota Statutes 2022, section 15A.0825, subdivision 1, is amended to read:

11.2 Subdivision 1. **Membership.** (a) The Legislative Salary Council consists of the following
11.3 members:

11.4 (1) one person, who is not a judge, from each congressional district, appointed by the
11.5 chief justice of the supreme court; and

11.6 (2) one person from each congressional district, appointed by the governor.

11.7 (b) If Minnesota has an odd number of congressional districts, the governor and the chief
11.8 justice must each appoint an at-large member, in addition to a member from each
11.9 congressional district.

11.10 (c) One-half of the members appointed by the governor and one-half of the members
11.11 appointed by the chief justice must belong to the political party that has the most members
11.12 in the legislature. One-half of the members appointed by the governor and one-half of the
11.13 members appointed by the chief justice must belong to the political party that has the second
11.14 most members in the legislature.

11.15 (d) None of the members of the council may be:

11.16 (1) a current or former legislator, or the spouse of a current legislator;

11.17 (2) a current or former lobbyist registered under Minnesota law;

11.18 (3) a current employee of the legislature;

11.19 (4) a current or former judge; ~~or~~

11.20 (5) a current or former governor, lieutenant governor, attorney general, secretary of state,
11.21 or state auditor; or

11.22 (6) a current employee of an entity in the executive or judicial branch.

11.23 Sec. 20. Minnesota Statutes 2022, section 15A.0825, subdivision 2, is amended to read:

11.24 Subd. 2. ~~Initial appointment~~ **Appointments; convening authority; first meeting in**
11.25 **odd-numbered year.** Appointing authorities must make their ~~initial~~ appointments ~~by January~~
11.26 ~~2, 2017~~ after the first Monday in January and before January 15 in each odd-numbered year.
11.27 Appointing authorities who determine that a vacancy exists under subdivision 3, paragraph
11.28 (b), must make an appointment to fill that vacancy by January 15 in each odd-numbered
11.29 year. The governor shall designate one member to convene and chair the first meeting of
11.30 the council which must occur by February 15 of each odd-numbered year. ~~The first meeting~~
11.31 ~~must be before January 15, 2017.~~ At its first meeting, the council must elect a chair from

12.1 among its members. ~~Members that reside in an even-numbered congressional district serve~~
 12.2 ~~a first term ending January 15, 2019. Members residing in an odd-numbered congressional~~
 12.3 ~~district serve a first term ending January 15, 2021.~~

12.4 Sec. 21. Minnesota Statutes 2022, section 15A.0825, subdivision 3, is amended to read:

12.5 Subd. 3. **Terms.** (a) ~~Except for initial terms and~~ for the first term following redistricting,
 12.6 a term is four years or until new appointments are made after congressional redistricting as
 12.7 provided in subdivision 4. Members may serve no more than two full terms or portions of
 12.8 two consecutive terms.

12.9 (b) If a member ceases to reside in the congressional district that the member resided in
 12.10 at the time of appointment as a result of moving or redistricting, the appointing authority
 12.11 who appointed the member must appoint a replacement who resides in the congressional
 12.12 district to serve the unexpired term.

12.13 Sec. 22. Minnesota Statutes 2022, section 15A.0825, subdivision 4, is amended to read:

12.14 Subd. 4. **Appointments following redistricting.** Appointing authorities shall make
 12.15 appointments ~~within three months~~ after a congressional redistricting plan is adopted.
 12.16 Appointing authorities shall make appointments in accordance with the timing requirements
 12.17 in subdivision 2. Members that reside in an even-numbered district shall be appointed to a
 12.18 term of two years following redistricting. Members that reside in an odd-numbered district
 12.19 shall be appointed to a term of four years following redistricting.

12.20 Sec. 23. Minnesota Statutes 2022, section 16B.32, subdivision 1, is amended to read:

12.21 Subdivision 1. **Alternative energy sources.** ~~Plans prepared by the commissioner for a~~
 12.22 ~~new building or for a renovation of 50 percent or more of an existing building or its energy~~
 12.23 ~~systems must include designs which use active and passive solar energy systems, earth~~
 12.24 ~~sheltered construction, and other alternative energy sources where feasible.~~ (a) If the
 12.25 incorporation of cost-effective energy efficiency measures into the design, materials, and
 12.26 operations of a building or major building renovation subject to section 16B.325 is not
 12.27 sufficient to meet Sustainable Building 2030 energy performance standards required under
 12.28 section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal
 12.29 energy systems, or both, must be deployed to achieve those standards.

12.30 (b) The commissioners of administration and commerce shall review compliance of
 12.31 building designs and plans subject to this section with Sustainable Building 2030 performance

13.1 standards developed under section 216B.241, subdivision 9, and shall make recommendations
 13.2 to the legislature as necessary to ensure that those performance standards are met.

13.3 (c) For the purposes of this section:

13.4 (1) "energy efficiency" has the meaning given in section 216B.2402, subdivision 7;

13.5 (2) "renewable energy" has the meaning given in section 216B.2422, subdivision 1,
 13.6 paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

13.7 (3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal
 13.8 project" in section 216B.2411, subdivision 2, paragraph (e).

13.9 Sec. 24. Minnesota Statutes 2022, section 16B.32, subdivision 1a, is amended to read:

13.10 ~~Subd. 1a. **Onsite energy generation from renewable sources.** A state agency that~~
 13.11 ~~prepares a predesign for a new building must consider meeting at least two percent of the~~
 13.12 ~~energy needs of the building from renewable sources located on the building site. For~~
 13.13 ~~purposes of this subdivision, "renewable sources" are limited to wind and the sun. The~~
 13.14 ~~predesign must include an explicit cost and price analysis of complying with the two-percent~~
 13.15 ~~requirement compared with the present and future costs of energy supplied by a public~~
 13.16 ~~utility from a location away from the building site and the present and future costs of~~
 13.17 ~~controlling carbon emissions. If the analysis concludes that the building should not meet at~~
 13.18 ~~least two percent of its energy needs from renewable sources located on the building site,~~
 13.19 ~~the analysis must provide explicit reasons why not. The building may not receive further~~
 13.20 ~~state appropriations for design or construction unless at least two percent of its energy needs~~
 13.21 ~~are designed to be met from renewable sources, unless the commissioner finds that the~~
 13.22 ~~reasons given by the agency for not meeting the two-percent requirement were supported~~
 13.23 ~~by evidence in the record. The total aggregate nameplate capacity of all renewable energy~~
 13.24 ~~sources utilized to meet Sustainable Building 2030 standards in a state-owned building or~~
 13.25 ~~facility, including any subscription to a community solar garden under section 216B.1641,~~
 13.26 ~~may not exceed 120 percent of the average annual electric energy consumption of the~~
 13.27 ~~state-owned building or facility.~~

13.28 Sec. 25. [16B.361] OFFICE OF COLLABORATION AND DISPUTE RESOLUTION.

13.29 Subdivision 1. **Duties of the office.** The commissioner of administration shall maintain
 13.30 the Office of Collaboration and Dispute Resolution within the Department of Administration.

13.31 The office must:

14.1 (1) assist state agencies; offices of the executive, legislative, and judicial branches; Tribal
14.2 governments; and units of local government in improving collaboration, dispute resolution,
14.3 and public engagement;

14.4 (2) promote and utilize collaborative dispute resolution models and processes based on
14.5 documented best practices to foster trust, relationships, mutual understanding,
14.6 consensus-based resolutions, and wise and durable solutions, including but not limited to:

14.7 (i) using established criteria and procedures for identifying and assessing collaborative
14.8 dispute resolution projects;

14.9 (ii) designing collaborative dispute resolution processes;

14.10 (iii) preparing and training participants; and

14.11 (iv) facilitating meetings and group processes using collaborative techniques and
14.12 approaches;

14.13 (3) support collaboration and dispute resolution in the public and private sectors by
14.14 providing technical assistance and information on best practices and new developments in
14.15 dispute resolution fields;

14.16 (4) build capacity and educate the public and government entities on collaboration,
14.17 dispute resolution approaches, and public engagement;

14.18 (5) promote the broad use of community mediation in the state; and

14.19 (6) ensure that all areas of the state have access to services by providing grants to private
14.20 nonprofit entities certified by the state court administrator under chapter 494 that assist in
14.21 resolution of disputes.

14.22 Subd. 2. **Awarding grants to assist in resolution of disputes.** (a) The commissioner
14.23 shall, to the extent funds are appropriated for this purpose, make grants to private nonprofit
14.24 community mediation entities certified by the state court administrator under chapter 494
14.25 that assist in resolution of disputes under subdivision 1, clause (6). The commissioner shall
14.26 establish a grant review committee to assist in the review of grant applications and the
14.27 allocation of grants under this section.

14.28 (b) To be eligible for a grant under this section, a nonprofit organization must meet the
14.29 requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

14.30 (c) A nonprofit entity receiving a grant must agree to comply with guidelines adopted
14.31 by the state court administrator under section 494.015, subdivision 1. Policies adopted under

15.1 sections 16B.97 and 16B.98 apply to grants under this section. The exclusions in section
15.2 494.03 apply to grants under this section.

15.3 (d) Grantees must report data required under chapter 494 to evaluate quality and
15.4 outcomes.

15.5 Subd. 3. **Accepting funds.** The commissioner may apply for and receive money made
15.6 available from federal, state, or other sources to carry out the duties of the Office of
15.7 Collaboration and Dispute Resolution. Funds received under this subdivision are appropriated
15.8 to the commissioner for their intended purpose.

15.9 Sec. 26. **[16B.372] ENVIRONMENTAL SUSTAINABILITY GOVERNMENT**
15.10 **OPERATIONS.**

15.11 Subdivision 1. **Enterprise sustainability.** The Office of Enterprise Sustainability is
15.12 established to assist all state agencies in making measurable progress toward improving the
15.13 sustainability of government operations by reducing the impact on the environment,
15.14 controlling unnecessary waste of natural resources and public funds, and spurring innovation.
15.15 The office shall create new tools and share best practices, assist state agencies to plan for
15.16 and implement improvements, and monitor progress toward achieving intended outcomes.
15.17 Specific duties include but are not limited to:

15.18 (1) managing a sustainability metrics and reporting system, including a public dashboard
15.19 that allows Minnesotans to track progress and is updated annually;

15.20 (2) assisting agencies in developing and executing sustainability plans; and

15.21 (3) implementing the state building energy conservation improvement revolving loan
15.22 program in Minnesota Statutes, sections 16B.86 and 16B.87.

15.23 Subd. 2. **State agency responsibilities.** Each department of the state, as defined in
15.24 section 15.01, and the Metropolitan Council are each required to participate in the
15.25 sustainability effort by developing a sustainability plan and by making measurable progress
15.26 toward improving associated sustainability outcomes. State agencies and boards that are
15.27 not departments or the Metropolitan Council shall take steps toward improving sustainability
15.28 outcomes but are not required to participate at the level of departments.

15.29 Subd. 3. **Local governments.** The Office of Enterprise Sustainability shall make
15.30 reasonable attempts to share tools and best practices with local governments.

16.1 Sec. 27. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to
16.2 read:

16.3 Subd. 9. **Electric vehicle charging.** The commissioner shall require that a user of a
16.4 charging station located on the State Capitol complex used to charge an electric vehicle pay
16.5 a service fee as determined by the commissioner.

16.6 Sec. 28. Minnesota Statutes 2022, section 16B.87, subdivision 2, is amended to read:

16.7 Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form
16.8 developed by the commissioner of administration that requires an applicant to submit the
16.9 following information:

16.10 (1) a description of the proposed project, including existing equipment, structural
16.11 elements, operating characteristics, and other conditions affecting energy use that the energy
16.12 conservation improvements financed by the loan modify or replace;

16.13 (2) the total estimated project cost and the loan amount sought;

16.14 (3) a detailed project budget;

16.15 (4) projections of the proposed project's expected energy and monetary savings;

16.16 (5) information demonstrating the agency's ability to repay the loan;

16.17 (6) a description of the energy conservation programs offered by the utility providing
16.18 service to the state building from which the applicant seeks additional funding for the project;
16.19 and

16.20 (7) any additional information requested by the commissioner.

16.21 (b) The committee shall review applications for loans and shall award a loan based upon
16.22 criteria adopted by the committee. A loan made under this section must:

16.23 (1) be at or below the market rate of interest, including a zero interest loan; and

16.24 (2) have a term no longer than ~~seven~~ ten years.

16.25 (c) In making awards, the committee shall give preference to:

16.26 (1) applicants that have sought funding for the project through energy conservation
16.27 projects offered by the utility serving the state building that is the subject of the application;
16.28 and

16.29 (2) to the extent feasible, applications for state buildings located within the electric retail
16.30 service area of the utility that is subject to section 116C.779.

17.1 Sec. 29. Minnesota Statutes 2022, section 16C.16, subdivision 6, is amended to read:

17.2 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a ~~six~~ 12 percent
17.3 preference for specified goods or services to small targeted group businesses.

17.4 (b) The commissioner may award a contract for goods, services, or construction directly
17.5 to a small business or small targeted group business without going through a competitive
17.6 solicitation process up to a total contract award value, including extension options, of
17.7 ~~\$25,000~~ \$100,000.

17.8 (c) The commissioner may designate a purchase of goods or services for award only to
17.9 small businesses or small targeted group businesses if the commissioner determines that at
17.10 least three small businesses or small targeted group businesses are likely to respond to a
17.11 solicitation.

17.12 (d) The commissioner, as a condition of awarding a construction contract or approving
17.13 a contract for professional or technical services, may set goals that require the prime
17.14 contractor to subcontract a portion of the contract to small businesses or small targeted
17.15 group businesses. The commissioner must establish a procedure for granting waivers from
17.16 the subcontracting requirement when qualified small businesses or small targeted group
17.17 businesses are not reasonably available. The commissioner may establish financial incentives
17.18 for prime contractors who exceed the goals for use of small business or small targeted group
17.19 business subcontractors and financial penalties for prime contractors who fail to meet goals
17.20 under this paragraph. The subcontracting requirements of this paragraph do not apply to
17.21 prime contractors who are small businesses or small targeted group businesses.

17.22 Sec. 30. Minnesota Statutes 2022, section 16C.16, subdivision 6a, is amended to read:

17.23 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal
17.24 government as a condition of receiving federal funds, the commissioner shall award up to
17.25 a ~~six~~ 12 percent preference, but no less than the percentage awarded to any other group
17.26 under this section, on state procurement to certified small businesses that are majority-owned
17.27 and operated by veterans.

17.28 (b) The commissioner may award a contract for goods, services, or construction directly
17.29 to a veteran-owned small business without going through a competitive solicitation process
17.30 up to a total contract award value, including extension options, of ~~\$25,000~~ \$100,000.

17.31 (c) The commissioner may designate a purchase of goods or services for award only to
17.32 a veteran-owned small business if the commissioner determines that at least three
17.33 veteran-owned small businesses are likely to respond to a solicitation.

18.1 (d) The commissioner, as a condition of awarding a construction contract or approving
18.2 a contract for professional or technical services, may set goals that require the prime
18.3 contractor to subcontract a portion of the contract to a veteran-owned small business. The
18.4 commissioner must establish a procedure for granting waivers from the subcontracting
18.5 requirement when qualified veteran-owned small businesses are not reasonably available.
18.6 The commissioner may establish financial incentives for prime contractors who exceed the
18.7 goals for use of veteran-owned small business subcontractors and financial penalties for
18.8 prime contractors who fail to meet goals under this paragraph. The subcontracting
18.9 requirements of this paragraph do not apply to prime contractors who are veteran-owned
18.10 small businesses.

18.11 (e) The purpose of this designation is to facilitate the transition of veterans from military
18.12 to civilian life, and to help compensate veterans for their sacrifices, including but not limited
18.13 to their sacrifice of health and time, to the state and nation during their military service, as
18.14 well as to enhance economic development within Minnesota.

18.15 (f) Before the commissioner certifies that a small business is majority-owned and operated
18.16 by a veteran, the commissioner of veterans affairs must verify that the owner of the small
18.17 business is a veteran, as defined in section 197.447.

18.18 Sec. 31. Minnesota Statutes 2022, section 16C.16, subdivision 7, is amended to read:

18.19 Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to
18.20 a ~~six~~ 12 percent preference on state procurement to small businesses located in an
18.21 economically disadvantaged area.

18.22 (b) The commissioner may award a contract for goods, services, or construction directly
18.23 to a small business located in an economically disadvantaged area without going through
18.24 a competitive solicitation process up to a total contract award value, including extension
18.25 options, of ~~\$25,000~~ \$100,000.

18.26 (c) The commissioner may designate a purchase of goods or services for award only to
18.27 a small business located in an economically disadvantaged area if the commissioner
18.28 determines that at least three small businesses located in an economically disadvantaged
18.29 area are likely to respond to a solicitation.

18.30 (d) The commissioner, as a condition of awarding a construction contract or approving
18.31 a contract for professional or technical services, may set goals that require the prime
18.32 contractor to subcontract a portion of the contract to a small business located in an
18.33 economically disadvantaged area. The commissioner must establish a procedure for granting

19.1 waivers from the subcontracting requirement when qualified small businesses located in an
19.2 economically disadvantaged area are not reasonably available. The commissioner may
19.3 establish financial incentives for prime contractors who exceed the goals for use of
19.4 subcontractors that are small businesses located in an economically disadvantaged area and
19.5 financial penalties for prime contractors who fail to meet goals under this paragraph. The
19.6 subcontracting requirements of this paragraph do not apply to prime contractors who are
19.7 small businesses located in an economically disadvantaged area.

19.8 (e) A business is located in an economically disadvantaged area if:

19.9 (1) the owner resides in or the business is located in a county in which the median income
19.10 for married couples is less than 70 percent of the state median income for married couples;

19.11 (2) the owner resides in or the business is located in an area designated a labor surplus
19.12 area by the United States Department of Labor; or

19.13 (3) the business is a certified rehabilitation facility or extended employment provider as
19.14 described in chapter 268A.

19.15 (f) The commissioner may designate one or more areas designated as targeted
19.16 neighborhoods under section 469.202 or as border city enterprise zones under section
19.17 469.166 as economically disadvantaged areas for purposes of this subdivision if the
19.18 commissioner determines that this designation would further the purposes of this section.
19.19 If the owner of a small business resides or is employed in a designated area, the small
19.20 business is eligible for any preference provided under this subdivision.

19.21 (g) The Department of Revenue shall gather data necessary to make the determinations
19.22 required by paragraph (e), clause (1), and shall annually certify counties that qualify under
19.23 paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120
19.24 days after certified small businesses in the area are notified of the termination of the
19.25 designation by the United States Department of Labor.

19.26 Sec. 32. Minnesota Statutes 2022, section 16C.19, is amended to read:

19.27 **16C.19 ELIGIBILITY; RULES.**

19.28 (a) A small business wishing to participate in the programs under section 16C.16,
19.29 subdivisions 4 to 7, must be certified by the commissioner or, if authorized by the
19.30 commissioner, by a nationally recognized certifying organization. The commissioner may
19.31 choose to authorize a nationally recognized certifying organization if the certification
19.32 requirements are substantially the same as those adopted under the rules authorized in this
19.33 section and the business meets the requirements in section 16C.16, subdivision 2.

20.1 (b) The commissioner shall adopt by rule standards and procedures for certifying that
20.2 small targeted group businesses, small businesses located in economically disadvantaged
20.3 areas, and veteran-owned small businesses are eligible to participate under the requirements
20.4 of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures
20.5 for hearing appeals and grievances and other rules necessary to carry out the duties set forth
20.6 in sections 16C.16 to 16C.21.

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

20.10 ~~(e)~~ (d) The commissioner may make rules that set time limits and other eligibility limits
20.11 on business participation in programs under sections 16C.16 to 16C.21.

20.12 ~~(d)~~ (e) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
20.13 veteran-owned small business, the principal place of business of which is in Minnesota, is
20.14 certified if:

20.15 (1) it has been verified by the United States Department of Veterans Affairs as being
20.16 either a veteran-owned small business or a service-disabled veteran-owned small business,
20.17 in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74;
20.18 or

20.19 (2) the veteran-owned small business supplies the commissioner with proof that the
20.20 small business is majority-owned and operated by:

20.21 (i) a veteran as defined in section 197.447; or

20.22 (ii) a veteran with a service-connected disability, as determined at any time by the United
20.23 States Department of Veterans Affairs.

20.24 ~~(e)~~ (f) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying
20.25 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may
20.26 be read to include veteran-owned small businesses. In addition to the documentation required
20.27 in Minnesota Rules, part 1230.1700, the veteran owner must have been discharged under
20.28 honorable conditions from active service, as indicated by the veteran owner's most current
20.29 United States Department of Defense form DD-214.

20.30 ~~(f)~~ (g) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
20.31 minority- or woman-owned small business, the principal place of business of which is in
20.32 Minnesota, is certified if it has been certified by the Minnesota unified certification program
20.33 under the provisions of Code of Federal Regulations, title 49, part 26, and a Tribal-owned

21.1 small business, the principal place of business of which is in Minnesota, is certified if it has
 21.2 been certified by the Small Business Administration (SBA) 8(a) program under the provisions
 21.3 of Code of Federal Regulations, title 13, part 124.

21.4 ~~(g)~~ (h) The commissioner may adopt rules to implement the programs under section
 21.5 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

21.6 Sec. 33. Minnesota Statutes 2022, section 16C.36, is amended to read:

21.7 **16C.36 REORGANIZATION SERVICES UNDER MASTER CONTRACT.**

21.8 The commissioner of administration must make available under a master contract program
 21.9 a list of eligible contractors who can assist state agencies in using data analytics to:

21.10 (1) accomplish agency reorganization along service rather than functional lines in order
 21.11 to provide more efficient and effective service; and

21.12 (2) bring about internal reorganization of management functions in order to flatten the
 21.13 organizational structure by requiring that decisions are made closer to the service needed,
 21.14 eliminating redundancies, and optimizing the span of control ratios to public and private
 21.15 sector industry benchmarks.

21.16 ~~The commissioner of administration must report to the legislature by January 15, 2013,~~
 21.17 ~~and January 15, 2014, on state agency use of eligible contractors under this section, and on~~
 21.18 ~~improvements in efficiency and effectiveness, including the contract oversight process, of~~
 21.19 ~~state services as a result of services provided by contractors.~~

21.20 Sec. 34. Minnesota Statutes 2022, section 43A.06, subdivision 1, is amended to read:

21.21 Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the
 21.22 commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

21.23 (b) The commissioner shall be the state labor negotiator for purposes of negotiating and
 21.24 administering agreements with exclusive representatives of employees and shall perform
 21.25 any other duties delegated by the commissioner subject to the limitations in paragraph (c).

21.26 (c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise
 21.27 the powers under this section for employees included in the units provided in clauses (9),
 21.28 (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to
 21.29 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner
 21.30 shall have the right to review and comment to the Minnesota State Colleges and Universities
 21.31 on the board's final proposals prior to exchange of final positions with the designated

22.1 bargaining units as well as any requests for interest arbitration. The legislature encourages
 22.2 the Board of Trustees, in coordination with the commissioner of management and budget
 22.3 and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining
 22.4 negotiations to seek fiscal balance recognizing the ability of the employer to fund the
 22.5 agreements or awards. ~~When submitting a proposed collective bargaining agreement to the~~
 22.6 ~~Legislative Coordinating Commission and the legislature under section 3.855, subdivision~~
 22.7 ~~2, the Board of Trustees must use procedures and assumptions consistent with those used~~
 22.8 ~~by the commissioner in calculating the costs of the proposed contract. The Legislative~~
 22.9 ~~Coordinating Commission must, when considering a collective bargaining agreement or~~
 22.10 ~~arbitration award submitted by the Board of Trustees, evaluate market conditions affecting~~
 22.11 ~~the employees in the bargaining unit, equity with other bargaining units in the executive~~
 22.12 ~~branch, and the ability of the trustees and the state to fund the agreement or award.~~

22.13 Sec. 35. Minnesota Statutes 2022, section 43A.18, subdivision 1, is amended to read:

22.14 Subdivision 1. **Collective bargaining agreements.** Except as provided in section 43A.01
 22.15 and to the extent they are covered by a collective bargaining agreement, the compensation,
 22.16 terms and conditions of employment for all employees represented by an exclusive
 22.17 representative certified pursuant to chapter 179A shall be governed solely by the collective
 22.18 bargaining agreement executed by the parties ~~and approved by the legislature.~~

22.19 Sec. 36. Minnesota Statutes 2022, section 43A.18, subdivision 9, is amended to read:

22.20 Subd. 9. **Summary information on website.** Before the commissioner submits a
 22.21 ~~proposed collective bargaining agreement, arbitration award, or compensation plan to the~~
 22.22 ~~Legislative Coordinating Commission for review under section 3.855, the commissioner~~
 22.23 ~~must post on a state website a summary of the proposed agreement, award, or plan. The~~
 22.24 ~~summary must include the amount of and nature of proposed changes in employee~~
 22.25 ~~compensation, the estimated cost to the state of proposed changes in employee compensation,~~
 22.26 ~~and a description of proposed significant changes in policy. After approval of an agreement,~~
 22.27 ~~award, or a plan by the Legislative Coordinating Commission, the commissioner must~~
 22.28 ~~provide a link from the commissioner's summary to the full text of the agreement, award,~~
 22.29 ~~or plan. The summary must remain on the website at least until the full legislature has~~
 22.30 ~~approved the agreement, award, or plan. This section also applies to agreements, awards,~~
 22.31 ~~and plans covering employees of the Minnesota State Colleges and Universities and to~~
 22.32 ~~compensation plans that must be submitted to the Legislative Coordinating Commission by~~
 22.33 ~~other executive appointing authorities. The Minnesota State Colleges and Universities and~~
 22.34 ~~other executive appointing authorities must submit information to the commissioner, at a~~

23.1 time and in a manner specified by the commissioner, so the commissioner can post
 23.2 information relating to these appointing authorities on the web as required by this section.

23.3 **EFFECTIVE DATE.** This section is effective July 1, 2023, for negotiated agreements
 23.4 and arbitration decisions effective after July 1, 2023.

23.5 Sec. 37. Minnesota Statutes 2022, section 137.0245, subdivision 2, is amended to read:

23.6 Subd. 2. **Membership.** The Regent Candidate Advisory Council shall consist of 24
 23.7 members. Twelve members shall be appointed by the ~~Subcommittee on Committees of the~~
 23.8 ~~Committee on Rules and Administration~~ majority leader of the senate. Twelve members
 23.9 shall be appointed by the speaker of the house. Each appointing authority must appoint one
 23.10 member who is a student enrolled in a degree program at the University of Minnesota at
 23.11 the time of appointment. No more than one-third of the members appointed by each
 23.12 appointing authority may be current or former legislators. No more than two-thirds of the
 23.13 members appointed by each appointing authority may belong to the same political party;
 23.14 however, political activity or affiliation is not required for the appointment of any member.
 23.15 Geographical representation must be taken into consideration when making appointments.
 23.16 Section 15.0575 shall govern the advisory council, except that:

23.17 (1) the members shall be appointed to six-year terms with one-third appointed each
 23.18 even-numbered year; and

23.19 (2) student members are appointed to two-year terms with two students appointed each
 23.20 even-numbered year.

23.21 A member may not serve more than two full terms.

23.22 Sec. 38. Minnesota Statutes 2022, section 137.0245, is amended by adding a subdivision
 23.23 to read:

23.24 Subd. 6. **Public meetings.** Meetings of the council or subcommittees of the council must
 23.25 be open to the public and are subject to section 3.055.

23.26 Sec. 39. Minnesota Statutes 2022, section 138.081, subdivision 3, is amended to read:

23.27 Subd. 3. **Administration of federal act.** The ~~Department of Administration~~ Minnesota
 23.28 Historical Society is designated as the state agency to administer the provisions of the federal
 23.29 act providing for the preservation of historical and archaeological data, United States Code,
 23.30 title 46 54, sections 469 to 469C section 312501, as amended, insofar as the provisions of
 23.31 the act provide for implementation by the state.

24.1 Sec. 40. Minnesota Statutes 2022, section 138.665, subdivision 2, is amended to read:

24.2 Subd. 2. **Mediation Consultation.** The state, state departments, agencies, and political
 24.3 subdivisions, including the Board of Regents of the University of Minnesota, have a
 24.4 responsibility to protect the physical features and historic character of properties designated
 24.5 in sections 138.662 and 138.664 or listed on the National Register of Historic Places created
 24.6 by Public Law 89-665. Before carrying out any undertaking that will affect designated or
 24.7 listed properties, or funding or licensing an undertaking by other parties, the state department
 24.8 or agency shall consult with the State Historic Preservation Office pursuant to ~~the society's~~
 24.9 the State Historic Preservation Office's established procedures to determine appropriate
 24.10 treatments and to seek ways to avoid and mitigate any adverse effects on designated or
 24.11 listed properties. If the state department or agency and the State Historic Preservation Office
 24.12 agree in writing on a suitable course of action, the project may proceed. If the parties cannot
 24.13 agree, any one of the parties may request that the governor appoint and convene a mediation
 24.14 task force consisting of five members, two appointed by the governor, the chair of the State
 24.15 Review Board of the State Historic Preservation Office, the commissioner of administration
 24.16 or the commissioner's designee, and one member ~~who is not an employee of the Minnesota~~
 24.17 ~~Historical Society~~ appointed by the director of the Minnesota Historical Society. The two
 24.18 appointees of the governor and ~~the one~~ of the director of the society shall be qualified by
 24.19 training or experience in one or more of the following disciplines: (1) history; (2)
 24.20 archaeology; and (3) architectural history. The mediation task force is not subject to the
 24.21 conditions of section 15.059. This subdivision does not apply to section 138.662, subdivision
 24.22 24, and section 138.664, subdivisions 8 and 111.

24.23 Sec. 41. Minnesota Statutes 2022, section 138.912, subdivision 1, is amended to read:

24.24 Subdivision 1. **Establishment.** The healthy eating, here at home program is established
 24.25 to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition
 24.26 Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based farmers'
 24.27 markets, mobile markets, and direct-farmer sales, including community-supported agriculture
 24.28 shares.

24.29 Sec. 42. Minnesota Statutes 2022, section 138.912, subdivision 2, is amended to read:

24.30 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

24.31 (b) "Healthy eating, here at home" means a program administered by the Minnesota
 24.32 Humanities Center to provide incentives for low-income Minnesotans to use SNAP benefits
 24.33 for healthy purchases at Minnesota-based farmers' markets.

25.1 (c) "Healthy purchases" means SNAP-eligible foods.

25.2 (d) "Minnesota-based farmers' market" means a physical market as defined in section
25.3 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer
25.4 sales, including through a community-supported agriculture model.

25.5 (e) "Voucher" means a physical or electronic credit.

25.6 (f) "Eligible household" means an individual or family that is determined to be a recipient
25.7 of SNAP.

25.8 Sec. 43. Minnesota Statutes 2022, section 161.1419, subdivision 2, is amended to read:

25.9 Subd. 2. **Members.** (a) The commission shall be composed of 15 members of whom:

25.10 (1) one shall be appointed by the commissioner of transportation;

25.11 (2) one shall be appointed by the commissioner of natural resources;

25.12 (3) one shall be appointed by the director of Explore Minnesota Tourism;

25.13 (4) one shall be appointed by the commissioner of agriculture;

25.14 (5) one shall be appointed by the director of the Minnesota Historical Society;

25.15 (6) two shall be members of the senate to be appointed by the Committee on Committees;

25.16 (7) two shall be members of the house of representatives to be appointed by the speaker;

25.17 (8) one shall be the secretary appointed pursuant to subdivision 3; and

25.18 (9) five shall be citizen members appointed to staggered four-year terms by the
25.19 commission after receiving recommendations from five citizen committees established by
25.20 the members appointed under clauses (1) to (8), with each citizen committee established
25.21 within and representing each of the following geographic segments along the Mississippi
25.22 River:

25.23 (i) Lake Itasca to but not including the city of Grand Rapids;

25.24 (ii) Grand Rapids to but not including the city of Brainerd;

25.25 (iii) Brainerd to but not including the city of Elk River;

25.26 (iv) Elk River to but not including the city of Hastings; and

25.27 (v) Hastings to the Iowa border.

25.28 Each citizen ~~committee~~ member shall be a resident of the geographic segment that the
25.29 ~~committee and~~ member represents.

26.1 (b) The members of the commission appointed in paragraph (a), clauses (1) to (8), shall
 26.2 serve for a term expiring at the close of each regular session of the legislature and until their
 26.3 successors are appointed.

26.4 (c) Successor members shall be appointed by the same appointing authorities. Members
 26.5 may be reappointed. Any vacancy shall be filled by the appointing authority. The
 26.6 commissioner of transportation, the commissioner of natural resources, and the director of
 26.7 the Minnesota Historical Society shall be ex officio members, and shall be in addition to
 26.8 the 15 members heretofore provided for. Immediately upon making the appointments to the
 26.9 commission the appointing authorities shall so notify the Mississippi River Parkway
 26.10 Commission, hereinafter called the National Commission, giving the names and addresses
 26.11 of the members so appointed.

26.12 Sec. 44. Minnesota Statutes 2022, section 179A.22, subdivision 4, is amended to read:

26.13 Subd. 4. **Agreements.** The commissioner of management and budget is authorized to
 26.14 enter into agreements with exclusive representatives as provided in section 43A.06,
 26.15 subdivision 1, paragraph (b), and subdivision 3. The Board of Trustees of the Minnesota
 26.16 State Colleges and Universities is authorized to enter into agreements with exclusive
 26.17 representatives as provided in section 43A.06, subdivision 1, paragraph (c). The negotiated
 26.18 agreements and ~~any related arbitration decision decisions~~ must be submitted to the legislature
 26.19 to be accepted or rejected in accordance with this section and section 3.855 implemented
 26.20 by the commissioner of management and budget or the Board of Trustees of the Minnesota
 26.21 State Colleges and Universities respectively, following the approval of the tentative
 26.22 agreement by exclusive representatives.

26.23 Sec. 45. Minnesota Statutes 2022, section 383B.32, subdivision 2, is amended to read:

26.24 Subd. 2. **Unclassified service.** (a) The unclassified service comprises:

26.25 (1) officers chosen by election or appointment to fill an elective office;

26.26 (2) members of boards and commissions appointed by the county board;

26.27 (3) physicians, medical residents, interns, and students in training;

26.28 (4) nonsalaried attending medical staff;

26.29 (5) special sheriff's deputies serving without pay;

26.30 (6) seasonal, temporary, provisional, intermittent, and emergency positions;

27.1 (7) positions funded by specific governmental or nongovernmental grants of intermittent
27.2 or limited funding duration;

27.3 (8) the director or principal administrative officer of a department appointed pursuant
27.4 to sections 383B.101 to 383B.103; or appointed by the county board; or appointed for a
27.5 term pursuant to law;

27.6 (9) chief deputy or principal assistant and secretary for each elected official;

27.7 (10) examiner of titles and deputy examiners;

27.8 (11) chief ~~criminal~~ public safety services deputy sheriff, a chief ~~civil adult detention and~~
27.9 court services deputy sheriff, a chief administrative deputy sheriff, ~~and~~ a chief ~~financial~~
27.10 services community relations deputy sheriff, and a chief investigations deputy sheriff;

27.11 (12) public defender;

27.12 (13) county medical examiner;

27.13 (14) office staff appointed by the county administrator pursuant to sections 383B.101
27.14 to 383B.103; and

27.15 (15) county administrator.

27.16 (b) Notwithstanding any contrary provision of other law, any person coming within
27.17 paragraph (a), clause (8), who, on August 1, 2000, is in the classified service, remains in
27.18 the classified service until vacating the position. After that, an appointee to a position
27.19 described in paragraph (a), clause (8), is in the unclassified service.

27.20 Sec. 46. Minnesota Statutes 2022, section 462A.22, subdivision 10, is amended to read:

27.21 Subd. 10. **Audits.** All of the books and records of the agency shall be subject to audit
27.22 by the legislative auditor in the manner prescribed for other agencies of state government.
27.23 The agency is authorized also to employ and to contract in its resolutions and indentures
27.24 for the employment of public accountants for the audit of books and records pertaining to
27.25 any fund or funds. ~~The legislative auditor shall review contracts with public accountants as~~
27.26 ~~provided in section 3.972.~~

28.1 Sec. 47. Minnesota Statutes 2022, section 507.0945, is amended to read:

28.2 **507.0945 ADMINISTRATION.**

28.3 (a) An Electronic Real Estate Recording Commission ~~administered by the Legislative~~
28.4 ~~Coordinating Commission~~ is created to evaluate and ~~must~~ then may adopt standards to
28.5 implement sections 507.0941 to 507.0948.

28.6 (b) The Electronic Real Estate Recording Commission shall consist of the following:

28.7 (1) three members appointed by the Minnesota Association of County Officials who are
28.8 county employees, including one from within the seven-county metropolitan area, one from
28.9 outside the seven-county metropolitan area, and at least one of whom is a county recorder
28.10 and at least one of whom is a registrar of titles;

28.11 (2) one member appointed by the Minnesota Land Title Association;

28.12 (3) one member who represents the Minnesota Bankers Association;

28.13 (4) one member who represents the Section of Real Property Law of the Minnesota State
28.14 Bar Association;

28.15 (5) one nonvoting member who is appointed by the other members of the commission
28.16 and an expert in the technological aspects of electronic real estate recording; and

28.17 (6) one member who is the state archivist appointed pursuant to section 138.17.

28.18 (c) Members of the Electronic Real Estate Recording Commission shall serve four-year
28.19 terms, except that (1) the initial appointments of county employees shall be for two years
28.20 and (2) the expert in the technological aspects of electronic real estate recording shall serve
28.21 at the pleasure of a majority of the other members of the commission. All initial terms shall
28.22 commence on July 1, 2008. Members shall serve until their successors are appointed. Any
28.23 member may be reappointed for successive terms.

28.24 (d) The state archivist shall call the first meeting of the Electronic Real Estate Recording
28.25 Commission. At the first meeting and biennially thereafter, the commission shall elect from
28.26 its membership a chair and vice-chair to serve two-year terms. Meetings may be called by
28.27 the chair or the vice-chair ~~or the director of the Legislative Coordinating Commission.~~
28.28 Meetings shall be held as often as necessary, but at least once a year.

28.29 (e) A majority of the voting members of the Electronic Real Estate Recording
28.30 Commission constitutes a quorum to do business, and a majority of a quorum may act in
28.31 any matter within the jurisdiction of the commission.

29.1 (f) As soon as practicable and as needed thereafter, the Electronic Real Estate Recording
 29.2 Commission shall identify the information technology and any other expertise it requires
 29.3 and report its needs to the ~~Legislative Coordinating Commission. The Electronic Real Estate~~
 29.4 ~~Recording Commission also shall report any other expertise it needs to fulfill its~~
 29.5 ~~responsibilities. The Legislative Coordinating Commission shall provide support services,~~
 29.6 ~~including meeting space, as needed for the Electronic Real Estate Recording Commission~~
 29.7 ~~to carry out its duties in an effective manner. committees of the Minnesota House of~~
 29.8 Representatives and the Minnesota Senate that have jurisdiction.

29.9 Sec. 48. MISSISSIPPI RIVER PARKWAY COMMISSION; CITIZEN MEMBERS.

29.10 Citizens currently appointed to the Mississippi River Parkway Commission under
 29.11 Minnesota Statutes, section 161.1419, subdivision 2, for areas following the geographic
 29.12 segments along the Mississippi River, serve terms as follows:

29.13 (1) citizen member representing Lake Itasca, to but not including the city of Grand
 29.14 Rapids, for a term ending December 31, 2025;

29.15 (2) citizen member representing Grand Rapids, to but not including the city of Brainerd,
 29.16 for a term ending December 31, 2025;

29.17 (3) citizen member representing Brainerd, to but not including the city of Elk River, for
 29.18 a term ending December 31, 2025;

29.19 (4) citizen member representing Elk River, to but not including the city of Hastings, for
 29.20 a term ending December 31, 2027; and

29.21 (5) citizen member representing Hastings, to the Iowa border, for a term ending December
 29.22 31, 2027.

29.23 Sec. 49. REPEALER.

29.24 (a) Minnesota Statutes 2022, section 136F.03, is repealed.

29.25 (b) Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.

29.26 (c) Minnesota Statutes 2022, sections 179.90; and 179.91, are repealed.

29.27 (d) Minnesota Statutes 2022, sections 16B.323, subdivisions 1 and 2; and 16B.326, are
 29.28 repealed.

30.1 **ARTICLE 2**

30.2 **LOCAL GOVERNMENT POLICY**

30.3 Section 1. Minnesota Statutes 2022, section 118A.09, subdivision 1, is amended to read:

30.4 Subdivision 1. **Definition; qualifying government.** (a) "Qualifying government" means:

30.5 (1) a county or statutory or home rule charter city with a population of more than 100,000;

30.6 or

30.7 (2) a county or statutory or home rule charter city ~~which had its most recently issued~~
 30.8 ~~general obligation bonds rated in the highest category by a national bond rating agency; or~~
 30.9 whose most recent long-term, senior, general obligation rating by one or more national
 30.10 rating organizations in the prior 18-month period is AA or higher.

30.11 ~~(3) a self-insurance pool listed in section 471.982, subdivision 3.~~

30.12 (b) A county or statutory or home rule charter city with a population of 100,000 or less
 30.13 that is a qualifying government, but is subsequently ~~rated less than the highest category by~~
 30.14 ~~a national bond rating agency on a general obligation bond issue~~ does not meet the threshold
 30.15 under paragraph (a), clause (2), may not invest additional funds under this section during
 30.16 any time period when it does not meet the threshold, but may continue to manage funds
 30.17 previously invested under subdivision 2.

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

30.19 Sec. 2. Minnesota Statutes 2022, section 118A.09, subdivision 2, is amended to read:

30.20 Subd. 2. **Additional investment authority.** Qualifying governments may invest the
 30.21 amount described in subdivision 3:

30.22 (1) in index mutual funds based in the United States and indexed to a broad market
 30.23 United States equity index, on the condition that index mutual fund investments must be
 30.24 made directly with the main sales office of the fund; or

30.25 (2) with the Minnesota State Board of Investment subject to such terms and minimum
 30.26 amounts as may be adopted by the board. ~~Index mutual fund investments must be made~~
 30.27 ~~directly with the main sales office of the fund.~~

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

31.1 Sec. 3. Minnesota Statutes 2022, section 118A.09, subdivision 3, is amended to read:

31.2 Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2
 31.3 according to the limitations in this subdivision. A qualifying government under subdivision
 31.4 1, clause (1) or (2), may only invest its funds that are held for long-term capital plans
 31.5 authorized by the city council or county board, or long-term obligations of the qualifying
 31.6 government. Long-term obligations of the qualifying government include long-term capital
 31.7 plan reserves, funds held to offset long-term environmental exposure, other postemployment
 31.8 benefit liabilities, compensated absences, and other long-term obligations established by
 31.9 applicable accounting standards.

31.10 (b) Qualifying governments under subdivision 1, clause (1) or (2), may invest up to 15
 31.11 percent of the sum of:

31.12 (1) unassigned cash;

31.13 (2) cash equivalents;

31.14 (3) deposits; and

31.15 (4) investments.

31.16 ~~This (c) The~~ calculation in paragraph (b) must be based on the qualifying government's
 31.17 most recent audited statement of net position, which must be compliant and audited pursuant
 31.18 to governmental accounting and auditing standards. Once the amount invested reaches 15
 31.19 percent of the sum of unassigned cash, cash equivalents, deposits, and investments, no
 31.20 further funds may be invested under this section; however, a qualifying government may
 31.21 continue to manage the funds previously invested under this section even if the total amount
 31.22 subsequently exceeds 15 percent of the sum of unassigned cash, cash equivalents, deposits,
 31.23 and investments.

31.24 ~~(e) A qualified government under subdivision 1, clause (3), may invest up to the lesser~~
 31.25 ~~of:~~

31.26 ~~(1) 15 percent of the sum of its cash, cash equivalents, deposits, and investments; or~~

31.27 ~~(2) 25 percent of its net assets as reported on the pool's most recent audited statement~~
 31.28 ~~of net position, which must be compliant and audited pursuant to governmental accounting~~
 31.29 ~~and auditing standards.~~

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

32.1 Sec. 4. **[118A.10] SELF-INSURANCE POOLS; ADDITIONAL INVESTMENT**
 32.2 **AUTHORITY.**

32.3 Subdivision 1. **Definition.** For the purposes of this section, "qualifying government"
 32.4 means a self-insurance pool listed in section 471.982, subdivision 3.

32.5 Subd. 2. **Additional investment authority.** (a) A qualifying government may invest in
 32.6 the securities specified in section 11A.24, with the exception of specific investments
 32.7 authorized under section 11A.24, subdivision 6, paragraph (a), clauses (1) to (5).

32.8 (b) Investments authorized under this section are subject to the limitations under section
 32.9 11A.24.

32.10 (c) A qualifying government may invest with the State Board of Investment subject to
 32.11 the terms and minimum amounts adopted by the State Board of Investment.

32.12 Subd. 3. **Approval.** Before investing pursuant to this section, the governing body of a
 32.13 qualifying government must adopt an investment policy pursuant to a resolution that includes
 32.14 both of the following statements:

32.15 (1) the governing body understands that investments under this section have a risk of
 32.16 loss; and

32.17 (2) the governing body understands the type of funds that are being invested and the
 32.18 specific investment itself.

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

32.20 Sec. 5. **[134.114] RAMSEY COUNTY LIBRARY ADVISORY BOARD.**

32.21 Subdivision 1. **Appointment.** The Ramsey County Board of Commissioners shall direct,
 32.22 operate, and manage the suburban Ramsey County library system. The county board shall
 32.23 appoint seven members to a suburban Ramsey County Library Advisory Board. All members
 32.24 must reside in the suburban county library service area. The Ramsey County Library Advisory
 32.25 Board shall replace the existing Ramsey County Library Board upon the effective date of
 32.26 this section.

32.27 Subd. 2. **Powers and duties.** The Ramsey County Library Advisory Board shall provide
 32.28 advice and make recommendations on matters pertaining to county library services. The
 32.29 Ramsey County Library Advisory Board shall provide recommendations regarding integrated
 32.30 county service delivery that impacts or is enhanced by library services. The county board
 32.31 may delegate additional powers and duties to the Ramsey County Library Advisory Board.

33.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 33.2 Ramsey County and its chief clerical officer comply with Minnesota Statutes, section
 33.3 645.021, subdivisions 2 and 3.

33.4 Sec. 6. **[134.115] ANOKA COUNTY LIBRARY ADVISORY BOARD.**

33.5 Subdivision 1. **Appointment.** The Anoka County Board of Commissioners shall direct,
 33.6 operate, and manage the suburban Anoka County library system. The county board shall
 33.7 appoint seven members to a suburban Anoka County Library Advisory Board. All members
 33.8 must reside in the suburban county library service area. The Anoka County Library Advisory
 33.9 Board shall replace the existing Anoka County Library Board upon the effective date of
 33.10 this section.

33.11 Subd. 2. **Powers and duties.** The Anoka County Library Advisory Board shall provide
 33.12 advice and make recommendations on matters pertaining to county library services. The
 33.13 Anoka County Library Advisory Board shall provide recommendations regarding integrated
 33.14 county service delivery that impacts or is enhanced by library services. The county board
 33.15 may delegate additional powers and duties to the Anoka County Library Advisory Board.

33.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 33.17 Anoka County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 33.18 subdivisions 2 and 3.

33.19 Sec. 7. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to
 33.20 read:

33.21 Subd. 7. **Multiunit residential property.** "Multiunit residential property" means:

33.22 (1) property classified as class 4a under section 273.13, subdivision 25, paragraph (a);

33.23 (2) condominiums, as defined under section 515A.1-103, clause (7), that are classified
 33.24 as class 1a under section 273.13, subdivision 22, paragraph (a); class 4b under section
 33.25 273.13, subdivision 25, paragraph (b), clause (1); or class 4bb under section 273.13,
 33.26 subdivision 25, paragraph (c), clause (1);

33.27 (3) condominium-type storage units classified as class 4bb under section 273.13,
 33.28 subdivision 25, paragraph (c), clause (3); and

33.29 (4) duplex or triplex property classified as class 1a under section 273.13, subdivision
 33.30 22, paragraph (a); or classified as class 4b under section 273.13, subdivision 25, paragraph
 33.31 (b), clause (1).

34.1 Multiunit residential property does not include any unit that is an affordable housing unit.

34.2 **EFFECTIVE DATE.** This section is effective for the establishment or expansion of a
 34.3 special service district after July 1, 2023.

34.4 Sec. 8. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to
 34.5 read:

34.6 Subd. 8. **Nonresidential property.** "Nonresidential property" means property that is
 34.7 classified under section 273.13 and used for commercial, industrial, or public utility purposes,
 34.8 or is zoned for vacant land or designated on a land use plan for commercial or industrial
 34.9 use.

34.10 **EFFECTIVE DATE.** This section is effective for the establishment or expansion of a
 34.11 special service district after July 1, 2023.

34.12 Sec. 9. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to
 34.13 read:

34.14 Subd. 9. **Nonresidential owners.** "Nonresidential owners" means the owners of 50
 34.15 percent or more of the land area of property subject to service charges on nonresidential
 34.16 property in a proposed or existing special service district and either the: (1) owners of 50
 34.17 percent or more of the net tax capacity of property subject to a proposed or existing service
 34.18 charge, based on net tax capacity; or (2) owners, individuals, and business organizations
 34.19 subject to 50 percent or more of a proposed or existing service charge using a basis other
 34.20 than net tax capacity.

34.21 **EFFECTIVE DATE.** This section is effective for the establishment or expansion of a
 34.22 special service district after July 1, 2023.

34.23 Sec. 10. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision
 34.24 to read:

34.25 Subd. 10. **Affordable housing unit.** "Affordable housing unit" means a residential unit
 34.26 affordable to households with incomes at or below 80 percent of area median income.

34.27 Sec. 11. Minnesota Statutes 2022, section 428A.02, subdivision 1, is amended to read:

34.28 Subdivision 1. **Ordinance.** The governing body of a city may adopt an ordinance
 34.29 establishing a special service district. Except as otherwise provided in section 428A.021,
 34.30 only nonresidential property ~~that is classified under section 273.13 and used for commercial,~~

35.1 ~~industrial, or public utility purposes, or is vacant land zoned or designated on a land use~~
 35.2 ~~plan for commercial or industrial use and~~ located in the special service district, may be
 35.3 subject to the charges imposed by the city on the special service district. Other types of
 35.4 property may be included within the boundaries of the special service district but are not
 35.5 subject to the levies or charges imposed by the city on the special service district, unless
 35.6 nonresidential owners, as defined in section 428A.01, subdivision 9, make an election under
 35.7 section 428A.021. If 50 percent or more of the estimated market value of a parcel of property
 35.8 is classified under section 273.13 as commercial, industrial, or vacant land zoned or
 35.9 designated on a land use plan for commercial or industrial use, or public utility for the
 35.10 current assessment year, then the entire taxable market value of the property is subject to a
 35.11 service charge based on net tax capacity for purposes of sections 428A.01 to 428A.10. The
 35.12 ordinance shall describe with particularity the area within the city to be included in the
 35.13 district and the special services to be furnished in the district. The ordinance may not be
 35.14 adopted until after a public hearing has been held on the question. Notice of the hearing
 35.15 shall include the time and place of hearing, a map showing the boundaries of the proposed
 35.16 district, and a statement that all persons owning property in the proposed district that would
 35.17 be subject to a service charge will be given opportunity to be heard at the hearing. Within
 35.18 30 days after adoption of the ordinance under this subdivision, the governing body shall
 35.19 send a copy of the ordinance to the commissioner of revenue.

35.20 **EFFECTIVE DATE.** This section is effective for the establishment or expansion of a
 35.21 special service district after July 1, 2023.

35.22 Sec. 12. **[428A.021] ELECTION TO INCLUDE MULTIUNIT RESIDENTIAL**
 35.23 **PROPERTY.**

35.24 Subdivision 1. **Multiunit residential property; new districts; election.** Prior to filing
 35.25 a petition with the city clerk under section 428A.08, nonresidential owners may elect to
 35.26 subject multiunit residential property to the charges imposed by the city on a special service
 35.27 district. The election must be filed with the city clerk. If an election is made, for purposes
 35.28 of section 428A.08, "property" includes multiunit residential property.

35.29 Subd. 2. **Multiunit residential property; in-district expansion.** Nonresidential owners
 35.30 may elect to expand the district to subject multiunit residential property to the charges for
 35.31 the district. The election must be filed with the city clerk. The city must provide for a hearing
 35.32 and notice on the expansion as required in sections 428A.02 and 428A.03. Notice must be
 35.33 served in the original district and must include the property proposed to be added to the
 35.34 district. Multiunit residential property added to the district is subject to all service charges

36.1 imposed within the district after the property becomes a part of the district. On the question
 36.2 of whether to expand a district to include multiunit residential property, the petition
 36.3 requirement in section 428A.08 and the veto power in section 428A.09 apply to all owners,
 36.4 individuals, and business organizations that would be subject to the charges for the district.

36.5 Subd. 3. **Multiunit residential property; enlargement of boundaries.** Prior to the
 36.6 hearing and notice requirements in section 428A.04, a majority of the petitioners seeking
 36.7 enlargement of a district under section 428A.04 may elect to expand the proposed
 36.8 enlargement to subject multiunit residential property to the charges imposed by the city on
 36.9 a special service district. The election must be filed with the city clerk.

36.10 Subd. 4. **Common interest communities.** A unit in a common interest community, as
 36.11 defined under section 515B.1-103, clause (10), may only be included in a district under this
 36.12 section if the district will provide services not provided by the unit owner's association, as
 36.13 defined in section 515B.1-103, clause (4).

36.14 **EFFECTIVE DATE.** This section is effective for the establishment, expansion, or
 36.15 enlargement of a special service district after July 1, 2023.

36.16 Sec. 13. **[471.585] MUNICIPAL HOTEL LICENSING.**

36.17 (a) A statutory or home rule charter city or a town may adopt an ordinance requiring
 36.18 hotels as defined in section 327.70, subdivision 3, operating within the boundaries of the
 36.19 city or town to have a valid license issued by the city or town. An annual fee for a license
 36.20 under this section may not exceed \$150.

36.21 (b) An ordinance adopted under this section is limited to requiring compliance with state
 36.22 and local laws as a condition of licensure. No other licensing conditions or requirements
 36.23 are permitted.

36.24 (c) A city or town that has adopted an ordinance under this section may refuse to issue
 36.25 a license, or may revoke an existing license, if the hotel fails to comply with the conditions
 36.26 of the license.

36.27 Sec. 14. Minnesota Statutes 2022, section 473.606, subdivision 5, is amended to read:

36.28 Subd. 5. **Employees, others, affirmative action; prevailing wage.** The corporation
 36.29 shall have the power to appoint engineers and other consultants, attorneys, and such other
 36.30 officers, agents, and employees as it may see fit, who shall perform such duties and receive
 36.31 such compensation as the corporation may determine ~~notwithstanding the provisions of~~
 36.32 ~~section 43A.17, subdivision 9,~~ and be removable at the pleasure of the corporation. The

37.1 corporation must adopt an affirmative action plan, which shall be submitted to the appropriate
37.2 agency or office of the state for review and approval. The plan must include a yearly progress
37.3 report to the agency or office. Whenever the corporation performs any work within the
37.4 limits of a city of the first class, or establishes a minimum wage for skilled or unskilled
37.5 labor in the specifications or any contract for work within one of the cities, the rate of pay
37.6 to such skilled and unskilled labor must be the prevailing rate of wage for such labor in that
37.7 city.

37.8 **Sec. 15. MUNICIPAL BUILDING COMMISSION DISSOLUTION.**

37.9 **Subdivision 1. Preemption.** This section supersedes any other law, home rule charter
37.10 provision, and city ordinance to the contrary.

37.11 **Subd. 2. Definitions.** (a) For the purposes of this section, the terms defined in this section
37.12 have the meanings given unless the context indicates otherwise.

37.13 (b) "City hall and courthouse" means the city hall building and courthouse owned by
37.14 the city of Minneapolis and Hennepin County and under the care and control of the Municipal
37.15 Building Commission pursuant to Minnesota Statutes, sections 383B.75 to 383B.754.

37.16 (c) "Dissolution date" means the day after the Municipal Building Commission, the city
37.17 of Minneapolis, and Hennepin County fully execute the transactional documents.

37.18 (d) "Municipal Building Commission" means the entity created by Minnesota Statutes,
37.19 section 383B.75.

37.20 (e) "Transactional documents" means the agreements and documents, including any real
37.21 estate ownership structure or joint powers agreement under Minnesota Statutes, section
37.22 471.59, needed to effectuate the efficient dissolution of the Municipal Building Commission
37.23 pursuant to this section.

37.24 **Subd. 3. Transfer of assets.** Notwithstanding any other law to the contrary, the
37.25 transaction documents shall provide for the transfer of all assets of the Municipal Building
37.26 Commission including but not limited to all furniture, fixtures, equipment, and other personal
37.27 property of the Municipal Building Commission to the city of Minneapolis or other legal
37.28 entity as necessary and appropriate for the use of the assets in the ongoing operation and
37.29 management of the city hall and courthouse.

37.30 **Subd. 4. Municipal Building Commission dissolution.** (a) Notwithstanding any other
37.31 law or home rule charter provision to the contrary, the Municipal Building Commission
37.32 and all its functions will be dissolved upon the dissolution date.

38.1 (b) The transactional documents must include how the city of Minneapolis and Hennepin
38.2 County will manage the outstanding liabilities of the Municipal Building Commission that
38.3 exist as of the dissolution date.

38.4 Subd. 5. Transactional documents; agreements. (a) The Municipal Building
38.5 Commission, city of Minneapolis, and Hennepin County may execute transactional
38.6 documents to effectuate the transfer of assets and dissolution provided for in this section.

38.7 (b) The Municipal Building Commission, city of Minneapolis, and the representatives
38.8 of the Municipal Building Commission employees must reach an agreement addressing the
38.9 impact of a dissolution on employees before fully executing the transactional documents.

38.10 (c) The Municipal Building Commission, city of Minneapolis, and Hennepin County
38.11 must fully execute the transactional documents before the filing of a certificate of local
38.12 approval of this section.

38.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
38.14 city of Minneapolis and its chief clerical officer comply with Minnesota Statutes, section
38.15 645.021, subdivisions 2 and 3.

38.16 **Sec. 16. ST. PAUL; DESIGN-BUILD AUTHORIZATION.**

38.17 Notwithstanding Minnesota Statutes, section 471.345, or any other law to the contrary,
38.18 the city of St. Paul may solicit and award a design-build contract for the East Side Skate
38.19 Park project at Eastside Heritage Park on the basis of a best value selection process. The
38.20 city must consider at least three proposals when awarding a design-build contract under this
38.21 section.

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

38.23 **Sec. 17. REPEALER.**

38.24 (a) Minnesota Statutes 2022, section 43A.17, subdivision 9, is repealed.

38.25 (b) Minnesota Statutes 2022, sections 383B.75; 383B.751; 383B.752; 383B.753; and
38.26 383B.754, are repealed.

38.27 **Sec. 18. EFFECTIVE DATE.**

38.28 Sections 14 and 17, paragraph (a), are effective the day following final enactment."

38.30 Delete the title and insert:

39.1

"A bill for an act

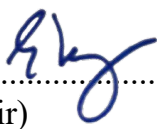
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relating to state government; designating the state fire museum; changing provisions in state government operations; modifying enabling statutes for the Legislative Commission on Cybersecurity; modifying provisions related to the Office of the Legislative Auditor and the Legislative Audit Commission; authorizing forms of collateral for state deposits; modifies procedures for challenging accuracy of government data; modifies provisions relating to the Legislative Salary Council; modifying senate confirmation process for appointee nominations; modifying the targeted small business contracting program; modifying provisions related to the Regent Candidate Advisory Council; modifying provisions related to the State Historical Society; modifying the Healthy Eating, Here at Home program; modifies provisions relating the Mississippi River Parkway Commission membership terms; modifies the classified status of several positions in public safety; eliminating legislative action on collective bargaining agreements and arbitration decisions; moving and modifying the Office of Collaboration and Dispute Resolution; creating the Office of Enterprise Sustainability; eliminates the Candidate Advisory Council; modifies the setting of a fee for electric vehicles chargers for public use on the Capitol complex; modifies provisions related local government; amending Minnesota Statutes 2022, sections 3.303, subdivision 6; 3.855, subdivisions 2, 3, 5; 3.888, subdivision 5, by adding subdivisions; 3.97, subdivision 2; 3.972, subdivision 3; 3.978, subdivision 2; 3.979, subdivisions 2, 3, by adding a subdivision; 9.031, subdivision 3; 13.04, subdivision 4; 15.066, by adding a subdivision; 15A.0825, subdivisions 1, 2, 3, 4; 16B.32, subdivisions 1, 1a; 16B.58, by adding a subdivision; 16B.87, subdivision 2; 16C.16, subdivisions 6, 6a, 7; 16C.19; 16C.36; 43A.06, subdivision 1; 43A.18, subdivisions 1, 9; 118A.09, subdivisions 1, 2, 3; 137.0245, subdivision 2, by adding a subdivision; 138.081, subdivision 3; 138.665, subdivision 2; 138.912, subdivisions 1, 2; 161.1419, subdivision 2; 179A.22, subdivision 4; 383B.32, subdivision 2; 428A.01, by adding subdivisions; 428A.02, subdivision 1; 462A.22, subdivision 10; 473.606, subdivision 5; 507.0945; proposing coding for new law in Minnesota Statutes, chapters 1; 16B; 118A; 134; 428A; 471; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 16B.323, subdivisions 1, 2; 16B.326; 43A.17, subdivision 9; 136F.03; 179.90; 179.91; 383B.75; 383B.751; 383B.752; 383B.753; 383B.754."

39.34 And when so amended the bill do pass. Amendments adopted. Report adopted.

39.35
39.36

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(Committee Chair)



39.37
39.38

March 23, 2023.....
(Date of Committee recommendation)