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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **2213**

04/13/2015 Authored by Anderson, S.,
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy
04/24/2015 Adoption of Report: Placed on the General Register as Amended
Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4,
referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act
1.2 relating to state government; requiring a tracking list of agency projects;
1.3 modifying a provision for assistance to small agencies; specifying that grant
1.4 agreements terminate under certain conditions; requiring an audit when the
1.5 commissioner delegates authority; changing provisions governing the Office of
1.6 MN.IT Services; modifying rulemaking authority for pari-mutuel horse racing;
1.7 limiting agency spending on advertising; requiring a report on the number of
1.8 state chief information officers; establishing the Minnesota Film and TV Board
1.9 Oversight Task Force; amending Minnesota Statutes 2014, sections 16A.103, by
1.10 adding a subdivision; 16B.371; 16B.97, subdivision 1; 16C.03, subdivision 16;
1.11 16E.01; 16E.016; 16E.0465; 16E.14, subdivision 3; 16E.145; 16E.19, by adding a
1.12 subdivision; 240.03; 240.23; proposing coding for new law in Minnesota Statutes,
1.13 chapters 16A; 16B; 16E; repealing Minnesota Statutes 2014, section 3.886.

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

1.15 Section 1. **[16A.0565] CENTRALIZED TRACKING LIST OF AGENCY**
1.16 **PROJECTS.**

1.17 **Subdivision 1. Centralized tracking.** The commissioner must maintain a
1.18 centralized tracking list of new agency projects estimated to cost more than \$100,000 that
1.19 are paid for from the general fund.

1.20 **Subd. 2. New agency project.** (a) For purposes of this section, a "new agency
1.21 project" means:

1.22 (1) any new agency program or activity with more than \$100,000 in funding from
1.23 the general fund; and

1.24 (2) any preexisting agency program or activity with an increase of \$100,000 or more
1.25 above the base level in general fund support.

1.26 (b) For purposes of this section, a new agency project does not include:

1.27 (1) general aid programs for units of local government or entitlement programs
1.28 providing assistance to individuals; or

2.1 (2) a new program or activity or increase in a program or activity that is mandated
 2.2 by law.

2.3 Subd. 3. **Transparency requirements.** The centralized tracking list maintained by
 2.4 the commissioner must report the following for each new agency project:

- 2.5 (1) the name of the agency and title of the project;
 2.6 (2) a brief description of the project and its purposes;
 2.7 (3) the extent to which the project has been implemented; and
 2.8 (4) the amount of money that has been spent on the project.

2.9 Subd. 4. **Timing and reporting.** The commissioner must display the information
 2.10 required by subdivision 3 on the department's Web site. The list shall be maintained in a
 2.11 widely available and common document format such as a spreadsheet, that does not
 2.12 require any new costs to develop. The commissioner must report this information to the
 2.13 chairs of the house of representatives Ways and Means Committee and the senate Finance
 2.14 Committee quarterly, and must update the information on the Web site at least quarterly.

2.15 Sec. 2. Minnesota Statutes 2014, section 16A.103, is amended by adding a subdivision
 2.16 to read:

2.17 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report to the
 2.18 legislature within 14 days of a forecast under subdivision 1 on uncertainty in Minnesota's
 2.19 general fund revenue projections. The report shall present information on:

- 2.20 (1) the estimated range of forecast error for revenues; and
 2.21 (2) the data and methods used to construct those measurements.

2.22 Sec. 3. Minnesota Statutes 2014, section 16B.371, is amended to read:

2.23 **16B.371 ASSISTANCE TO SMALL AGENCIES.**

2.24 (a) The commissioner ~~may~~must provide administrative support services to a small
 2.25 agencies agency requesting these services. To promote efficiency and cost-effective use
 2.26 of state resources, and to improve financial controls, the commissioner may require
 2.27 a small agency to receive administrative support services through the Department of
 2.28 Administration or through another agency designated by the commissioner. Services
 2.29 subject to this section include finance, accounting, payroll, purchasing, human resources,
 2.30 and other services designated by the commissioner. The commissioner may determine
 2.31 what constitutes a small agency for purposes of this section. The commissioner, in
 2.32 consultation with the commissioner of management and budget and small agencies, shall
 2.33 evaluate small agencies' needs for administrative support services. If the commissioner
 2.34 provides administrative support services to a small agency, the commissioner must enter

3.1 into a service level agreement with the agency, specifying the services to be provided and
3.2 the costs and anticipated outcomes of the services.

3.3 (b) The Chicano Latino Affairs Council, the Council on Black Minnesotans, the
3.4 Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the Minnesota
3.5 State Council on Disability must use the services specified in paragraph (a).

3.6 (c) The commissioner of administration may assess agencies for services it provides
3.7 under this section. The amounts assessed are appropriated to the commissioner.

3.8 (d) For agencies covered in this section, the commissioner has the authority to require
3.9 the agency to comply with applicable state finance, accounting, payroll, purchasing, and
3.10 human resources policies. The agencies served retain the ownership and responsibility for
3.11 spending decisions and for ongoing implementation of appropriate business operations.

3.12 Sec. 4. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

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

3.19 ~~(b) This section does not apply to capital project grants to political subdivisions as~~
3.20 ~~defined by section 16A.86.~~

3.21 Sec. 5. **[16B.991] TERMINATION OF GRANT.**

3.22 Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the
3.23 agreement will immediately be terminated if:

3.24 (1) the recipient is convicted of a criminal offense relating to a state grant agreement;

3.25 or

3.26 (2) the agency entering into the grant agreement or the commissioner of
3.27 administration determines that the grant recipient is under investigation by a federal
3.28 agency, a state agency, or a local law enforcement agency for matters relating to
3.29 administration of a state grant.

3.30 Sec. 6. Minnesota Statutes 2014, section 16C.03, subdivision 16, is amended to read:

3.31 Subd. 16. **Delegation of duties.** (a) The commissioner may delegate duties imposed
3.32 by this chapter to the head of an agency and to any subordinate of the agency head. At

4.1 least once every three years, the commissioner must audit use of authority under this
 4.2 chapter by each employee to whom the commissioner has delegated duties.

4.3 (b) The commissioner must develop guidelines for agencies and employees to whom
 4.4 authority is delegated under this chapter that protect state legal interests. These guidelines
 4.5 may provide for review by the commissioner when a specific contract has potential to put
 4.6 the state's legal interests at risk.

4.7 Sec. 7. Minnesota Statutes 2014, section 16E.01, is amended to read:

4.8 **16E.01 OFFICE OF MN.IT SERVICES.**

4.9 Subdivision 1. **Creation; chief information officer.** The Office of MN.IT Services,
 4.10 referred to in this chapter as the "office," is an agency in the executive branch headed by
 4.11 a commissioner, who also is the state chief information officer. The appointment of the
 4.12 commissioner is subject to the advice and consent of the senate under section 15.066.

4.13 Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and
 4.14 direction for information and telecommunications technology policy and the management,
 4.15 delivery, accessibility, and security of information and telecommunications technology
 4.16 systems and services in ~~Minnesota~~ the executive branch of state government. The office
 4.17 shall manage strategic investments in information and telecommunications technology
 4.18 systems and services to encourage the development of a technically literate society, to
 4.19 ensure sufficient access to and efficient delivery of accessible state government services,
 4.20 and to maximize benefits for the state government as an enterprise.

4.21 Subd. 2. **Discretionary powers.** The office may:

4.22 (1) enter into contracts for goods or services with public or private organizations
 4.23 and charge fees for services it provides;

4.24 (2) apply for, receive, and expend money from public agencies;

4.25 (3) apply for, accept, and disburse grants and other aids from the federal government
 4.26 and other public or private sources;

4.27 (4) enter into contracts with agencies of the federal government, local governmental
 4.28 units, the University of Minnesota and other educational institutions, and private persons
 4.29 and other nongovernmental organizations as necessary to perform its statutory duties;

4.30 (5) sponsor and conduct conferences and studies, collect and disseminate information,
 4.31 and issue reports relating to information and communications technology issues; and

4.32 ~~(6) review the technology infrastructure of regions of the state and cooperate with~~
 4.33 ~~and make recommendations to the governor, legislature, state agencies, local governments,~~
 4.34 ~~local technology development agencies, the federal government, private businesses,~~

5.1 ~~and individuals for the realization of information and communications technology~~
5.2 ~~infrastructure development potential;~~

5.3 ~~(7) sponsor, support, and facilitate innovative and collaborative economic and~~
5.4 ~~community development and government services projects, including technology~~
5.5 ~~initiatives related to culture and the arts, with public and private organizations; and~~

5.6 ~~(8) (6) review and recommend alternative sourcing strategies for state information~~
5.7 ~~and communications systems.~~

5.8 Subd. 3. **Duties.** (a) The office shall:

5.9 (1) manage the efficient and effective use of available federal, state, local, and
5.10 public-private resources to develop statewide information and telecommunications
5.11 technology systems and services and its infrastructure;

5.12 (2) approve state agency and intergovernmental information and telecommunications
5.13 technology systems and services development efforts involving state or intergovernmental
5.14 funding, including federal funding, provide information to the legislature regarding
5.15 projects reviewed, and recommend projects for inclusion in the governor's budget under
5.16 section 16A.11;

5.17 (3) ensure cooperation and collaboration among state and local governments in
5.18 developing intergovernmental information and telecommunications technology systems
5.19 and services, and define the structure and responsibilities of a representative governance
5.20 structure;

5.21 (4) cooperate and collaborate with the legislative and judicial branches in the
5.22 development of information and communications systems in those branches;

5.23 (5) continue the development of North Star, the state's official comprehensive online
5.24 service and information initiative;

5.25 (6) promote and collaborate with the state's agencies in the state's transition to an
5.26 effectively competitive telecommunications market;

5.27 ~~(7) collaborate with entities carrying out education and lifelong learning initiatives~~
5.28 ~~to assist Minnesotans in developing technical literacy and obtaining access to ongoing~~
5.29 ~~learning resources;~~

5.30 ~~(8) (7) promote and coordinate public information access and network initiatives,~~
5.31 ~~consistent with chapter 13, to connect Minnesota's citizens and communities to each~~
5.32 ~~other, to their governments, and to the world;~~

5.33 ~~(9) (8) promote and coordinate electronic commerce initiatives to ensure that~~
5.34 ~~Minnesota businesses and citizens can successfully compete in the global economy;~~

6.1 ~~(10)~~ (9) manage and promote the regular and periodic reinvestment in the information
6.2 and telecommunications technology systems and services infrastructure so that state and
6.3 local government agencies can effectively and efficiently serve their customers;

6.4 ~~(11)~~ (10) facilitate the cooperative development of and ensure compliance with
6.5 standards and policies for information and telecommunications technology systems
6.6 and services, electronic data practices and privacy, and electronic commerce among
6.7 international, national, state, and local public and private organizations;

6.8 ~~(12)~~ (11) eliminate unnecessary duplication of existing information and
6.9 telecommunications technology systems and services provided by state agencies;

6.10 ~~(13)~~ (12) identify, sponsor, develop, and execute shared information and
6.11 telecommunications technology projects and ongoing operations;

6.12 ~~(14)~~ (13) ensure overall security of the state's information and technology systems
6.13 and services; and

6.14 ~~(15)~~ (14) manage and direct compliance with accessibility standards for informational
6.15 technology, including hardware, software, Web sites, online forms, and online surveys.

6.16 (b) The chief information officer, in consultation with the commissioner of
6.17 management and budget, must determine when it is cost-effective for agencies to develop
6.18 and use shared information and telecommunications technology systems and services for
6.19 the delivery of electronic government services. The chief information officer may require
6.20 agencies to use shared information and telecommunications technology systems and
6.21 services. The chief information officer shall establish reimbursement rates in cooperation
6.22 with the commissioner of management and budget to be billed to agencies and other
6.23 governmental entities sufficient to cover the actual development, operating, maintenance,
6.24 and administrative costs of the shared systems. The methodology for billing may include
6.25 the use of interagency agreements, or other means as allowed by law.

6.26 (c) A state agency that has an information and telecommunications technology
6.27 project with a total expected project cost of more than ~~\$1,000,000~~ \$100,000, whether
6.28 funded as part of the biennial budget or by any other means, shall register with the office
6.29 by submitting basic project startup documentation, as specified by the chief information
6.30 officer in both format and content, before any project funding is requested or committed
6.31 and before the project commences. State agency project leaders must demonstrate that
6.32 the project will be properly managed, provide updates to the project documentation
6.33 as changes are proposed, and regularly report on the current status of the project on a
6.34 schedule agreed to with the chief information officer.

6.35 ~~(d) The chief information officer shall monitor progress on any active information~~
6.36 ~~and telecommunications technology project with a total expected project cost of more than~~

7.1 ~~\$5,000,000 and report on the performance of the project in comparison with the plans for~~
7.2 ~~the project in terms of time, scope, and budget. The chief information officer may conduct~~
7.3 ~~an independent project audit of the project. The audit analysis and evaluation of the~~
7.4 ~~projects subject to paragraph (c) must be presented to agency executive sponsors, the~~
7.5 ~~project governance bodies, and the chief information officer. All reports and responses~~
7.6 ~~must become part of the project record. The chief information officer must prepare a~~
7.7 ~~monthly progress report for each active information and telecommunications technology~~
7.8 ~~project over \$1,000,000. The report must be provided to the technology advisory council~~
7.9 ~~and must be available on the office's Web site.~~

7.10 (e) For any active information and telecommunications technology project with a
7.11 total expected project cost of more than \$10,000,000, the state agency must perform an
7.12 annual independent audit that conforms to published project audit principles promulgated
7.13 by the office.

7.14 (f) The chief information officer shall report by January 15 of each year to the
7.15 chairs and ranking minority members of the legislative committees and divisions with
7.16 jurisdiction over the office regarding projects the office has reviewed under paragraph (a),
7.17 clause (13). The report must include the reasons for the determinations made in the review
7.18 of each project and a description of its current status.

7.19 Subd. 4. **Limits.** The office may not enter into any new general or project contracts
7.20 or other agreements to provide services to political subdivisions. The office may continue
7.21 to collaborate with and enter into agreements with local subdivisions to create information
7.22 technology infrastructure, provide connectivity, coordinate government-to-government
7.23 communications, and provide security support. This subdivision does not prevent political
7.24 subdivisions from purchasing goods or services from outside vendors through state
7.25 contracts, and does not prevent political subdivisions from accessing geospatial data
7.26 maintained by the office.

7.27 **EFFECTIVE DATE.** This section is effective July 1, 2015. The office may not
7.28 enter into a new contract or other agreement or renew an existing contract or agreement
7.29 to provide services to political subdivisions in a manner prohibited by subdivision 4 on
7.30 or after July 1, 2015. The office must end existing contracts and agreements to provide
7.31 services prohibited by subdivision 4 as soon as this can be done without the office
7.32 incurring legal liability, and as soon as affected political subdivisions are able to find other
7.33 sources to provide the services provided by the office.

8.1 Sec. 8. Minnesota Statutes 2014, section 16E.016, is amended to read:

8.2 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY**
 8.3 **SERVICES AND EQUIPMENT.**

8.4 (a) The chief information officer is responsible for providing or entering into
 8.5 managed services contracts for the provision, improvement, and development of the
 8.6 following information technology systems and services to state agencies:

- 8.7 (1) state data centers;
- 8.8 (2) mainframes including system software;
- 8.9 (3) servers including system software;
- 8.10 (4) desktops including system software;
- 8.11 (5) laptop computers including system software;
- 8.12 (6) a data network including system software;
- 8.13 (7) database, electronic mail, office systems, reporting, and other standard software
 8.14 tools;
- 8.15 (8) business application software and related technical support services;
- 8.16 (9) help desk for the components listed in clauses (1) to (8);
- 8.17 (10) maintenance, problem resolution, and break-fix for the components listed in
 8.18 clauses (1) to (8);
- 8.19 (11) regular upgrades and replacement for the components listed in clauses (1)
 8.20 to (8); and
- 8.21 (12) network-connected output devices.

8.22 (b) All state agency employees whose work primarily involves functions specified in
 8.23 paragraph (a) are employees of the Office of MN.IT Services. This includes employees
 8.24 who directly perform the functions in paragraph (a), as well as employees whose work
 8.25 primarily involves managing, supervising, or providing administrative services or support
 8.26 services to employees who directly perform these functions. The chief information officer
 8.27 may assign employees of the office to perform work exclusively for another state agency.

8.28 (c) ~~Subject to sections 16C.08 and 16C.09, the chief information officer may allow a~~
 8.29 ~~state agency to obtain services specified in paragraph (a) through a contract with an outside~~
 8.30 ~~vendor when the chief information officer and the agency head agree that a contract would~~
 8.31 ~~provide best value, as defined in section 16C.02, under the service-level agreement. A~~
 8.32 ~~state agency must enter into a service-level agreement with the chief information officer~~
 8.33 ~~for provision of services specified in paragraph (a), or must obtain some or all of these~~
 8.34 ~~services through an outside vendor. Before entering into a service-level agreement or~~
 8.35 ~~outside vendor contract, an agency must solicit proposals from the office and from at~~
 8.36 ~~least one outside vendor. If the cost of the proposal from the office is more than six~~

9.1 percent higher than the cost of a proposal from an outside vendor, the agency may enter
9.2 into a contract with an outside vendor, notwithstanding sections 16C.08, subdivision
9.3 2, clause (1); 16C.09, paragraph (a), clause (1); and 43A.047. The chief information
9.4 officer must require that agency contracts with outside vendors ensure that systems and
9.5 services are compatible with standards established by the Office of MN.IT Services. The
9.6 standards may include analysis of differences in future cost uncertainties, compliance with
9.7 security requirements, compliance with hardware and service standards common in other
9.8 state offices, ability to comply with legal, accessibility, and transparency requirements,
9.9 and compliance with quality standards common to other state offices. The term of a
9.10 service-level agreement or a contract under this paragraph is subject to the limits in section
9.11 16C.06, subdivision 3b. However, the chief information officer may provide that the term
9.12 of the first agreement or contract entered into after the effective date of this section may be
9.13 longer, as the chief information officer determines is necessary to establish a system under
9.14 which agency agreements and contracts will expire according to a staggered schedule.
9.15 A service-level agreement or contract may not be for a term of more than six years. A
9.16 contract longer than four years must be followed by a contract of less than four years.

9.17 (d) The chief information officer may authorize a state agency office located outside
9.18 of the seven-county metropolitan area to solicit proposals from MN.IT services and from
9.19 an outside vendor separately from the rest of the agency.

9.20 (e) An agency may not enter into a contract for information technology systems or
9.21 services of more than \$100,000 with an outside vendor without approval of the chief
9.22 information officer.

9.23 (f) The Minnesota State Retirement System, the Public Employees Retirement
9.24 Association, the Teachers Retirement Association, the State Board of Investment, the
9.25 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide
9.26 Radio Board are not state agencies for purposes of this section.

9.27 **Sec. 9. [16E.034] ANNUAL REPORT ON INFORMATION TECHNOLOGY**
9.28 **SPENDING.**

9.29 (a) The chief information officer, in consultation with the commissioner of
9.30 management and budget, must report by September 1 each year on:

9.31 (1) total state agency spending on information technology in the prior fiscal year, and
9.32 planned state agency spending on information technology in the current fiscal year; and

9.33 (2) individual state agency spending on information technology in the prior fiscal
9.34 year, and planned spending on information technology in the current fiscal year.

10.1 (b) The report in paragraph (a) on total state agency and individual agency spending
 10.2 and proposed spending must show amounts spent and anticipated to be spent in each of
 10.3 the following categories:

10.4 (1) new technology projects, or enhancement of existing projects, of more than
 10.5 \$100,000;

10.6 (2) business as usual and minor enhancements; and

10.7 (3) infrastructure and operations.

10.8 (c) The information reported on infrastructure and operations in paragraph (b),
 10.9 clause (3), must be further divided by agency into the following categories:

10.10 (1) servers;

10.11 (2) messaging and collaboration;

10.12 (3) mainframe;

10.13 (4) storage;

10.14 (5) database, including administration;

10.15 (6) technical support;

10.16 (7) information security;

10.17 (8) directory administration;

10.18 (9) architecture;

10.19 (10) monitoring; and

10.20 (11) change management.

10.21 Sec. 10. Minnesota Statutes 2014, section 16E.0465, is amended to read:

10.22 **16E.0465 TECHNOLOGY APPROVAL.**

10.23 Subdivision 1. **Application.** This section applies to an appropriation of more than
 10.24 ~~\$1,000,000~~ \$100,000 of state or federal funds to a state agency for any information and
 10.25 telecommunications technology project or for any phase of such a project, device, or
 10.26 system. For purposes of this section, an appropriation of state or federal funds to a state
 10.27 agency includes an appropriation:

10.28 (1) to a constitutional officer;

10.29 (2) for a project that includes both a state agency and units of local government; and

10.30 (3) to a state agency for grants to be made to other entities.

10.31 Subd. 2. **Required review and approval.** (a) A state agency receiving an
 10.32 appropriation of more than \$500,000 for an information and telecommunications
 10.33 technology project subject to this section must divide the project into phases.

10.34 (b) The commissioner of management and budget may not authorize the
 10.35 encumbrance or expenditure of an appropriation of state funds to a state agency for ~~any~~:

11.1 (1) a project if the project is subject to this section, but not divided into phases; or
 11.2 (2) a phase of a project, device, or system subject to this section, unless the Office of
 11.3 MN.IT Services has reviewed the project or each phase of the project, device, or system,
 11.4 and based on this review, the chief information officer has determined for each project
 11.5 or phase that:

11.6 ~~(1)~~ (i) the project is compatible with the state information architecture and other
 11.7 policies and standards established by the chief information officer;

11.8 ~~(2)~~ (ii) the agency is able to accomplish the goals of the phase of the project with the
 11.9 funds appropriated; and

11.10 ~~(3)~~ (iii) the project supports the enterprise information technology strategy.

11.11 Subd. 3. **Monitor progress.** The chief information officer shall monitor progress on
 11.12 any active information and telecommunications technology project with a total expected
 11.13 project cost of more than \$5,000,000 and report on the performance of the project in
 11.14 comparison with the plans for the project in terms of time, scope, and budget. The chief
 11.15 information officer may conduct an independent project audit of the project. The audit
 11.16 analysis and evaluation of the project must be presented to agency executive sponsors, the
 11.17 project governance bodies, and the chief information officer. All reports and responses
 11.18 must become part of the project record.

11.19 Sec. 11. Minnesota Statutes 2014, section 16E.14, subdivision 3, is amended to read:

11.20 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each
 11.21 agency shall reimburse the MN.IT services revolving fund for the cost of all services,
 11.22 supplies, materials, labor, employee development and training, and depreciation of
 11.23 equipment, including reasonable overhead costs, which the chief information officer is
 11.24 authorized and directed to furnish an agency. The chief information officer shall report the
 11.25 rates to be charged for the revolving fund no later than July 1 each year to the chair of the
 11.26 committee or division in the senate and house of representatives with primary jurisdiction
 11.27 over the budget of the Office of MN.IT Services.

11.28 Sec. 12. Minnesota Statutes 2014, section 16E.145, is amended to read:

11.29 **16E.145 INFORMATION TECHNOLOGY APPROPRIATION.**

11.30 An appropriation of more than \$100,000 for a state agency information and
 11.31 telecommunications technology project must be made to the chief information officer. The
 11.32 chief information officer must manage and disburse the appropriation on behalf of the
 11.33 sponsoring state agency. Any appropriation for an information and telecommunications

12.1 technology project made to a state agency other than the Office of MN.IT Services is
12.2 transferred to the chief information officer.

12.3 Sec. 13. Minnesota Statutes 2014, section 16E.19, is amended by adding a subdivision
12.4 to read:

12.5 Subd. 3. **Data storage.** The chief information officer must establish criteria for
12.6 storage of state agency data outside of data centers operated by the chief information
12.7 officer. These criteria must include thresholds for when requests of outside data storage
12.8 must be approved by the chief information officer.

12.9 Sec. 14. Minnesota Statutes 2014, section 240.03, is amended to read:

12.10 **240.03 COMMISSION POWERS AND DUTIES.**

12.11 The commission has the following powers and duties:

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

12.14 (2) to issue licenses as provided in this chapter;

12.15 (3) to enforce all laws and rules governing horse racing;

12.16 (4) to collect and distribute all taxes provided for in this chapter;

12.17 (5) to conduct necessary investigations and inquiries and to issue subpoenas to
12.18 compel the attendance of witnesses and the submission of information, documents, and
12.19 records, and other evidence it deems necessary to carry out its duties;

12.20 (6) to supervise the conduct of pari-mutuel betting on horse racing;

12.21 (7) to employ and supervise personnel under this chapter;

12.22 (8) to determine the number of racing days to be held in the state and at each
12.23 licensed racetrack;

12.24 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and

12.25 (10) to impose fees on the racing and card playing industries sufficient to recover the
12.26 operating costs of the commission with the approval of the legislature according to section
12.27 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the
12.28 commissioner of management and budget may grant interim approval for any new fees
12.29 or adjustments to existing fees that are not statutorily specified, until such time as the
12.30 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial
12.31 budget request, the commission must propose changes to its fees that will be sufficient to
12.32 recover the operating costs of the commission.

13.1 Sec. 15. Minnesota Statutes 2014, section 240.23, is amended to read:

13.2 **240.23 RULEMAKING AUTHORITY.**

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

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

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

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

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

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

13.15 (f) emergency action plans maintained by licensed racetracks and their periodic
13.16 review;

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

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

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

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

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

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

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

13.28 Sec. 16. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

13.29 During the biennium ending June 30, 2017, an executive branch agency's spending
13.30 on advertising and promotions may not exceed 90 percent of the amount the agency
13.31 spent on advertising and promotions during the biennium ending June 30, 2015. The
13.32 commissioner of management and budget must ensure compliance with this limit, and
13.33 may issue guidelines and policies to executive agencies. The commissioner may forbid
13.34 an agency from engaging in advertising as the commissioner determines is necessary to

14.1 ensure compliance with this section. This section does not apply to the Minnesota Lottery
14.2 or Explore Minnesota Tourism. Spending during the biennium ending June 30, 2017, on
14.3 advertising relating to a declared emergency, an emergency, or a disaster, as those terms
14.4 are defined in Minnesota Statutes, section 12.03, is excluded for purposes of this section.

14.5 **Sec. 17. REPORT ON AGENCY CHIEF INFORMATION OFFICERS.**

14.6 The chief information officer of MN.IT must report to the legislature by January 15,
14.7 2016, on reduction in the number of chief information officers (CIOs) in state agencies.
14.8 The report must include the number of CIOs on July 1, 2015, the number on January
14.9 15, 2016, and plans to reduce that number.

14.10 **Sec. 18. MINNESOTA FILM AND TV BOARD OVERSIGHT TASK FORCE.**

14.11 (a) The Minnesota Film and TV Board Oversight Task Force is established and shall
14.12 include nine members appointed as follows:

14.13 (1) the state auditor or designee;

14.14 (2) one appointee of the Board of Directors of the Independent Filmmaker Project
14.15 Minnesota;

14.16 (3) one appointee of the board of directors of the Minnesota Film and TV Board;

14.17 (4) two appointees from the commissioner of employment and economic
14.18 development to represent the Minnesota film industry;

14.19 (5) two members of the Minnesota house of representatives appointed by the speaker
14.20 of the house; and

14.21 (6) two members of the Minnesota senate appointed pursuant to the rules of the senate.

14.22 (b) The Minnesota Film and TV Board Oversight Task Force shall:

14.23 (1) review the past funding, administration, policies, and programs of the Minnesota
14.24 Film and TV Board;

14.25 (2) consider proposals to improve the policies, structure, and programs of the
14.26 Minnesota Film and TV Board; and

14.27 (3) recommend improvements to enhance and strengthen the policies, structure, and
14.28 programs administered by the Minnesota Film and TV Board.

14.29 (c) The Minnesota Film and TV Board Oversight Task Force shall report back to
14.30 the legislative committees with jurisdiction over legacy funds by January 1, 2017, with
14.31 recommendations developed pursuant to paragraph (b). The task force members shall
14.32 serve without compensation and all members shall serve at the pleasure of their appointing
14.33 authority. The task force must meet at least twice a year and the state auditor or the

- 15.1 designee of the state auditor shall convene the first meeting no later than September 30,
15.2 2015. The task force expires June 30, 2017.

15.3 Sec. 19. **REPEALER.**

15.4 Minnesota Statutes 2014, section 3.886, is repealed.

3.886 LEGISLATIVE WATER COMMISSION.

Subdivision 1. **Establishment.** A Legislative Water Commission is established.

Subd. 2. **Membership.** (a) The Legislative Water Commission consists of 12 members appointed as follows:

(1) six members of the senate, including three majority party members appointed by the majority leader and three minority party members appointed by the minority leader; and

(2) six members of the house of representatives, including three majority party members appointed by the speaker of the house and three minority party members appointed by the minority leader.

(b) Members serve at the pleasure of the appointing authority and continue to serve until their successors are appointed or until a member is no longer a member of the legislative body that appointed the member to the commission. Vacancies shall be filled in the same manner as the original positions. Vacancies occurring on the commission do not affect the authority of the remaining members of the Legislative Water Commission to carry out the function of the commission.

(c) Members shall elect a chair, vice chair, and other officers as determined by the commission. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

Subd. 3. **Commission staffing.** The Legislative Coordinating Commission must employ staff and contract with consultants as necessary to enable the Legislative Water Commission to carry out its duties and functions.

Subd. 4. **Powers and duties.** (a) The Legislative Water Commission shall review water policy reports and recommendations of the Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural Resources, the Metropolitan Council, and other water-related reports as may be required by law or the legislature.

(b) The commission may conduct public hearings and otherwise secure data and comments.

(c) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

(d) Data or information compiled by the Legislative Water Commission or its subcommittees shall be made available to the Legislative-Citizen Commission on Minnesota Resources, the Clean Water Council, and standing and interim committees of the legislature on request of the chair of the respective commission, council, or committee.

(e) The commission shall coordinate with the Clean Water Council.

Subd. 5. **Compensation.** Members of the commission may receive per diem and expense reimbursement incurred doing the work of the commission in the manner and amount prescribed for per diem and expense payments by the senate Committee on Rules and Administration and the house of representatives Committee on Rules and Legislative Administration.

Subd. 6. **Expiration.** This section expires July 1, 2019.