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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH  
SESSION

HOUSE FILE No. 2

January 10, 2011

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The bill was read for the first time and referred to the Committee on Government Operations and Elections

January 31, 2011

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on State Government Finance

April 28, 2011

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to state government; adding performance data to be used in budget  
1.3 proposal; requiring zero-based budgeting; establishing a sunset advisory  
1.4 commission and sunset process for state agencies; amending Minnesota Statutes  
1.5 2010, sections 16A.10, subdivisions 1a, 1b, 1c; 16A.103, subdivision 1a; 16A.11,  
1.6 subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 16A;  
1.7 proposing coding for new law as Minnesota Statutes, chapter 3D.

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

1.9 ARTICLE 1

1.10 PERFORMANCE DATA; ZERO-BASED BUDGETING

1.11 Section 1. Minnesota Statutes 2010, section 16A.10, subdivision 1a, is amended to read:

1.12 Subd. 1a. **Purpose of performance data.** Performance data shall be presented in  
1.13 the budget proposal to:

1.14 (1) provide information so that the legislature can determine the extent to which  
1.15 state programs and activities are successful;

1.16 (2) encourage agencies to develop clear and measurable goals and objectives for  
1.17 their programs and activities; and

1.18 (3) strengthen accountability to Minnesotans by providing a record of state  
1.19 government's performance in providing effective and efficient services.

1.20 Sec. 2. Minnesota Statutes 2010, section 16A.10, subdivision 1b, is amended to read:

1.21 Subd. 1b. **Performance data format.** (a) As part of the budget proposal, agencies  
1.22 shall:

1.23 (1) describe the goals and objectives of each agency program and activity; and

2.1 (2) present performance data that measures the performance of programs and  
2.2 activities in meeting ~~program~~ goals and objectives.

2.3 (b) Measures reported must be outcome-based and objective, and may include  
2.4 indicators of outputs, efficiency, ~~outcomes~~, and other measures relevant to understanding  
2.5 each program and activity.

2.6 (c) Agencies shall present as much historical information as needed to understand  
2.7 major trends and shall set targets for future performance issues ~~where feasible and~~  
2.8 ~~appropriate~~. The information shall appropriately highlight agency performance issues that  
2.9 would assist legislative review and decision making.

2.10 (d) For purposes of this subdivision, subdivision 1a, and section 16A.106, the terms  
2.11 "program" and "activity" are used in the same manner as the terms are used in state  
2.12 budgeting. However, the commissioner may authorize an agency to define these terms in a  
2.13 different manner if that allows for a more effective presentation of performance data.

2.14 Sec. 3. Minnesota Statutes 2010, section 16A.10, subdivision 1c, is amended to read:

2.15 Subd. 1c. **Performance measures for change items.** For each change item in the  
2.16 budget proposal requesting new or increased funding, the budget document must present  
2.17 proposed performance measures that can be used to determine if the new or increased  
2.18 funding is accomplishing its goals. To the extent possible, each budget change item  
2.19 must identify relevant Minnesota Milestones and other statewide goals and indicators  
2.20 related to the proposed initiative. ~~The commissioner must report to the Subcommittee on~~  
2.21 ~~Government Accountability established under section 3.885, subdivision 10, regarding the~~  
2.22 ~~format to be used for the presentation and selection of Minnesota Milestones and other~~  
2.23 ~~statewide goals and indicators.~~

2.24 Sec. 4. Minnesota Statutes 2010, section 16A.103, subdivision 1a, is amended to read:

2.25 Subd. 1a. **Forecast parameters.** The forecast must assume the continuation of  
2.26 current laws and reasonable estimates of projected growth in the national and state  
2.27 economies and affected populations. Revenue must be estimated for all sources provided  
2.28 for in current law. Expenditures must be estimated for all obligations imposed by law and  
2.29 those projected to occur as a result of variables outside the control of the legislature.  
2.30 Expenditures for the current biennium must be based on actual appropriations or, for  
2.31 forecasted programs, the amount needed to fund the formula in law. The base for  
2.32 expenditures projections for the next biennium is the amount appropriated in the second  
2.33 year of the current biennium, except as provided by other law, or, for forecasted programs,

3.1 the amount needed to fund the formula in law. Expenditure estimates must not include an  
3.2 allowance for inflation.

3.3 **Sec. 5. [16A.106] ZERO-BASED BUDGETING PRINCIPLES.**

3.4 (a) The detailed budget presented to the legislature must include:

3.5 (1) a description of each budget activity for which the agency or entity receives  
3.6 an appropriation in the current biennium or for which the agency or entity requests an  
3.7 appropriation in the next biennium;

3.8 (2) for each budget activity, three alternative funding levels or alternative ways of  
3.9 performing the budget activity, at least one of which is less than the previous biennium's  
3.10 actual expenditures for that budget activity, a summary of the priorities that would be  
3.11 accomplished within each level compared to a zero budget, and the additional increments  
3.12 of value that would be added by the higher funding levels compared to what would be  
3.13 accomplished if there were no funding for the activity; and

3.14 (3) for each budget activity, performance data as specified in section 16A.10,  
3.15 subdivision 1b, the predicted effect of the three alternative funding levels on future  
3.16 performance, and also one or more measures of cost efficiency and effectiveness of  
3.17 program delivery, which must include comparisons to other states or entities with similar  
3.18 programs.

3.19 (b) The commissioner's budget preparation guidelines and instructions must contain  
3.20 requirements, deadlines, and technical assistance to facilitate implementation of this  
3.21 section. After consultation with the legislative commission on planning and fiscal policy,  
3.22 the commissioner's instructions may establish parameters for the three alternative funding  
3.23 levels required in paragraph (a), clause (3).

3.24 (c) The governor's recommendations must prioritize the budget activities within an  
3.25 agency or program area. To the extent activities in more than one agency or program area  
3.26 are meeting the same goals, the recommendations must prioritize budget activities across  
3.27 agencies or programs with the same goals, and this prioritization must include agencies or  
3.28 programs not subject to zero-based budgeting principles that biennium.

3.29 (d) Expenditures for debt service under section 16A.641, subdivision 10, are not  
3.30 subject to zero-based budgeting principles.

3.31 **EFFECTIVE DATE.** (a) The zero-based budgeting principles in this section first  
3.32 apply to the following budgets proposals for the biennium beginning July 1, 2013:

3.33 (1) legislative branch;

3.34 (2) judicial branch;

3.35 (3) Minnesota State Colleges and Universities system; and

4.1 (4) approximately half of expenditure programs in the executive branch, designated  
4.2 by the governor, in consultation with the chairs and lead minority members of the senate  
4.3 Finance Committee and the house of representatives Ways and Means Committee.

4.4 (b) The zero-based budgeting principles in this section apply to all budget proposals  
4.5 for the biennium beginning July 1, 2015, and after.

4.6 Sec. 6. Minnesota Statutes 2010, section 16A.11, subdivision 3, is amended to read:

4.7 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget  
4.8 estimates both of expenditures and revenues, must contain any statements on the financial  
4.9 plan which the governor believes desirable or which may be required by the legislature.  
4.10 The detailed estimates shall include the governor's budget arranged in tabular form.

4.11 (b) For programs designated for the zero-based budgeting principles under section  
4.12 16A.106, the budget must be prepared according to the requirements of that section.

4.13 (c) For programs not designated for zero-based budgeting principles under section  
4.14 16A.106, tables listing expenditures for the next biennium must show the appropriation  
4.15 base for each year as defined in section 16A.103, subdivision 1c. ~~The appropriation base~~  
4.16 ~~is the amount appropriated for the second year of the current biennium.~~ The tables must  
4.17 separately show any adjustments to the base required by current law or policies of the  
4.18 commissioner of management and budget. For forecasted programs, the tables must also  
4.19 show the amount of the forecast adjustments, based on the most recent forecast prepared  
4.20 by the commissioner of management and budget under section 16A.103. For all programs,  
4.21 the tables must show the amount of appropriation changes recommended by the governor,  
4.22 after adjustments to the base and forecast adjustments, and the total recommendation of  
4.23 the governor for that year.

4.24 ~~(e)~~ (d) The detailed estimates must include a separate line listing the total cost of  
4.25 professional and technical service contracts for the prior biennium and the projected costs  
4.26 of those contracts for the current and upcoming biennium. They must also include a  
4.27 summary of the personnel employed by the agency, reflected as full-time equivalent  
4.28 positions.

4.29 ~~(d)~~ (e) The detailed estimates for internal service funds must include the number of  
4.30 full-time equivalents by program; detail on any loans from the general fund, including  
4.31 dollar amounts by program; proposed investments in technology or equipment of \$100,000  
4.32 or more; an explanation of any operating losses or increases in retained earnings; and a  
4.33 history of the rates that have been charged, with an explanation of any rate changes and  
4.34 the impact of the rate changes on affected agencies.

## ARTICLE 2

## MINNESOTA SUNSET ACT

Section 1. [3D.01] SHORT TITLE.

This chapter may be cited as the "Minnesota Sunset Act."

Sec. 2. [3D.02] DEFINITIONS.

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Advisory committee.** "Advisory committee" means a committee, council, commission, or other entity created under state law whose primary function is to advise a state agency.

Subd. 3. **Commission.** "Commission" means the Sunset Advisory Commission.

Subd. 4. **State agency.** "State agency" means an agency expressly made subject to this chapter.

Sec. 3. [3D.03] SUNSET ADVISORY COMMISSION.

Subdivision 1. **Membership.** The Sunset Advisory Commission consists of 12 members appointed as follows:

(1) five senators and one public member, appointed according to the rules of the senate, with no more than three senators from the majority caucus; and

(2) five members of the house of representatives and one public member, appointed by the speaker of the house, with no more than three of the house members from the majority caucus.

Subd. 2. **Public member restrictions.** An individual is not eligible for appointment as a public member if the individual or the individual's spouse is:

(1) regulated by a state agency that the commission will review during the term for which the individual would serve;

(2) employed by, participates in the management of, or directly or indirectly has more than a ten percent interest in a business entity or other organization regulated by a state agency the commission will review during the term for which the individual would serve; or

(3) required to register as a lobbyist under chapter 10A because of the person's activities for compensation on behalf of a profession or entity related to the operation of an agency under review.

Subd. 3. **Removal.** (a) It is a ground for removal of a public member from the commission if the member does not have the qualifications required by subdivision 2

6.1 for appointment to the commission at the time of appointment or does not maintain the  
6.2 qualifications while serving on the commission. The validity of the commission's action is  
6.3 not affected by the fact that it was taken when a ground for removal of a public member  
6.4 from the commission existed.

6.5 (b) Except as provided in paragraph (a), a public member may be removed only as  
6.6 provided in section 15.0575, subdivision 4.

6.7 Subd. 4. **Terms.** Legislative members serve at the pleasure of the appointing  
6.8 authority. Public members serve two-year terms expiring the first Monday in January of  
6.9 each odd-numbered year.

6.10 Subd. 5. **Limits.** Members are subject to the following restrictions:

6.11 (1) after an individual serves four years on the commission, the individual is not  
6.12 eligible for appointment to another term or part of a term;

6.13 (2) a legislative member who serves a full term may not be appointed to an  
6.14 immediately succeeding term; and

6.15 (3) a public member may not serve consecutive terms, and, for purposes of this  
6.16 prohibition, a member is considered to have served a term only if the member has served  
6.17 more than one-half of the term.

6.18 Subd. 6. **Appointments.** Appointments must be made before the first Monday of  
6.19 January of each odd-numbered year.

6.20 Subd. 7. **Legislative members.** If a legislative member ceases to be a member  
6.21 of the legislative body from which the member was appointed, the member vacates  
6.22 membership on the commission.

6.23 Subd. 8. **Vacancies.** If a vacancy occurs, the appointing authority shall appoint a  
6.24 person to serve for the remainder of the unexpired term in the same manner as the original  
6.25 appointment.

6.26 Subd. 9. **Officers.** The commission shall have a chair and vice-chair as presiding  
6.27 officers.

6.28 Subd. 10. **Quorum; voting.** Seven members of the commission constitute a  
6.29 quorum. A final action or recommendation may not be made unless approved by a  
6.30 recorded vote of at least seven members. All other actions by the commission shall be  
6.31 decided by a majority of the members present and voting.

6.32 Subd. 11. **Compensation.** Each public member shall be reimbursed for expenses  
6.33 as provided in section 15.0575. Compensation for legislators is as determined by the  
6.34 members' legislative chamber.

6.35 Sec. 4. **[3D.04] STAFF.**

7.1 The Legislative Coordinating Commission shall provide staff and administrative  
7.2 services for the commission.

7.3 **Sec. 5. [3D.05] RULES.**

7.4 The commission may adopt rules necessary to carry out this chapter.

7.5 **Sec. 6. [3D.06] AGENCY REPORT TO COMMISSION.**

7.6 Before September 1 of the odd-numbered year before the year in which a state  
7.7 agency is sunset, the agency commissioner shall report to the commission:

7.8 (1) information regarding the application to the agency of the criteria in section  
7.9 3D.10;

7.10 (2) a priority-based budget for the agency;

7.11 (3) an inventory of all boards, commissions, committees, and other entities related  
7.12 to the agency; and

7.13 (4) any other information that the agency commissioner considers appropriate or that  
7.14 is requested by the commission.

7.15 **Sec. 7. [3D.07] COMMISSION DUTIES.**

7.16 Before January 1 of the year in which a state agency subject to this chapter and its  
7.17 advisory committees are sunset, the commission shall:

7.18 (1) review and take action necessary to verify the reports submitted by the agency;  
7.19 and

7.20 (2) conduct a review of the agency based on the criteria provided in section 3D.10  
7.21 and prepare a written report.

7.22 **Sec. 8. [3D.08] PUBLIC HEARINGS.**

7.23 Before February 1 of the year a state agency subject to this chapter and its advisory  
7.24 committees are sunset, the commission shall conduct public hearings concerning but not  
7.25 limited to the application to the agency of the criteria provided in section 3D.10.

7.26 **Sec. 9. [3D.09] COMMISSION REPORT.**

7.27 By February 1 of each even-numbered year, the commission shall present to the  
7.28 legislature and the governor a report on the agencies and advisory committees reviewed.

7.29 In the report the commission shall include:

7.30 (1) its findings regarding the criteria prescribed by section 3D.10;

7.31 (2) its recommendations based on the matters prescribed by section 3D.11; and

8.1 (3) other information the commission considers necessary for a complete review  
8.2 of the agency.

8.3 Sec. 10. **[3D.10] CRITERIA FOR REVIEW.**

8.4 The commission and its staff shall consider the following criteria in determining  
8.5 whether a public need exists for the continuation of a state agency or its advisory  
8.6 committees or for the performance of the functions of the agency or its advisory  
8.7 committees:

8.8 (1) the efficiency and effectiveness with which the agency or the advisory committee  
8.9 operates;

8.10 (2) an identification of the mission, goals, and objectives intended for the agency or  
8.11 advisory committee and of the problem or need that the agency or advisory committee  
8.12 was intended to address and the extent to which the mission, goals, and objectives have  
8.13 been achieved and the problem or need has been addressed;

8.14 (3) an identification of any activities of the agency in addition to those granted by  
8.15 statute and of the authority for those activities and the extent to which those activities  
8.16 are needed;

8.17 (4) an assessment of authority of the agency relating to fees, inspections,  
8.18 enforcement, and penalties;

8.19 (5) whether less restrictive or alternative methods of performing any function that  
8.20 the agency performs could adequately protect or provide service to the public;

8.21 (6) the extent to which the jurisdiction of the agency and the programs administered  
8.22 by the agency overlap or duplicate those of other agencies, the extent to which the agency  
8.23 coordinates with those agencies, and the extent to which the programs administered by the  
8.24 agency can be consolidated with the programs of other state agencies;

8.25 (7) the promptness and effectiveness with which the agency addresses complaints  
8.26 concerning entities or other persons affected by the agency, including an assessment of the  
8.27 agency's administrative hearings process;

8.28 (8) an assessment of the agency's rulemaking process and the extent to which the  
8.29 agency has encouraged participation by the public in making its rules and decisions and  
8.30 the extent to which the public participation has resulted in rules that benefit the public;

8.31 (9) the extent to which the agency has complied with federal and state laws and  
8.32 applicable rules regarding equality of employment opportunity and the rights and privacy  
8.33 of individuals, and state law and applicable rules of any state agency regarding purchasing  
8.34 guidelines and programs for historically underutilized businesses;



9.1 (10) the extent to which the agency issues and enforces rules relating to potential  
9.2 conflicts of interest of its employees;

9.3 (11) the extent to which the agency complies with chapter 13 and follows records  
9.4 management practices that enable the agency to respond efficiently to requests for public  
9.5 information; and

9.6 (12) the effect of federal intervention or loss of federal funds if the agency is  
9.7 abolished.

9.8 **Sec. 11. [3D.11] RECOMMENDATIONS.**

9.9 (a) In its report on a state agency, the commission shall:

9.10 (1) make recommendations on the abolition, continuation, or reorganization of each  
9.11 affected state agency and its advisory committees and on the need for the performance of  
9.12 the functions of the agency and its advisory committees;

9.13 (2) make recommendations on the consolidation, transfer, or reorganization of  
9.14 programs within state agencies not under review when the programs duplicate functions  
9.15 performed in agencies under review; and

9.16 (3) make recommendations to improve the operations of the agency, its policy body,  
9.17 and its advisory committees, including management recommendations that do not require  
9.18 a change in the agency's enabling statute.

9.19 (b) The commission shall include the estimated fiscal impact of its recommendations  
9.20 and may recommend appropriation levels for certain programs to improve the operations  
9.21 of the state agency.

9.22 (c) The commission shall have drafts of legislation prepared to carry out the  
9.23 commission's recommendations under this section, including legislation necessary  
9.24 to continue the existence of agencies that would otherwise sunset if the commission  
9.25 recommends continuation of an agency.

9.26 (d) After the legislature acts on the report under section 3D.09, the commission shall  
9.27 present to the legislative auditor the commission's recommendations that do not require  
9.28 a statutory change to be put into effect. Subject to the legislative audit commission's  
9.29 approval, the legislative auditor may examine the recommendations and include as part  
9.30 of the next audit of the agency a report on whether the agency has implemented the  
9.31 recommendations and, if so, in what manner.

9.32 **Sec. 12. [3D.12] MONITORING OF RECOMMENDATIONS.**

9.33 During each legislative session, the staff of the commission shall monitor legislation  
9.34 affecting agencies that have undergone sunset review and shall periodically report

10.1 to the members of the commission on proposed changes that would modify prior  
10.2 recommendations of the commission.

10.3 Sec. 13. **[3D.13] REVIEW OF ADVISORY COMMITTEES.**

10.4 An advisory committee, the primary function of which is to advise a particular state  
10.5 agency, is subject to sunset on the date set for sunset of the agency unless the advisory  
10.6 committee is expressly continued by law.

10.7 Sec. 14. **[3D.14] CONTINUATION BY LAW.**

10.8 During the regular session immediately before the sunset of a state agency or an  
10.9 advisory committee that is subject to this chapter, the legislature may enact legislation  
10.10 to continue the agency or advisory committee for a period not to exceed 12 years. This  
10.11 chapter does not prohibit the legislature from:

10.12 (1) terminating a state agency or advisory committee subject to this chapter at a date  
10.13 earlier than that provided in this chapter; or

10.14 (2) considering any other legislation relative to a state agency or advisory committee  
10.15 subject to this chapter.

10.16 Sec. 15. **[3D.15] PROCEDURE AFTER TERMINATION.**

10.17 Subdivision 1. **Termination.** Unless otherwise provided by law:

10.18 (1) if after sunset review a state agency is abolished, the agency may continue in  
10.19 existence until June 30 of the following year to conclude its business;

10.20 (2) abolishment does not reduce or otherwise limit the powers and authority of the  
10.21 state agency during the concluding year;

10.22 (3) a state agency is terminated and shall cease all activities at the expiration of  
10.23 the one-year period; and

10.24 (4) all rules that have been adopted by the state agency expire at the expiration of  
10.25 the one-year period.

10.26 Subd. 2. **Funds of abolished agency or advisory committee.** (a) Any unobligated  
10.27 and unexpended appropriations of an abolished agency or advisory committee lapse on  
10.28 June 30 of the year after abolishment.

10.29 (b) Except as provided by subdivision 4 or as otherwise provided by law, all money  
10.30 in a dedicated fund of an abolished state agency or advisory committee on June 30 of the  
10.31 year after abolishment is transferred to the general fund. The part of the law dedicating  
10.32 the money to a specific fund of an abolished agency becomes void on June 30 of the year  
10.33 after abolishment.

11.1 Subd. 3. **Property and records of abolished agency or advisory committee.**

11.2 Unless the governor designates an appropriate state agency as prescribed by subdivision 4,  
11.3 property and records in the custody of an abolished state agency or advisory committee  
11.4 on June 30 of the year after abolishment must be transferred to the commissioner of  
11.5 administration. If the governor designates an appropriate state agency, the property and  
11.6 records must be transferred to the designated state agency.

11.7 Subd. 4. **Continuing obligations.** (a) The legislature recognizes the state's  
11.8 continuing obligation to pay bonded indebtedness and all other obligations, including  
11.9 lease, contract, and other written obligations, incurred by a state agency or advisory  
11.10 committee abolished under this chapter, and this chapter does not impair or impede the  
11.11 payment of bonded indebtedness and all other obligations, including lease, contract, and  
11.12 other written obligations, in accordance with their terms. If an abolished state agency or  
11.13 advisory committee has outstanding bonded indebtedness or other outstanding obligations,  
11.14 including lease, contract, and other written obligations, the bonds and all other obligations,  
11.15 including lease, contract, and other written obligations, remain valid and enforceable in  
11.16 accordance with their terms and subject to all applicable terms and conditions of the laws  
11.17 and proceedings authorizing the bonds and all other obligations, including lease, contract,  
11.18 and other written obligations.

11.19 (b) The governor shall designate an appropriate state agency that shall continue to  
11.20 carry out all covenants contained in the bonds and in all other obligations, including lease,  
11.21 contract, and other written obligations, and the proceedings authorizing them, including  
11.22 the issuance of bonds, and the performance of all other obligations, including lease,  
11.23 contract, and other written obligations, to complete the construction of projects or the  
11.24 performance of other obligations, including lease, contract, and other written obligations.

11.25 (c) The designated state agency shall provide payment from the sources of payment  
11.26 of the bonds in accordance with the terms of the bonds and shall provide payment from  
11.27 the sources of payment of all other obligations, including lease, contract, and other written  
11.28 obligations, in accordance with their terms, whether from taxes, revenues, or otherwise,  
11.29 until the bonds and interest on the bonds are paid in full and all other obligations,  
11.30 including lease, contract, and other written obligations, are performed and paid in full.  
11.31 If the proceedings so provide, all funds established by laws or proceedings authorizing  
11.32 the bonds or authorizing other obligations, including lease, contract, and other written  
11.33 obligations, must remain with the comptroller or the previously designated trustees. If the  
11.34 proceedings do not provide that the funds remain with the comptroller or the previously  
11.35 designated trustees, the funds must be transferred to the designated state agency.

12.1       Sec. 16. **[3D.16] ASSISTANCE OF AND ACCESS TO STATE AGENCIES.**

12.2             The commission may request the assistance of state agencies and officers. When  
12.3 assistance is requested, a state agency or officer shall assist the commission. In carrying  
12.4 out its functions under this chapter, the commission or its designated staff member may  
12.5 inspect the records, documents, and files of any state agency.

12.6       Sec. 17. **[3D.17] RELOCATION OF EMPLOYEES.**

12.7             If an employee is displaced because a state agency or its advisory committee is  
12.8 abolished or reorganized, the state agency shall make a reasonable effort to relocate the  
12.9 displaced employee.

12.10       Sec. 18. **[3D.18] SAVING PROVISION.**

12.11             Except as otherwise expressly provided, abolition of a state agency does not affect  
12.12 rights and duties that matured, penalties that were incurred, civil or criminal liabilities that  
12.13 arose, or proceedings that were begun before the effective date of the abolition.

12.14       Sec. 19. **[3D.19] REVIEW OF PROPOSED LEGISLATION CREATING AN**  
12.15 **AGENCY.**

12.16             Each bill filed in a house of the legislature that would create a new state agency or  
12.17 a new advisory committee to a state agency shall be reviewed by the commission. The  
12.18 commission shall review the bill to determine if:

12.19             (1) the proposed functions of the agency or committee could be administered by one  
12.20 or more existing state agencies or advisory committees;

12.21             (2) the form of regulation, if any, proposed by the bill is the least restrictive form of  
12.22 regulation that will adequately protect the public;

12.23             (3) the bill provides for adequate public input regarding any regulatory function  
12.24 proposed by the bill; and

12.25             (4) the bill provides for adequate protection against conflicts of interest within  
12.26 the agency or committee.

12.27       Sec. 20. **[3D.20] GIFTS AND GRANTS.**

12.28             The commission may accept gifts, grants, and donations from any organization  
12.29 described in section 501(c)(3) of the Internal Revenue Code for the purpose of funding  
12.30 any activity under this chapter. All gifts, grants, and donations must be accepted in an  
12.31 open meeting by a majority of the voting members of the commission and reported in the

13.1 public record of the commission with the name of the donor and purpose of the gift, grant,  
13.2 or donation. Money received under this section is appropriated to the commission.

13.3 Sec. 21. **[3D.21] EXPIRATION.**

13.4 Subdivision 1. **Group 1.** The following agencies are sunset and expire on June  
13.5 30, 2012: Department of Health, Department of Human Rights, Department of Human  
13.6 Services, all health-related licensing boards listed in section 214.01, Council on Affairs  
13.7 of Chicano/Latino People, Council on Black Minnesotans, Council on Asian-Pacific  
13.8 Minnesotans, Indian Affairs Council, Council on Disabilities, and all advisory groups  
13.9 associated with these agencies.

13.10 Subd. 2. **Group 2.** The following agencies are sunset and expire on June 30, 2014:  
13.11 Department of Education, Board of Teaching, Minnesota Office of Higher Education, and  
13.12 all advisory groups associated with these agencies.

13.13 Subd. 3. **Group 3.** The following agencies are sunset and expire on June 30, 2016:  
13.14 Department of Commerce, Department of Employment and Economic Development,  
13.15 Department of Labor and Industry, all non-health-related licensing boards listed in  
13.16 section 214.01 except as otherwise provided in this section, Explore Minnesota Tourism,  
13.17 Public Utilities Commission, Iron Range Resources and Rehabilitation Board, Bureau of  
13.18 Mediation Services, Combative Sports Commission, Amateur Sports Commission, and all  
13.19 advisory groups associated with these agencies.

13.20 Subd. 4. **Group 4.** The following agencies are sunset and expire on June 30, 2018:  
13.21 Department of Corrections, Department of Public Safety, Department of Transportation,  
13.22 Peace Officer Standards and Training Board, Corrections Ombudsman, and all advisory  
13.23 groups associated with these agencies.

13.24 Subd. 5. **Group 5.** The following agencies are sunset and expire on June 30, 2020:  
13.25 Department of Agriculture, Department of Natural Resources, Pollution Control Agency,  
13.26 Board of Animal Health, Board of Water and Soil Resources, and all advisory groups  
13.27 associated with these agencies.

13.28 Subd. 6. **Group 6.** The following agencies are sunset and expire on June 30, 2022:  
13.29 Department of Administration, Department of Management and Budget, Department of  
13.30 Military Affairs, Department of Revenue, Department of Veterans Affairs, Arts Board,  
13.31 Minnesota Zoo, Office of Administrative Hearings, Campaign Finance and Public  
13.32 Disclosure Board, Capitol Area Architectural and Planning Board, Office of Enterprise  
13.33 Technology, Minnesota Racing Commission, and all advisory groups associated with  
13.34 these agencies.

14.1            Subd. 7. **Continuation.** Following sunset review of an agency, the legislature may  
14.2 act within the same legislative session in which the sunset report was received on Sunset  
14.3 Advisory Commission recommendations to continue or reorganize the agency.

14.4            Subd. 8. **Other groups.** The commission may review, under the criteria in  
14.5 section 3D.10, and propose to the legislature an expiration date for any agency, board,  
14.6 commission, or program not listed in this section.