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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **1008**

February 23, 2009

Authored by Solberg, Seifert, Eken, Sertich, Hausman and others
The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to commerce; modifying grant timing and requirements for public
1.3 television and noncommercial radio stations; requiring a report; amending
1.4 Minnesota Statutes 2008, sections 129D.13; 129D.14, subdivisions 5, 6;
1.5 129D.155; proposing coding for new law in Minnesota Statutes, chapter 129D.

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

1.7 Section 1. Minnesota Statutes 2008, section 129D.13, is amended to read:

1.8 **129D.13 GRANTS.**

1.9 Subdivision 1. **Distribution.** The commissioner shall distribute the money provided
1.10 by sections 129D.11 to 129D.13. ~~Twice~~ Annually the commissioner shall make block
1.11 grants which shall be distributed in equal amounts to public stations for operational costs.
1.12 The commissioner shall allocate money appropriated for the purposes of sections 129D.11
1.13 to 129D.13 in such a manner that each eligible public station receives a block grant. In
1.14 addition, the commissioner shall make matching grants to public stations. Matching grants
1.15 shall be used for operational costs and shall be allocated using the procedure developed
1.16 for distribution of state money under this section for grants made in fiscal year 1979. No
1.17 station's matching grant in any fiscal year shall exceed the amount of Minnesota-based
1.18 contributions received by that station in the previous fiscal year. Grants made pursuant to
1.19 this subdivision may only be given to those federally licensed stations that are certified as
1.20 eligible for community service grants through the Corporation for Public Broadcasting.
1.21 Grant funds not expended by a station during the first year of the biennium do not cancel
1.22 and may be carried over into the second fiscal year.

1.23 Subd. 2. **Exclusions from contribution amount.** In calculating the amount of
1.24 contributions received by a public station pursuant to subdivision 1, there shall be

2.1 excluded: contributions, whether monetary or in kind, from the Corporation for Public
 2.2 Broadcasting; tax generated funds, including payments by public or private elementary
 2.3 and secondary schools; that portion of any foundation or corporation donation in excess
 2.4 of ~~\$500~~ \$2,500 from any one contributor in ~~a calendar~~ the previous station fiscal year;
 2.5 contributions from any source if made for the purpose of capital expenditures; and
 2.6 contributions from all sources based outside the state.

2.7 Subd. 3. **Report.** Each ~~educational~~ station receiving a grant shall ~~annually~~ report by
 2.8 ~~July 1~~ to the commissioner the purposes for which the money was used in the past ~~fiscal~~
 2.9 ~~year~~ biennium and the anticipated use of the money in the next ~~fiscal year~~ biennium. This
 2.10 report shall be submitted along with a new grant request submission. ~~The report shall be~~
 2.11 ~~certified by an independent auditor or a certified public accountant.~~ If the report is not
 2.12 submitted by ~~September 1~~, the commissioner ~~may withhold from the educational station~~
 2.13 ~~45 percent of the amount to which it was entitled based upon the contribution of the~~
 2.14 ~~previous fiscal year, and may redistribute that money to other educational stations.~~

2.15 Subd. 4. **Program categories and funding programs.** The Board of the Arts
 2.16 may develop program categories and funding programs in television, film and other
 2.17 public media.

2.18 Sec. 2. Minnesota Statutes 2008, section 129D.14, subdivision 5, is amended to read:

2.19 Subd. 5. **State community service block grants.** (a) The commissioner shall
 2.20 determine eligibility for block grants and the allocation of block grant money on the basis
 2.21 of audited financial records of the station to receive the block grant funds for the station's
 2.22 fiscal year preceding the year in which the grant is made, as well as on the basis of the
 2.23 other requirements set forth in this section. The commissioner shall annually distribute
 2.24 block grants equally to all stations that comply with the eligibility requirements and for
 2.25 which a licensee applies for a block grant. Grant funds not expended by a station during
 2.26 the first year of the biennium do not cancel and may be carried over into the second fiscal
 2.27 year. The commissioner may promulgate rules to implement this section.

2.28 (b) A station may use grant money under this section for any radio station expenses.

2.29 Sec. 3. Minnesota Statutes 2008, section 129D.14, subdivision 6, is amended to read:

2.30 Subd. 6. **Audit.** A station that receives a grant under this section shall have an
 2.31 audit of its financial records made by an independent auditor or Corporation for Public
 2.32 Broadcasting accepted audit at the end of the fiscal year for which it received the grant.
 2.33 ~~The audit shall include a review of station promotion, operation, and management and an~~
 2.34 ~~analysis of the station's use of the grant money.~~ A copy of the most recent audit shall be

3.1 filed with the commissioner. ~~If neither is available,~~ The commissioner may accept a letter
3.2 of negative assurance from an independent auditor or a certified public accountant.

3.3 Sec. 4. **[129D.151] REPORT.**

3.4 Before receiving funding under sections 129D.11 to 129D.14, a public radio or
3.5 public television station or network that is to receive funding must agree to submit an
3.6 annual report to the commissioner. The report must list all sources of revenue for the
3.7 station or network and any for-profit subsidiaries. This must include all federal, state, or
3.8 local funds received; private and corporate gifts, grants, and other donations, including
3.9 conditions placed on the use of these; and investment earnings.

3.10 Sec. 5. Minnesota Statutes 2008, section 129D.155, is amended to read:

3.11 **129D.155 REPAYMENT OF FUNDS.**

3.12 State funds distributed to public television or noncommercial radio stations and used
3.13 to purchase equipment assets must be repaid to the state, without interest, if the assets
3.14 purchased with these funds are sold within five years or otherwise converted to a person
3.15 other than a nonprofit or municipal corporation. The amount due to the state shall be the
3.16 net amount realized from the sale of the assets, but shall not exceed the amount of state
3.17 funds advanced for the purchase of the asset. ~~Public television and noncommercial radio~~
3.18 ~~stations receiving state funds must report biennially to the legislature on the location and~~
3.19 ~~usage of assets purchased with state funds.~~

3.20 Sec. 6. **EFFECTIVE DATE.**

3.21 Sections 1 to 5 are effective the day following final enactment.