



2017 Legislative Report

June, 2017

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Appendix: Legislative session tracking sheets from House Fiscal Analysis and Senate Counsel and Research

Legislative Language Conventions

This report presents the actions of the 2017 Session and 2017 First Special Session of the Minnesota Legislature that affect or are of interest to the Minnesota Historical Society. In using this report, the reader should be aware of the following conventions:

- Bill language appears in the following print style:

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

- Language deleted from the statute is crossed out:

~~a commons area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the municipality~~

- Language added to the statute is underlined:

to the extent not deducted in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year

2017 Legislative Session

Minnesota Historical Society -- Issue Tracking
Status as of June 12, 2017 – End of Session

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
Operating Budget (including General Fund and Legacy/Arts and Cultural Heritage Fund)						
Biennial Operating Budget (General Fund)	MNHS requested funding for 3 initiatives: compensation; digital preservation and access; and diversity and inclusion.	Base funding + operating adjustment for inflation included in Supplemental Budget (\$1.5 m for biennium) \$22.322 m (FY18) \$22.822 m (FY19)	Base funding plus digital preservation and access initiative (\$1.5 m for biennium) Total GF approp = \$ 22.572 m / year	5% reduction from base funding Total GF approp = \$20.731 m / year	Base funding plus an operating increase and onetime digital preservation and access initiative at \$1.5 m each for biennium Total GF approp = 23.072 m (FY18) 23.572 m (FY19)	Biennial budget appropriated in 2017 Session for FY18 and FY19. February forecast projected an available surplus of \$1.6 billion. Funding was included in the State Government Omnibus bill passed in the special session.
Legacy Constitutional Amendment – Arts and Cultural Heritage Fund	Request from Minnesota History Coalition is for approximately 33% of ACHF or \$41 million for biennium.	No recommendation for history within ACHF; left to legislative process	Appropriation for history = \$12.243 m (FY18) 14.750 m (FY19) Total = \$26.993 m	Appropriation for history = \$13.096 m (FY18) \$16.52 m (FY19) Total = \$29.748 m	Appropriation for history = \$11.815 m (FY18) \$16.305 m (FY19) Total = \$28.120 m History appropriation is a 3% decrease compared to FY16-17.	Biennial Legacy Amendment budget to appropriated in 2017 Session for FY18 and FY19. The February state budget forecast projects sales tax receipts for the 2018-19 biennium slightly above the previous forecast but new 5% reserve requirement slightly reduced ACHF appropriations as compared to FY16-17.

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
Capital Budget - Minnesota Historical Society requests						
Historic Fort Snelling Visitor Center	\$34,000,000	\$34,000,000	\$0	\$0	\$4,000,000 for design work	<p>For design and construction for enhanced visitor services at Historic Fort Snelling. Total project cost is \$46.5 million, which includes \$12 m non-state contribution. \$500,000 was appropriated in 2015 for predesign.</p> <p>Request for the remaining \$30 million will be a top priority for the 2018 session.</p>
Historic Sites Asset Preservation	\$5,755,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	For preservation of facilities at historic sites, including interior and exterior preservation.
County and Local Historic Preservation Grants	\$1,500,000	\$0	\$0	\$0	\$0	For county and local historic preservation projects on a competitive matching basis. This program allows local communities to preserve their most significant historical resources.

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
Other Policy Issues						
State Historic Preservation Office –transfer from Minnesota Historical Society to Department of Administration		Proposal in Supplemental Budget to transfer to Department of Administration	Separate bill introduced and heard in Government Operations Committee as “informational hearing.” No action taken.	Separate bill introduced and heard in State Government Policy and Finance Committee as “informational hearing” No action taken.	Transfer included in State Govt. Finance bill; delayed to March 1, 2018 with a report from the Legislative Auditor due January 1, 2018	Final legislation transfers State Historic Preservation Office to MN Department of Administration as of March 1, 2018. Funding and statutory responsibilities, primarily under federal program, would transfer.
Transfer of portions of Lower Sioux Agency Historic Site to Lower Sioux Indian Community	Transfer of portions of site		Passed without controversy; included in Omnibus Lands Bill	Passed without controversy; included in Omnibus Lands Bill	N/A	Permits MNHS to transfer portions of Lower Sioux Agency Historic Site to the Lower Sioux Indian Community. Total land transferred is 114 acres. Since current visitor center includes building improvements funded by state bond funds, and Indian tribes are not eligible to receive state bond funds, that portion is not included in this transfer and will be handled separately.

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
Transfer of McKinstry site from MN Department of Transportation to MNHS	Transfer requested by MN/DOT and MNHS to transfer to MNHS parcel of land in Koochiching County that contains burial sites.		Included in Omnibus Transportation Policy bill.	Included in Omnibus Transportation Policy bill.	Included in final transportation agreement.	Site will be managed along with Grand Mound Historic Site.
Fort Ridgely Historic Site – proposal to have city of Fairfax manage golf course in adjacent State Park	MNHS has concerns regarding impacts of golf course activity on historic site, both visitor experience and historic / archaeological resources.		Included in Omnibus Environment Finance Bill	Included in Omnibus Environment Finance Bill	Final agreement includes: permission for DNR to enter a lease that waives entry or parking fees; authorization for golf carts; and sets out conditions for issuance of a liquor license for the golf course.	DNR is negotiating terms of an operating agreement with the City of Fairfax. DNR has closed golf course due to low usage, and is responding to local interest in re-opening under the management of the City of Fairfax. Specific provisions in legislation and operating agreement, notably use of golf carts and construction of paths were not previously permitted and could require review by State Historic Preservation Office.

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
Clarification of local history statutes			Individual bill passed committee, did not receive floor action	Included in Senate Omnibus Tax Bill; separate bill did not receive floor action	Not included in final agreement	<p>Proposal would clarify ambiguous existing statute to permit city and town governments to make expenditures for city and town historical organizations.</p> <p>The proposal was included in the 2016 tax bill the Governor vetoed in June, 2016.</p>
Historic Preservation Tax Credit						<p>Tax credit program sunsets in 2021 with sunset extension passed in 2013 session.</p> <p>Monitor potential changes to statutory language.</p> <p>One proposal for special language to make one specific project eligible for the state tax credit was unsuccessful each session since 2014. MNHS opposed to special legislation for one specific project that would not otherwise qualify for a credit.</p> <p>Specific project was included in vetoed 2016 tax bill as a grant rather than tax credit but was not included in 2017.</p>

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
Data Practices						<p>MNHS, as a private, non-profit organization has its own information policy, separate from the state's Data Practices Act. MNHS would not support its inclusion in the Data Practices Act, as has been suggested by some.</p>
Minnesota State Capitol Preservation Project						<p>MNHS is coordinating with the Capitol Preservation Commission (CPC) to ensure good preservation practice and space for MNHS' educational and tour programs.</p> <p>Total cost of the project is \$309 million. Building tenants have moved back in with final completion and grand reopening events planned for August 2017.</p> <p>Under Minnesota statutes, MNHS and the Capitol Area Architectural and Planning Board have authority for addition and removal of works of art in the Capitol.</p> <p>MNHS Board Ad Hoc Advisory Committee considered</p>

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
						<p>recommendations from the Capitol Preservation Commission and its Art Subcommittee, and recommendations were made by the Executive Council on Dec. 8, 2016.</p> <p>During the 2017 Session, a bill was introduced and heard in committees to require all Governors' Portraits to be installed in the Capitol. The bill did not pass the House or Senate.</p>
Capitol Complex Security Advisory Committee		\$18,500,000	\$10,500,000	\$10,500,000	\$0	<p>Capitol Complex Security Advisory Committee established in 2012. Advisory Committee consults with various agencies and organizations on security procedures, including Minnesota Historical Society, which provides educational services for 65,000 schoolchildren at the State Capitol Historic Site. The Minnesota History Center is under the jurisdiction of Capitol Security / State Patrol, since it is in the Capitol Complex.</p> <p>Annual Report is submitted to Legislature in January of each year.</p>

Issue/Request	MNHS Request	2017 Governor's Recommendation	2017 House Recommendation	2017 Senate Recommendation	Final Agreement	Notes
						<p>The advisory recommended a package of security enhancements in the capitol complex including the Minnesota History Center. The overall package totals \$26.2 million and was included in the Governor's 2017 capital budget request but not in the final agreement.</p>

I. Operating Budget and Related Policy Provisions

This session, funding for MNHS operations was appropriated through the House State Government Finance Committee and the Senate State Government Finance and Policy and Elections Committee. Operating funding from the state's general fund provides a critical share of the MNHS budget.

After the February Forecast projected a \$1.6 billion surplus, legislative committees began work crafting the state's budget. Despite the surplus, the House and Senate assigned targets which made substantial cuts to their respective State Government Finance committees to provide funds for other priorities.

The Senate acted first on its State Government Omnibus Budget bill and included a 5% reduction to funding for MNHS operations. The House included the full base funding for MNHS and added \$1.5 million in one-time funding for digital preservation and access. The agreement reached in conference committee maintained the funding levels for MNHS from the House position but was vetoed by Governor Dayton over his concern with funding levels and policy provisions in other areas.

The leaders were unable to negotiate a final compromise on this and other major budget bills before the constitutionally mandated adjournment date for the regular session. Governor Dayton called a special session that convened immediately after the regular session adjourned.

The final State Government Omnibus Budget bill passed in the special session. It includes both the \$1.5 million in new one-time funds for digital preservation and access, plus a \$1.5 million operating increase which will go into the base funding level for future funding.

State Government Budget Tracking Spreadsheet: bit.ly/StateGov17

A. Minnesota Historical Society Operating Budget

Session Law Reference: Laws of Minnesota, 2017, First Special Session,
Chapter 4, Article 1, Section 24

Sec. 24. **MINNESOTA HISTORICAL
SOCIETY**

<u>Subdivision 1.Total Appropriation</u>	\$ <u>23,393,000</u>	\$ <u>23,893,000</u>
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The amounts that may be spent for each
purpose are specified in the following
subdivisions.

<u>Subd. 2.Operations and Programs</u>	<u>23,072,000</u>	<u>23,572,000</u>
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\$750,000 the first year and \$750,000 the
second year are for digital preservation and
access, including planning and implementation
of a program to preserve and make available
resources related to Minnesota history. These
are onetime appropriations.

B. Pass-Through Appropriations

Each biennium, the Legislature requests that MNHS serve as the “pass-through” entity for a number of appropriations to cultural organizations. Global Minnesota (previously the Minnesota International Center), Minnesota Air National Guard Museum, Minnesota Military Museum, Farm America, and US Hockey Hall of Fame are funded at their base level.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 1, Section 24, Subdivision 3

Subd. 3. Fiscal Agent

<u>(a) Global Minnesota</u>	<u>39,000</u>	<u>39,000</u>
<u>(b) Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
<u>(c) Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>
<u>(d) Farmamerica</u>	<u>115,000</u>	<u>115,000</u>
<u>(e) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

C. Policy Provisions Related to MNHS in State Government Bill

1. *Transfer of State Historic Preservation Office*

The State Government Omnibus Budget bill includes the transfer of the State Historic Preservation Office from the Minnesota Historical Society to the Department of Administration effective March 1, 2018. The bill also calls for the Office of the Legislative Auditor to conduct a study of the State Historic Preservation Office (SHPO) due by Jan. 1, 2018.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 2, Various Sections

Sec. 29. Minnesota Statutes 2016, section 138.081, is amended to read:
138.081 FEDERAL FUNDS, ACTS.

Subdivision 1. ~~Executive Council~~ **Department of Administration** as agency to accept federal funds. The ~~Executive Council of the Minnesota Historical Society~~ Department of Administration is hereby designated the state agency with power to accept any and all money provided for or made available to this state by the United States of America or any department or agency thereof for surveys, restoration, construction, equipping, or other purposes relating to the state historic sites program in accordance with the provisions of federal law and any rules or regulations promulgated thereunder and are further authorized to do any and all things required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal money.

Subd. 2. ~~Director's Commissioner's responsibilities.~~ The ~~director of the Minnesota Historical Society, as state historic preservation officer, commissioner~~ shall be responsible for the preparation, implementation and administration of the State Historic Preservation Plan and shall administer the State Historic Preservation Program authorized by the National Historic Preservation Act (United States Code, title 16, section 470 et seq. as amended). The ~~director of the Minnesota Historical Society commissioner~~ shall review and approve in writing all grants-in-aid for architectural, archaeological and historic preservation made by state agencies and funded by the state or a combination of state and federal funds in accordance with the State Historic Preservation Program.

Subd. 3. **Administration of federal act.** The ~~Minnesota Historical Society~~ Department of Administration is designated as the state agency to administer the provisions of the federal act providing for the preservation of historical and archaeological data, United States Code, title 16, sections 469 to 469C, insofar as the provisions of the act provide for implementation by the state.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 30. Minnesota Statutes 2016, section 138.665, subdivision 2, is amended to read:

Subd. 2. **Mediation.** The state, state departments, agencies, and political subdivisions, including the Board of Regents of the University of Minnesota, have a responsibility to protect the physical features and historic character of properties designated in sections 138.662 and 138.664 or listed on the National Register of Historic Places created by Public Law 89-665. Before carrying out any undertaking that will affect designated or listed properties, or funding or licensing an undertaking by other parties, the state department or agency shall consult with the ~~Minnesota Historical Society~~ State Historic Preservation Office pursuant to the society's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on

designated or listed properties. If the state department or agency and the ~~Minnesota Historical Society~~ State Historic Preservation Office agree in writing on a suitable course of action, the project may proceed. If the parties cannot agree, any one of the parties may request that the governor appoint and convene a mediation task force consisting of five members, two appointed by the governor, the chair of the State Review Board of the State Historic Preservation Office, the commissioner of administration or the commissioner's designee, and one member who is not an employee of the Minnesota Historical Society appointed by the director of the society. The two appointees of the governor and the one of the director of the society shall be qualified by training or experience in one or more of the following disciplines: (1) history; (2) archaeology; and (3) architectural history. The mediation task force is not subject to the conditions of section 15.059. This subdivision does not apply to section 138.662, subdivision 24, and section 138.664, subdivisions 8 and 111.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 31. Minnesota Statutes 2016, section 138.665, subdivision 3, is amended to read:

Subd. 3. ~~Notice to Minnesota Historical Society~~ **State Historic Preservation Office of land acquisition.** If the state or a governmental subdivision acquires any of the property in section 138.664, it is the duty of the officer in charge of the acquisition to notify in writing, as promptly as possible, the ~~Minnesota Historical Society~~ State Historic Preservation Office of the acquisition.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 37. Minnesota Statutes 2016, section 290.0681, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Account" means the historic credit administration account in the special revenue fund.

(c) "Office" means the State Historic Preservation Office of the ~~Minnesota Historical Society~~ Department of Administration.

(d) "Project" means rehabilitation of a certified historic structure, as defined in section 47(c)(3)(A) of the Internal Revenue Code, that is located in Minnesota and is allowed a federal credit.

(e) ~~"Society" means the Minnesota Historical Society.~~

(f) "Federal credit" means the credit allowed under section 47(a)(2) of the Internal Revenue Code.

(g) (f) "Placed in service" has the meaning used in section 47 of the Internal Revenue Code.

(h) (g) "Qualified rehabilitation expenditures" has the meaning given in section of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 38. Minnesota Statutes 2016, section 290.0681, subdivision 2, is amended to read:

Subd. 2. **Credit or grant allowed; certified historic structure.** (a) A credit is allowed against the tax imposed under this chapter equal to not more than 100 percent of the credit allowed under section 47(a)(2) of the Internal Revenue Code for a project. To qualify for the credit:

(1) the project must receive Part 3 certification and be placed in service during the taxable year; and

(2) the taxpayer must be allowed the federal credit and be issued a credit certificate for the taxable year as provided in subdivision 4.

(b) The ~~society~~ commissioner of administration may pay a grant in lieu of the

credit. The grant equals 90 percent of the credit that would be allowed for the project.

(c) In lieu of the credit under paragraph (a), an insurance company may claim a credit against the insurance premiums tax imposed under chapter 297I.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 39. Minnesota Statutes 2016, section 290.0681, subdivision 7, is amended to read:

Subd. 7. **Appropriations.** (a) An amount sufficient to pay the refunds authorized under this section is appropriated to the commissioner from the general fund.

(b) An amount sufficient to pay the grants authorized under this section is appropriated to the ~~society~~ commissioner of administration from the general fund.

(c) Amounts in the account are appropriated to the ~~society~~ commissioner of administration for costs associated with personnel and administrative expenses related to administering the credit for historic structure rehabilitation in this section, for refunding application fees under subdivision 3, and for costs associated with preparing the determination of economic impact report required in subdivision 9.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 40. Minnesota Statutes 2016, section 290.0681, subdivision 9, is amended to read:

Subd. 9. **Report; determination of economic impact.** The ~~society~~ commissioner of administration must annually determine the economic impact to the state from the rehabilitation of property for which credits or grants are provided under this section and provide a written report on the impact to the chairs and ranking minority members of the legislative committees on taxes of the senate and house of representatives, in compliance with sections 3.195 and 3.197.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 46. Minnesota Statutes 2016, section 471.193, subdivision 6, is amended to read:

Subd. 6. **Communication with state historic preservation officer.** Proposed site designations and design guidelines must be sent to the state historic preservation officer at the ~~Minnesota Historical Society~~ Department of Administration, who shall review and comment on the proposal within 60 days. By October 31 of each year, each commission shall submit an annual report to the state historic preservation officer. The report must summarize the commission's activities, including designations, reviews, and other activities during the previous 12 months.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 53. **HISTORIC PRESERVATION; LEGISLATIVE AUDITOR REVIEW.**

The legislative auditor is requested to conduct a program evaluation of the State Historic Preservation Office no later than January 1, 2018. The program evaluation must be consistent with the standards provided in Minnesota Statutes, section 3.971, subdivision 7, and include consideration of the office's consistency in its responsiveness to project proposals, and in its treatment of historic sites in the state, including those that are listed on the national register, those that are eligible for the national register, and those that are registered as state historic sites by the Minnesota Historical Society. The evaluation should also include a review of approaches to state historic preservation governance in other states, in comparison to Minnesota's governance structure, with emphasis on the impact of those approaches on the timeliness and consistency of preservation work in those states.

Sec. 54. **HISTORIC PRESERVATION; TRANSFER.**

(a) The powers, duties, responsibilities, personnel, assets, and unexpended funds relating to functions assigned to the Minnesota State Historic Preservation Office are transferred to the Department of Administration effective March 1, 2018. For the purpose

of this section, the Minnesota State Historical Society is considered a state agency under Minnesota Statutes, sections 15.039 and 16B.37.

(b) The commissioner of the Department of Administration in consultation with the Minnesota Historical Society must transfer functions from the Minnesota Historical Preservation Office to the Department of Administration. The transfer must provide for the full transition of all State Historic Preservation Office functions to the Department of Administration.

(c) A transferred employee's length of service remains uninterrupted as if the employee had been employed by the Department of Administration during the employee's time of employment by the Minnesota Historical Society. The employee shall have all accumulated unliquidated vacation and sick leave hours transferred to the employee's credit, up to the maximum accumulations permitted by the state collective bargaining agreement or compensation plan adopted under Minnesota Statutes, section 43A.18, governing the transferred position. Vacation and sick leave hours are not transferred if the transferred position does not provide for the leave. The salary rate of employees transferred under this section may not decrease as a result of the transfer to state employment. If an employee's salary rate is above the maximum of the class to which the transferred position is allocated, so long as the employee remains in the transferred position, the employee shall not be eligible to receive any increase in salary until the employee's salary is within the range of the class to which the transferred position is allocated, unless such increases are specifically provided in the state collective bargaining agreement or compensation plan governing the transferred position. All transferred employees must successfully complete a probationary period of at least one year beginning the effective date of the transfer in order to attain permanent status in the class to which the transferred position is allocated.

EFFECTIVE DATE. This section is effective March 1, 2018.

2. *Fees for capitol tours*

The State Government Omnibus Budget bill moves language into statute that had been included for several years in the appropriation to MNHS as a "rider". This language prohibits MNHS from charging a fee for general tours at the capitol.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 2, Section 32

Sec. 32. Minnesota Statutes 2016, section 138.69, is amended to read:

138.69 PUBLIC AREAS OF THE CAPITOL.

The Minnesota State Historical Society is designated the research agency and is responsible for the interpretation of the public areas for visitors to the Capitol. This involves conducting or approving public programs and tours in the Capitol and State Office Building, including exhibits held in the Capitol, providing informational services, acting as ~~advisor~~-~~advisor~~ on preservation, recommending appropriate custodial policies, and maintaining and repairing all works of art. Notwithstanding section 138.668, the society may not charge a fee for general tours at the Capitol but may charge fees for special programs other than general tours.

D. Other Policy Provisions of Interest to MNHS in State Government Bill

1. *Legislative Budget Office*

The State Government Omnibus Omnibus Budget bill also moves the work of assessing the cost of proposed legislation through fiscal notes from Minnesota Management and Budget to the new Legislative Budget Office under the Legislative Coordinating Commission. The bill creates a working group to oversee the transfer of this function and has an effective date of January 8, 2019.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 2, Section 3

Sec. 3. **[3.8853] LEGISLATIVE BUDGET OFFICE.**

Subdivision 1. Establishment; duties. The Legislative Budget Office is established under control of the Legislative Coordinating Commission to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, without regard to political factors.

Subd. 2. Staff. The Legislative Coordinating Commission must appoint a director who may hire staff necessary to do the work of the office. The director serves a term of six years and may not be removed during a term except for cause.

EFFECTIVE DATE. This section is effective January 8, 2019.

2. *Grant Termination if Recipient Convicted of Criminal Offense*

Although possibly added in response to a grant recipient through the Department of Commerce, this section requires that grants that are subject to the state's statutory requirements and guidelines relating to grants be terminated if the recipient is convicted of a criminal offense related to the grant agreement.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 2, Section 23

Sec. 23. **[16B.991] TERMINATION OF GRANT.**

Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement.

3. *SEGIP Opt-Out*

This provision from the State Government Omnibus Budget bill permits public employees to opt out of SEGIP insurance and requires an annual legislative report on employee opt-outs, by agency. The item below provides for a recapture of the savings from constitutional offices and executive agencies.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 2, Section 26

Sec. 26. Minnesota Statutes 2016, section 43A.24, is amended by adding a subdivision to read:

Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental benefits under this section has the right to decline those benefits, provided the individual declining the benefits can prove health insurance coverage from another source. Any individual declining benefits must do so in writing, signed and dated, on a form provided by the commissioner.

(b) The commissioner must create, and make available in hard copy and online a form for individuals to use in declining state-paid hospital, medical, and dental benefits. The form must, at a minimum, include notice to the declining individual of the next available opportunity and procedure to re-enroll in the benefits.

(c) No later than January 15 of each year, the commissioner of management and budget must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance on the number of employees choosing to opt-out of state employee group insurance coverage under this section. The report must provide itemized statistics, by agency, and include the total amount of savings accrued to each agency resulting from the opt-outs.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 1, Section 42

Sec. 42. **SAVINGS FROM INSURANCE OPT OUT; APPROPRIATION REDUCTION FOR EXECUTIVE AGENCIES.**

The commissioner of management and budget must reduce general fund appropriations to executive agencies, including constitutional offices, for agency operations for the biennium ending June 30, 2019, by \$4,012,000 due to savings from permitting employees to opt out of insurance coverage under the state employee group insurance coverage. If savings obtained through permitting employees to opt out of insurance coverage under the state employee group insurance coverage yield savings in nongeneral funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of savings to the general fund. The amount transferred to the general fund from other funds reduces the required general fund reduction in this section. Reductions made in 2019 must be reflected as reductions in agency base budgets for fiscal years 2020 and 2021. The commissioner of management and budget must report to the chairs and ranking minority members of the committees in the senate Finance Committee and the house of representatives Ways and Means Committee regarding the amount of reductions in spending by each agency under this section.

II. Legacy Appropriations and Policy Provisions

In 2008 Minnesota voters passed the Legacy Amendment to the Minnesota Constitution to raise the sales tax three eighths of one percent beginning on July 1, 2009 and continuing until 2034. 19.75 percent of these sales tax revenues go to the Arts and Cultural Heritage Fund (ACHF). A considerable portion of this fund went to support history programs around the state in the four previous biennial appropriations.

Continuing the practice from previous biennia, the Governor did not make a recommendation for the ACHF, leaving the initial funding decisions to the legislature through the House Legacy Finance Committee and the Senate Environment and Natural Resources Policy and Legacy Finance Committee.

During the last biennium sales tax receipts were lower than// the amounts expected in the 2015 February Economic Forecast. That session, legislators appropriated the full amount expected for the ACHF based on this forecast. This caused trouble in fiscal years 2016 and 2017 as appropriations exceeded available funds. To avoid a repeat of this issue, there was a consensus on the Legacy committees to leave a 5% reserve in future appropriations. Despite an expected increase in sales tax receipts, this new reserve requirement meant that the total appropriation for the ACHF is slightly less than in the 2015 session. The total Legacy ACHF appropriation for history is 3% lower than in the 2015 session.

The Omnibus Legacy bill was passed late in session, largely without controversy. Despite the preference from MNHS and many in the history community for grants to be distributed competitively, the House specified several earmark grants that were included in the final agreement with the Senate in conference committee. These earmarks were in addition to a significant appropriation that will be distributed competitively.

Legacy Tracking Spreadsheet: bit.ly/Legacy_17

A. Legacy Appropriations for History

1. Appropriations to MNHS

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 4

Subd. 4. Minnesota Historical Society	<u>11,815,000</u>	<u>16,305,000</u>
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(a) These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2021. The Minnesota Historical Society or grant recipients of the Minnesota Historical Society using arts and cultural heritage funds under this subdivision must give consideration to Conservation Corps Minnesota and Northern Bedrock Historic Preservation Corps, or an organization carrying out similar work, for projects with the potential to need historic preservation services.

(b) Historical Grants and Programs

(1) Statewide Historic and Cultural Grants

\$4,500,000 the first year and \$6,500,000 the second year are for history programs and projects operated or conducted by or through local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources. Funds are to be distributed through a competitive grant process. The Minnesota Historical Society must administer these funds using established grant mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item

(ii).

(2) Statewide History Programs

\$4,055,000 the first year and \$6,945,000 the second year are for programs and purposes related to the historical and cultural heritage of the state of Minnesota conducted by the Minnesota Historical Society.

(3) History Partnerships

\$2,000,000 each year is for partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

(4) Statewide Survey of Historical and Archaeological Sites

\$400,000 the first year and \$400,000 the second year are for a contract or contracts to be awarded on a competitive basis to conduct statewide surveys of Minnesota's sites of historical, archaeological, and cultural significance. Results of the surveys must be published in a searchable form and available to the public free of cost. The Minnesota Historical Society, the Office of the State Archaeologist, and the Indian Affairs Council must each appoint a representative to an oversight board to select contractors and direct the conduct of the surveys. The oversight board must consult with the Departments of Transportation and Natural Resources.

(5) Digital Library

\$300,000 the first year and \$300,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society must cooperate with the Minitex interlibrary loan system and must jointly share this appropriation for these purposes.

2. *Pass-Through Earmark Grants*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 4

(6) Grants

\$80,000 each year is for a grant to the board of directors of the Carver County Historical Society to restore the historic Andrew Peterson farm in Waconia.

\$80,000 each year is for a grant to the city of Woodbury to work in collaboration with the Woodbury Barn Heritage Commission to restore the Miller Barn and historical programming at the Miller Barn in Woodbury.

\$100,000 the first year is to restore the stained glass in the historic Fort Snelling Memorial Chapel in collaboration with the Department of Natural Resources. The historical society may work in collaboration with the Fort Snelling Memorial Chapel Foundation.

\$250,000 the first year is for a grant to the Fairmont Opera House to restore and renovate the historic Fairmont Opera House.

\$50,000 the first year is for a grant to the Litchfield Opera House to restore and renovate the historic Litchfield Opera House.

Any unencumbered balance remaining under this subdivision the first year does not cancel but is available the second year.

B. Other Legacy Appropriations Related to History and Cultural Heritage

The Omnibus Legacy bill also included several other appropriations related to history. The grants below were either appropriated through the Department of Administration or the Minnesota Humanities Center.

1. *Wilderness Inquiry*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 6

(f) Wilderness Inquiry

\$250,000 each year is to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth to natural resources.

2. *Green Giant Museum*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 6

(i) Green Giant Museum

\$300,000 the first year is to the city of Blue Earth to predesign, design, construct, furnish, and equip the Green Giant Museum to preserve the culture and history of Minnesota.

3. *Capitol Mall Medal of Honor Memorial*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 6

(p) Medal of Honor Commemorative Memorial

\$250,000 the first year is to complete design and construction of a memorial in the Capitol area to honor all Minnesota Medal of Honor recipients. This appropriation is not available until the commissioner determines that at least \$250,000 is committed to the project from nonstate sources, and there are sufficient resources to complete the project, as required in Minnesota Statutes, section 16A.502, and Laws 2016, chapter 189, article 13, section 64.

4. *Rondo Commemorative Plaza*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 8

(f) Rondo Commemorative Plaza

\$47,000 the first year is for a grant to Rondo Avenue, Inc. for the Rondo Commemorative Plaza to celebrate the historic Rondo neighborhood.

5. *Office of the State Archaeologist Non-Indian Remains*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 6

(o) Office of State Archaeologist

\$107,000 the first year is for the Office of the State Archaeologist non-Indian remains analysis and reburial project.

6. *Southern Minnesota Children's Museum – Mni Wiconi Exhibit*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 8

(d) Children's Museum Grants

\$1,030,000 the first year and \$950,000 the second year are for arts and cultural heritage grants to children's museums for arts and cultural exhibits and related educational outreach programs.
Of this amount, \$500,000 each year is for the Minnesota Children's Museum for interactive exhibits and outreach programs on arts and cultural heritage, including the Minnesota Children's Museum in Rochester; \$150,000 each year is for the Duluth Children's Museum; \$150,000 each year is for the Grand Rapids Children's Museum; \$150,000 each year is for the Southern Minnesota Children's Museum for the Mni Wiconi and other arts and cultural exhibits; and \$80,000 the first year is for the Wheel and Cog Children's Museum of Hutchinson for interactive exhibits and outreach programs on arts and cultural heritage.

7. *Somali Community and Museum Grants*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 8

(g) Somali Community and Museum Grants

\$200,000 each year is for a grant to one or more community organizations that provide Somali-based collaborative programs for arts and cultural heritage. The Somali Museum of Minnesota may apply for a grant under this paragraph. The funding must be used for programs to provide arts and humanities education and workshops, mentor programs, classes, exhibits, presentations, community engagement events, and outreach about the Somali community and heritage in Minnesota.

8. *Indian Affairs Council*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 9

Subd. 9. Indian Affairs Council

1,320,000

1,320,000

(a) \$845,000 each year is for the Indian Affairs Council to provide grants to preserve Dakota and Ojibwe Indian language and to foster education programs and immersion programs in Dakota and Ojibwe language.

(b) \$125,000 each year is to the Indian Affairs Council for a grant to the Niiganne Ojibwe Immersion School.

(c) \$250,000 each year is to the Indian Affairs Council for a grant to the Wicoie Nandagikendan Urban Immersion Project and potentially Baby's Space and other partners at the Neighborhood Early Learning Center. Wicoie Nandagikendan Urban Immersion Project shall work in coordination with the Indian Affairs Council to develop capacity and implement a language immersion program with Baby's Space and other partners.

(d) Graves Protection

\$100,000 each year is for the Indian Affairs Council to carry out responsibilities under Minnesota Statutes, section 307.08, to comply with Public Law 101-601, the Native American Graves Protection and Repatriation Act.

C. Legacy Policy Provisions

1. *Maximum Allocation*

As described above, the Legacy committees were supportive of a new required 5% reserve after the fund shortfalls in the last biennium.

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 4

Sec. 4. Minnesota Statutes 2016, section 129D.17, is amended by adding a subdivision to read:

Subd. 5. Reserve requirement. In any fiscal year, at least five percent of that year's projected tax receipts determined by the most recent forecast for the arts and cultural heritage fund must not be appropriated.

2. *Indirect Costs Report*

The use of Legacy funds for administrative costs has continued as a point of contention in recent years. The Legislative Auditor and some legislators disagree with the Minnesota Management and Budget (MMB) guidelines on the use of Legacy funds for these indirect costs or "overhead." This disagreement resulted in a finding against MNHS and other Legacy fund recipients in an audit by the Office of the Legislative Auditor of ACHF expenditures from 2012 to 2015. The finding stated that MNHS did not adequately demonstrate that funds used for indirect administrative costs were "directly related to and necessary for" specific Legacy projects.

While some legislators favored new stronger requirements in the Omnibus Legacy bill, the committee promise instead requires MMB to submit a report on this subject for more consideration of the topic next session.

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 5

Sec. 5. **ARTS AND CULTURAL HERITAGE FUND INDIRECT COSTS; REPORT.**

By October 1, 2017, the commissioner of management and budget must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the arts and cultural heritage fund a report of the amount from the arts and cultural heritage fund used to reimburse the general fund for indirect costs under Minnesota Statutes, section 16A.127. The report must include:

(1) information for all years that arts and cultural heritage fund appropriations have been made through fiscal year 2017;

(2) the legal authority of the specific appropriations from which indirect costs were funded; and

(3) information on how statewide indirect cost allocations from the arts and

cultural heritage fund contribute to the constitutional requirement that funds be spent only for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

3. *Arts 47% Clarification*

This provision clarifies that the 47% of the ACHF the Arts Board receives by statute should be based on the total appropriation not the total deposited into the fund. The new 5% reserve requirement makes this distinction increasingly relevant.

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 3

Sec. 3. Minnesota Statutes 2016, section 129D.17, subdivision 4, is amended to read:

Subd. 4. **Minnesota State Arts Board allocation.** At least 47 percent of the ~~money deposited in the total appropriations from the~~ arts and cultural heritage fund in a fiscal biennium must be for grants and services awarded through the Minnesota State Arts Board, or regional arts councils subject to appropriation.

III. Capital Budget

With the 2016 legislative session concluding without the passage of a Capital Investment bill or “bonding bill,” there was broad interest in a larger bonding bill in 2017 than would normally be expected in a budget year. The bill authorizes \$998 million in spending through general obligation bonds and totals \$1.1 billion from all sources of funding.

Capital Budget Tracking Spreadsheet: bit.ly/Bonding17

A. Historic Fort Snelling Design

Governor Dayton recommended funding the full \$34 million for the project, continuing his steadfast support for the project since 2015. Unfortunately for our request, the bonding bill presented at the end of the 2016 session that did not include Historic Fort Snelling served as a starting point for 2017 negotiations. The project was not included in the bills presented in either the House or Senate but \$4 million for design work emerged in the final agreement passed in the special session.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 23, Subdivision 3

Subd. 3. Historic Fort Snelling

4,000,000

To design facilities to support visitor services and history programs at Historic Fort Snelling.

B. MNHS Historic Sites Asset Preservation

With no large bonding bill having passed since 2014, the needs for asset preservation across MNHS sites and museums have continued to grow. The various proposals and final agreement consistently included \$2.5 million of much-needed funding for historic sites asset preservation.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 23

Sec. 23. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. Total Appropriation § 6,500,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. Historic Sites Asset Preservation 2,500,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

C. Appropriations to Other Organizations for Historic Structures and Cultural Resources

The 2017 Capital Investment bill also includes funding for several other historic structures and cultural institutions that are of interest to MNHS.

1. *Minneapolis Veterans Home Truss Bridge*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 18, Subdivision 3

Subd. 3. Minneapolis Veterans Home Truss Bridge Project 7,851,000

To design, construct, renovate, and equip the historic truss bridge on the Minneapolis Veterans Home campus, including asbestos and hazardous materials abatement and associated site work.

2. *Hennepin Center for the Arts*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 20, Subdivision 10

Subd. 10. Hennepin County - Hennepin Center for the Arts 3,000,000

From the general fund for a grant to Hennepin County for improvements and betterments of a capital nature to renovate the historic Hennepin Center for the Arts. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed from nonstate sources.

3. *Minneapolis Pioneers and Soldiers Cemetery*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 20, Subdivision 14

Subd. 14. Minneapolis - Pioneers and Soldiers Cemetery Restoration

1,029,000

For a grant to the city of Minneapolis to restore the historic steel and limestone pillar fence along Cedar Avenue and Lake Street, install a new steel fence and pillars along 21st Avenue South, and install a waterproofing system for preservation of the fence and pillars, at the Pioneer and Soldiers Cemetery. This appropriation does not require a nonstate contribution.

4. *Red Wing River Town Renaissance*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 20, Subdivision 18

Subd. 18. Red Wing - River Town Renaissance

4,400,000

For a grant to the city of Red Wing to complete removal and replacement of 250 linear feet of the harbor retaining wall; to design, construct, furnish, and equip the renovation of the historic T.B. Sheldon Performing Arts Theater; and to design and construct transient riverboat docking facilities, levee wall extension, and levee promenade improvements at Levee Park. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed from nonstate sources.

5. *Minnesota Museum of American Art*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 20, Subdivision 21

Subd. 21. St. Paul - Minnesota Museum of American Art

6,000,000

For a grant to the St. Paul Port Authority to design, construct, furnish, and equip new museum galleries and an art study facility for the Minnesota Museum of American Art. This facility provides space to celebrate the legacy of Minnesota art and artists and is part of the restoration of the historic Pioneer Endicott Building, and a part of a multiphase project, of which only the museum galleries and art study facility constructed with this appropriation shall be state bond financed property subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget has determined that:

(1) at least an amount equal to this appropriation has been committed or previously expended for design, construction, and furnishing of the adjacent Minnesota Museum of American Art Center for Creativity facilities, which are not subject to Minnesota Statutes, section 16A.695, with funds from nonstate sources; and

(2) sufficient other state and nonstate funds are available, if funds beyond this appropriation are required, to complete the museum galleries and art study facility.

Funds invested in the Minnesota Museum of American Art Center for Creativity facilities by an investor receiving an assignment of state historic tax credits as provided in Minnesota Statutes, section 290.0681, are nonstate funds for purposes of this requirement. Only expenditures made after January 1, 2012, shall qualify for the required match. Due to the integrated nature of the overall development, public bidding shall not be required.

6. *Capitol Memorials - Peace Officers and Roy Wilkins*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 11, Subdivision 5

Subd. 5. Capitol Complex Monuments and Memorials 350,000

To design and complete critical repairs to the Peace Officers and Roy Wilkins Memorials located on the Capitol complex.

7. *Science Museum of Minnesota*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 1, Section 20, Subdivision 20

Subd. 20. St. Paul - Science Museum of Minnesota Building Preservation 13,000,000

For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.

D. Policy Provisions of Interest in the Capital Budget

1. *Legislative Chamber Exit Sign Exemption*

This provision appeared in the final agreement for the Capital Investment bill and exempts the Minnesota House and Senate chambers from the building or fire code requirements to post exit or occupancy limit signs.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 2, Section 14

Sec. 14. Minnesota Statutes 2016, section 326B.124, is amended to read:

326B.124 EXEMPTIONS.

(a) The commissioner may exempt a part of a historic building occupied by the state from the state or another building, fire, safety, or other code if the exemption is necessary to preserve the historic or esthetic character of the building or to prevent theft, vandalism, terrorism, or another crime. When the commissioner grants an exemption, the commissioner shall consider providing equivalent protection. A certificate of occupancy may not be denied because of an exemption under this section.

(b) The house of representatives and senate chambers located in the State Capitol are exempt from any State Building Code and State Fire Code requirements pertaining to: (1) exit sign placement at exit access doors; and (2) occupancy limit signs. The house of representatives and senate may install exit and occupancy limit signs within the house of representatives and senate chambers located in the State Capitol that are minimal in size and historic in appearance as appropriate for each chamber. Any sign installed by the house of representatives or the senate under the authority provided in this paragraph is not subject to the approval of the commissioner.

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

2. *Hard-of-Hearing Accommodation*

This policy provision had been discussed in previous sessions and adds new requirements for hard-of-hearing accommodations that must be included in construction or renovation work done with state funding.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 2, Section 3

Sec. 3. **[16C.054] ACCOMMODATION FOR HARD-OF-HEARING IN STATE-FUNDED CAPITAL PROJECTS.**

Subdivision 1. Definition. For purposes of this section, "public gathering space" means a space that is constructed or renovated as part of the project: (1) that accommodates and is intended to be used for gatherings of 15 or more people; and (2) in which audible communications are integral to a use of the space.

Subd. 2. Accommodation for hard-of-hearing in state-funded capital projects. No commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a public gathering space in a building unless:

(1) the project includes equipping the public gathering space, if the public gathering space has or will have a permanent audio-amplification system, with audio-induction loops to provide an electromagnetic signal for hearing aids and cochlear implants; and

(2) the project includes meeting the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times in the public gathering space.

Subd. 3. Exemption. A commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a building that does not meet a requirement of subdivision 2, when the commissioner or agency head determines that meeting that requirement is not feasible, is in conflict with other requirements in law, is in conflict with other project requirements, or that costs outweigh the benefits. The commissioner must consult with the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans before making the determination.

Subd. 4. Exemption reports. A commissioner or agency head who determines a contract is exempt under subdivision 3 must report the exemption to the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans within three months of making the determination. The chair of the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state contracting by January 30 of even-numbered years beginning in 2020 identifying each exemption reported in the previous two calendar years.

EFFECTIVE DATE. (a) This section is effective the day following final enactment, and, except as provided in paragraph (b), applies to any project funded with an appropriation enacted after January 1, 2017.

(b) This section does not apply to a project that has completed schematic design on the effective date of this section, but the commissioner and agency heads are encouraged to comply with it.

3. *Fort Snelling Upper Bluff*

The MN Department of Natural Resources controls the Fort Snelling Upper Bluff, which is part of the State Park. DNR is currently in the process of negotiating a lease with a developer that has proposed to preserve and re-use several historic structures on the Upper Bluff. This provision permits the DNR enter into a long-term lease with the developer and sets out the conditions for such a long-term lease, which is necessary for utilization of historic preservation tax credits.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 2, Section 5

Sec. 5. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with the approval of the Executive Council may lease for purposes of restoration, preservation, historical, recreational, educational, and commercial use and development, that portion of Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the polo grounds, the adjacent golf course, and all buildings and improvements located thereon, all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a form approved by the attorney general and for a term of not to exceed 99 years. The lease or leases may provide for the provision of capital improvements or other performance by the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be required. Notwithstanding the continuing ownership of the upper bluff by the state, any lease of one or more buildings improved with state general obligation bond proceeds that exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695, subdivision 3. Any disposition proceeds payable to the commissioner upon execution of a lease relating to state-bond-financed buildings at the upper bluff shall be applied according to section 16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation bonds issued for purposes of improving those buildings. Any lease revenues paid to the commissioner subsequent to the payment, redemption, or defeasance of state general obligation bonds shall be used by the commissioner as further described in this section.

4. *Fergus Falls Appropriation Extension*

The City of Fergus Falls, which owns the formerly state-owned Regional Treatment Center / State Hospital. A previous appropriation was made through the Department of Human Services for building preservation or demolition. This provision extends the availability of these funds until December 31, 2020.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 8, Article 2, Section 23

Sec. 23. Laws 2006, chapter 258, section 18, subdivision 6, as amended by Laws 2013, chapter 136, section 13, is amended to read:

Subd. 6. Systemwide Redevelopment, Reuse, or Demolition

5,000,000

To abate hazardous materials, design, construct, or improve basic infrastructure, including sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, demolish all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate redevelopment of Department of Human Services campuses that the commissioner of administration is authorized to convey to a local unit of government under Laws 2005, chapter 20, article 1, section 46, or other law. These projects must facilitate the redevelopment or reuse of these campuses and must be implemented consistent with the comprehensive redevelopment plans developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2, unless expressly provided otherwise. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision. Notwithstanding the inclusion of the unencumbered and unobligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision in the report submitted to the legislature in January 2017 pursuant to Minnesota Statutes, section 16A.642, the unencumbered and unobligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision are, estimated to be \$1,991,456.32, is reauthorized and available until December 31, ~~2016~~ 2020.

IV. Provisions Related to the Minnesota State Capitol

A. Liquor Service in the Capitol

This provision allows for the city of St. Paul to issue a liquor license for the Capitol building including the cafeteria with the requirement that the liquor is made in Minnesota.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 5, Section 8

Sec. 8. **[340A.425] SERVICE AT CAPITOL.**

Notwithstanding section 340A.412, subdivision 4, paragraph (a), clause (2), the city of St. Paul may issue an on-sale wine and malt liquor license for the premises known as the State Capitol, including the Capitol cafeteria. The commissioner of administration must specify those areas where service is being requested. The Department of Administration shall enter into an agreement with a food service vendor or another vendor on all matters related to the sale of wine and malt liquor in the Capitol. Section 16B.275 does not apply to the sale of wine and malt liquor in the Capitol and all fees charged or profits earned by the Department of Administration from the sale of wine and malt liquor in the Capitol must be deposited in a capitol revenues account in the special revenue fund and are appropriated to the commissioner for capitol preservation and programming. The Capitol must sell wine and malt liquor that are made in Minnesota.
EFFECTIVE DATE. This section is effective upon approval by the Saint Paul City Council and compliance with Minnesota Statutes, section 645.021.

B. Event Fees

This section allows fees to be collected for events in the Capitol building by the Department of Administration.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 2, Section 21

Sec. 21. Minnesota Statutes 2016, section 16B.2405, is amended to read:

16B.2405 CAPITOL BUILDING POWERS AND DUTIES.

Subdivision 1. Duties. The commissioner, upon receipt of funding for these purposes, shall:

(1) maintain and operate the Capitol building and grounds according to section 16B.24 and other applicable law;

(2) designate a project manager to oversee and manage predesign, design, and construction contracts and funding for all modifications to the Capitol building;

(3) manage design and construction projects and funding for the Capitol building according to section 16B.31 and other applicable law;

(4) lease space in the Capitol building, as provided in section 16B.24, to state agencies, constitutional officers, and the court administrator on behalf of the judicial branch and allocate space in the Capitol building to the legislative branch as determined by the commission;

(5) provide information about the Capitol building to the commission, legislative bodies, and others as needed regarding maintenance, operation, leasing, condition assessments, design, and construction projects; and

(6) assist the State Capitol Preservation Commission with performance of its duties as needed.

Subd. 2. Capitol event fees; appropriation. The commissioner may collect charges or fees from users holding events in the Capitol building. Money collected by the commissioner under this subdivision shall be deposited in a Capitol events dedicated account in the special revenue fund. Money in the dedicated account is appropriated to the commissioner of administration to recover direct costs incurred from holding events in the Capitol building. The commissioner shall report annually by August 1 on the events held in the Capitol building, the amounts collected for those events, and the costs for operating events, to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over finance and policy relating to the commissioner of administration.

C. Ice Palace

This section would allow for an ice palace to be built on the Capitol grounds as part of the St. Paul Winter Carnival. The event will be extended to overlap with the Super Bowl.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 2, Section 61

Sec. 61. **ICE PALACE ON CAPITOL GROUNDS AUTHORIZED.**

Subdivision 1. Use agreement; terms required. The commissioner of administration may enter a use agreement with the St. Paul Festival and Heritage Foundation for the construction, operation, and removal of an ice palace and related temporary structures on the grounds of the State Capitol complex. If a use agreement for this purpose is entered, the terms must include the following:

(1) mutually agreed upon beginning and end dates for access to the grounds for construction, operation, and removal of the ice palace and related temporary structures;

(2) notwithstanding Minnesota Rules, part 7525.0400, an allowance for the St. Paul Festival and Heritage Foundation to establish fees for admission to the ice palace and for participation in related activities, and for vendors to sell concessions subject to terms negotiated in the use agreement. Any fees established must allow a reasonable opportunity for all Minnesotans, regardless of income, to access the palace and participate in related activities, and must allow free or discounted admission to members of the military, military veterans, and their families. A fee may not be charged for general admission to the Capitol grounds or, to the extent practicable, for access to public memorials and monuments located on the Capitol grounds;

(3) notwithstanding Minnesota Statutes, section 15B.28, and related rules of the Capitol Area Architectural and Planning Board, an allowance for the St. Paul Festival and Heritage Foundation to erect advertising devices promoting the ice palace and its sponsors and donors, subject to terms negotiated in the use agreement;

(4) a restriction on private events that limit public access to the ice palace or surrounding Capitol grounds, without prior approval of the commissioner of administration; and

(5) a requirement that, following removal of the ice palace and related temporary structures, the St. Paul Festival and Heritage Foundation restore the Capitol grounds to the same condition as existed prior to their construction.

Subd. 2. Additional terms. In addition to the terms required by subdivision 1, a use agreement authorized by this section may include additional terms as necessary to preserve the integrity, dignity, and security of the State Capitol building, the Capitol grounds, and the surrounding public buildings, memorials, and monuments, and to ensure compliance with other applicable laws governing commercial activity on public property.

Subd. 3. Costs, expenses, and liabilities. Unless expressly provided in the use agreement, any costs or expenses incurred by the state or the city of St. Paul in implementing a use agreement entered under this section must be paid or reimbursed by the St. Paul Festival and Heritage Foundation. Notwithstanding Minnesota Statutes, section 3.736, subdivision

1, and Minnesota Statutes, section 466.02, the state, the city of St. Paul, and their employees are not liable for losses incurred during the construction, operation, or removal of an ice palace or related temporary structures, or losses incurred by a person while visiting the ice palace or participating in related activities.

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

D. Medal of Honor Memorial.

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 91, Article 4, Section 2, Subdivision 6

(p) Medal of Honor Commemorative Memorial

\$250,000 the first year is to complete design and construction of a memorial in the Capitol area to honor all Minnesota Medal of Honor recipients. This appropriation is not available until the commissioner determines that at least \$250,000 is committed to the project from nonstate sources, and there are sufficient resources to complete the project, as required in Minnesota Statutes, section 16A.502, and Laws 2016, chapter 189, article 13, section 64.

V. Additional Policy Provisions of Interest

A. Lower Sioux Transfer

The annual “lands bill” relating to the sale or transfer of public land includes authorization for the transfer of much of the Lower Sioux Agency historic site to the Lower Sioux Indian Community. The site is already managed by the Lower Sioux Indian Community. The visitor center building and several surrounding acres could not be transferred because it was improved with bond funds which Indian tribes are ineligible to receive. The total land authorized to be transferred is 114 acres.

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 54, Section 23

Sec. 23. **CONVEYANCE OF LAND; REDWOOD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16A.695 and 16B.281 to 16B.298, or any other law to the contrary, the director of the Minnesota Historical Society may convey to the Lower Sioux Indian Community in the state of Minnesota for no consideration the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Redwood County and is described as:

(1) that part of the Northeast Quarter of the Northwest Quarter of Section 8, Township 112, Range 34, Redwood County, Minnesota, described as follows: beginning at the northeast corner of said Northeast Quarter of the Northwest Quarter; thence on an assumed bearing of South 00 degrees 20 minutes 07 seconds East along the east line of said Northeast Quarter of the Northwest Quarter, a distance of 569.40 feet; thence on a bearing of South 79 degrees 56 minutes 34 seconds West, 170.15 feet; thence on a bearing of South 26 degrees 08 minutes 59 seconds West, 640.67 feet to the centerline of County State-Aid Highway (C.S.A.H.) 2 as shown on Redwood County Right of Way Plat No. 3 C.S.A.H. Number 2 as of public record, Redwood County, Minnesota; thence on a bearing of North 13 degrees 35 minutes 11 seconds West, 618.69 feet; thence on a bearing of South 89 degrees 40 minutes 12 seconds West, 28.75 feet; thence on a bearing of South 00 degrees 19 minutes 48 seconds East, 28.75 feet; thence on a bearing of South 63 degrees 45 minutes 49 seconds West, 776.48 feet to a point on the centerline of said C.S.A.H. 2, said point also being on the west line of said Northeast Quarter of the Northwest Quarter; thence on a bearing of North 00 degrees 10 minutes 02 seconds West along the west line of said Northeast Quarter of the Northwest Quarter, a distance of 941.91 feet to the northwest corner of said Northeast Quarter of the Northwest Quarter; thence on a bearing of North 89 degrees 51 minutes 56 seconds East along the north line of said Northeast Quarter of the Northwest Quarter, a distance of 1,319.72 feet to the point of beginning. Subject to easements of record;

(2) that part of the Northwest Quarter of the Northwest Quarter of Section 8, Township 112, Range 34, Redwood County, Minnesota, lying South of the following described line: commencing at the northwest corner of said Section 8; thence on an assumed bearing of South 00 degrees 00 minutes 00 seconds East along the west line of said Section 8, a distance of 696.45 feet to the centerline of County State-Aid Highway (C.S.A.H.) 2 as shown on Redwood County Right of Way Plat No. 3 C.S.A.H. Number 2 as of public record, Redwood County, Minnesota, said point being the point of beginning of the following described line: thence on a bearing of South 62 degrees 28 minutes 55 seconds East along last said centerline, 25.95 feet; thence southeasterly 571.04 feet along last said centerline, along a tangent curve concave to the northeast, having a radius of 1,432.4 feet and a central angle of 22 degrees 50 minutes 30 seconds; thence on a bearing

of South 00 degrees 00 minutes 00 seconds East, nontangent to last said curve, 123.98 feet; thence on a bearing of North 89 degrees 54 minutes 50 seconds East, 729.36 feet to the east line of said Northwest Quarter of the Northwest Quarter and said line there terminating. Subject to easements of record. Subject to the rights of the public in C.S.A.H. 2; and

(3) Government Lots 5 and 6, Section 5, Township 112 North, Range 34 West.

(d) The Minnesota Historical Society has determined that the state's land management interests and interpretive program interests would best be served if portions of the Lower Sioux Agency Historic Site were conveyed to the Lower Sioux Indian Community in the state of Minnesota to operate as a historic site open to the public.

B. McKinstry Mound

The Omnibus Transportation bill includes authorization for the transfer of the McKinstry burial mounds near International Falls from the Minnesota Department of Transportation to MNHS. It will be managed along with the Grand Mound Historic Site.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 3, Article 3, Section 130

Sec. 130. **CONVEYANCE FOR HISTORICAL PURPOSES; MCKINSTRY SURPLUS LANDS.**

(a) Notwithstanding any other law to the contrary, the commissioner may convey as provided in Minnesota Statutes, section 161.44, land described in paragraph (b), including any improvements on the lands, owned in fee by the state for trunk highway purposes, but no longer needed, to the Minnesota Historical Society for historical purposes. The conveyance must be without financial consideration. The lands conveyed must become a part of the state's historic sites program under Minnesota Statutes, chapter 138.

(b) The lands that may be conveyed are specifically related to the properties of the McKinstry Mounds and portions of the McKinstry Village site owned by the Department of Transportation, located along Trunk Highway 11 in Koochiching County.

C. Fort Ridgely

The decision by the DNR to close the golf course at Fort Ridgely State Park at the end of the 2016 season prompted an effort by some in the area to push for legislation to authorize its reopening under management by the City of Fairfax. Parts of the golf course come close to the historic site and MNHS has concerns that the reopened course under new management could damage historic resources.

1. *Lease and Waiver of Entry or Parking Fees*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 93, Article 2, Section 33

Sec. 33. Minnesota Statutes 2016, section 85.054, is amended by adding a subdivision to read:

Subd. 19. **Fort Ridgely golf course.** The commissioner may by contract, concession agreement, or lease waive a state park permit and associated fee for motor vehicle entry or parking for persons playing golf at the Fort Ridgely State Park golf course provided that the contract, concession agreement, or lease payment to the state is set, in part, to compensate the state park system for the loss of the state park fees.

2. *Golf Carts*

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 93, Article 2, Section 29

Sec. 29. **[85.0507] FORT RIDGELY GOLF COURSE; GOLF CARTS.**

The commissioner may by contract, concession agreement, or lease, authorize the use of golf carts on the golf course at Fort Ridgely State Park.

3. *Liquor*

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 4, Article 5, Section 1

Section 1. Minnesota Statutes 2016, section 85.0505, is amended by adding a subdivision to read:

Subd. 3. **Fort Ridgely State Park.** The commissioner of public safety, with the approval of the commissioner of natural resources, may issue to a concessionaire, lessee, or person holding a contract with the Department of Natural Resources an on-sale license for the sale of intoxicating liquor at the Fort Ridgely State Park golf course. The annual fee for the license issued pursuant to this subdivision shall be set by the commissioner of public safety at an amount comparable to the fee charged by the surrounding counties for a similar license. All provisions of chapter 340A not inconsistent with this subdivision shall apply to the sale of intoxicating liquor at the Fort Ridgely State Park golf course.

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

D. Civics Follow-Up

The Education Finance Omnibus bill contained the addition of citizenship as a required area of instruction under social studies. This was presented as a minor follow-up to the addition of the civics graduation requirement in the 2016 session.

Session Law Reference: Laws of Minnesota, 2017, First Special Session, Chapter 5, Article 2, Section 1

Section 1. Minnesota Statutes 2016, section 120A.22, subdivision 9, is amended to read:

Subd. 9. ~~Curriculum~~ **Knowledge and skills.** Instruction must be provided in at least the following subject areas:

- (1) basic communication skills including reading and writing, literature, and fine arts;
- (2) mathematics and science;
- (3) social studies including history, geography, ~~and~~ economics, government, and citizenship; and
- (4) health and physical education.

Instruction, textbooks, and materials must be in the English language. Another language may be used pursuant to sections 124D.59 to 124D.61.

E. Boathouse Lease Modifications

The MN Department of Natural Resources controls a collection of boathouses on Lake Vermillion that were formerly owned by US Steel and leased to employees. These boathouses are listed on the National Register of Historic Places. This provision governs the lease rates that DNR may charge.

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 92, Article 2, Section 147

Sec. 147. Laws 2000, chapter 486, section 4, as amended by Laws 2001, chapter 182, section 2, is amended to read:

Sec. 4. **[BOATHOUSE LEASES; SOUDAN UNDERGROUND MINE STATE PARK.]**

(a) In 1965, United States Steel Corporation conveyed land to the state of Minnesota that was included in the Soudan underground mine state park, with certain lands at Stuntz Bay subject to leases outstanding for employee boathouse sites.

(b) Notwithstanding Minnesota Statutes, sections 85.011, 85.012, subdivision 1, and 86A.05, subdivision 2, upon the expiration of a boathouse lease described under paragraph (a), the commissioner of natural resources shall offer a new lease to the party in possession at the time of lease expiration, or, if there has been a miscellaneous lease issued by the Department of Natural Resources due to expiration of a lease described under paragraph (a), upon its expiration to the lessee. The new lease shall be issued under the terms and conditions of Minnesota Statutes, section 92.50, ~~with the following limitations~~ except as follows:

(1) the term of the lease shall be for the lifetime of the party being issued a renewed lease and, if transferred, for the lifetime of the party to whom the lease is transferred;

(2) the new lease shall provide that the lease may be transferred only once and the transfer must be to a person within the third degree of kindred or first cousin according to civil law; ~~and~~

(3) the commissioner shall limit the number of lessees per lease to no more than two

persons who have attained legal age; and

(4) the lease amount must not exceed 50 percent of the average market rate, based on comparable private lease rates, as determined once every five years per lease. At the time of the new lease, the commissioner may offer, and after agreement with the leaseholder, lease equivalent alternative sites to the leaseholder.

(c) The commissioner shall not cancel a boathouse lease described under paragraphs (a) and (b) except for noncompliance with the lease agreement.

~~(d) By January 15, 2001, the commissioner of natural resources shall report to the senate and house environment and natural resources policy and finance committees on boathouse leases in state parks. The report shall include information on:~~

~~(1) the number of boathouse leases;~~

~~(2) the number of leases that have forfeited;~~

~~(3) the expiration dates of the leases;~~

~~(4) the historical significance of the boathouses;~~

~~(5) recommendations on the inclusion of the land described in paragraph (d) within the park boundary; and~~

~~(6) any other relevant information on the leases.~~

(d) The commissioner must issue a written receipt to the lessee for each lease payment.

(e) The commissioner of natural resources shall contact U.S.X. Corporation and local units of government regarding the inclusion of the following lands within Soudan underground mine state park:

(1) all lands located South of Vermillion Lake shoreline in Section 13, Township 62 North, Range 15 West;

(2) all lands located South of Vermillion Lake shoreline in the S1/2-SE1/4 of Section 14, Township 62 North, Range 15 West;

(3) NE1/4-SE1/4 and E1/2-NE1/4 of Section 22, Township 62 North, Range 15 West;

(4) all lands located South of Vermillion Lake shoreline in Section 23, Township 62 North, Range 15 West;

(5) all of Section 24, Township 62 North, Range 15 West;

(6) all lands North of trunk highway No. 169 located in Section 25, Township 62 North, Range 15 West;

(7) all lands North of trunk highway No. 169 located in Section 26, Township 62 North, Range 15 West;

(8) NE1/4-SE1/4 and SE1/4-NE1/4 of Section 27, Township 62 North, Range 15 West;

and

(9) NW1/4 of Section 19, Township 62 North, Range 14 West.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to monthly lease payments made on or after that date.

F. Hill Annex Mine State Park Management

The Hill Annex Mine State Park is a former working iron mine that is now a state park on Minnesota's Iron Range. When the site was established as a state park (Minnesota Statute 85.012, Subdivision 27B), it was contemplated that the park could someday be returned to its previous status as an active mine. Since the state park is listed on the National Register of Historic Places, it would be important for DNR and other stakeholders to consider future impacts on historic resources.

Session Law Reference: Laws of Minnesota, 2017, Regular Session, Chapter 92, Article 2, Section 156

142.12 Sec. 156. **HILL-ANNEX MINE STATE PARK MANAGEMENT AND OPERATION PLAN.**

(a) The commissioner of natural resources must work with the commissioner of the Iron Range Resources and Rehabilitation Board and representatives from the city of Calumet, Itasca County, and the Western Mesabi Mine Planning Board to create an alternate operating model for local management and operation of Hill-Annex Mine State Park until mining resumes on the property. The commissioner of natural resources must submit a management and operation plan to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2018.

(b) In fiscal year 2018 and fiscal year 2019, the level of service and hours of operation at Hill-Annex Mine State Park must be maintained at fiscal year 2016 levels.

G. Workers Compensation Technical Modifications

This provision is a technical or “housekeeping” change relating to workers compensation, brought forward by the Department of Administration. The technical change incorporates, by reference, the definition of state employee in another section of statute into this section in order to clean up or streamline the language.

Statute Reference: Minnesota Statutes 2016, 3.732

3.732 SETTLEMENT OF CLAIMS.

Subdivision 1. Definitions.

As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the Higher Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Iron Range Resources and Rehabilitation Board, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

Statute Reference: Minnesota Statutes 2016, 176.541

176.541 STATE DEPARTMENTS.

Subdivision 1. Application of chapter to state employees.

This chapter applies to the employees of any department of this state.

Subd. 7. **Historical Society as state department.** For the purposes of workers' compensation as provided by this chapter, the Minnesota Historical Society is a state department and such chapter applies to its employees the same as it applies to employees of any department of the state government.

VI. What Did not Pass

This final section of the report contains proposed laws or changes to statute that are of interest to MNHS, but did not pass this year. These potential changes should be taken seriously as they represent the ideas and priorities of legislators. It is common for new ideas at the legislature to take several years before they are finally passed.

A. Local History Tax Clarification

This provision considered since the 2015 session would clarify the authority of cities and towns to donate from their general fund to a local history organization other than their county historical society. Standalone bills on this issue received hearings in each body but did not progress further. It was also included in the omnibus tax bill that passed the Senate but was removed in conference committee. In September, 2016 the Office of the State Auditor found that the Town of Schroeder lacked the authority to donate funds to the Schroeder Area Historical Society and that the current status of 138.053 would only allow for a donation to their Cook County Historical Society.

Bill Reference: 90th Legislature (2017 - 2018), Senate File 1274 (Introduction)

Section 1. Minnesota Statutes 2016, section 138.053, is amended to read:

138.053 COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.

The governing body of any home rule charter or statutory city or town may annually appropriate from its general fund an amount not to exceed 0.02418 percent of estimated market value, derived from ad valorem taxes on property or other revenues, to be paid to the historical society of its respective city, town, or county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in the city, town, or county. No city or town may appropriate any funds for the benefit of any historical society unless the society is affiliated with and approved by the Minnesota Historical Society.

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

B. Governors' Portrait Display

The initial MNHS decision to display a more limited set of Governor's portraits with increased interpretation was not received well by many in the legislature and prompted the introduction of bills that would have required that all be displayed. The issue was resolved to legislators' satisfaction before the bills substantially progressed and all the portraits are set to return without a change in law.

Bill Reference: 90th Legislature (2017 - 2018), Senate File 27 (Introduction)

Section 1. **[138.681] GOVERNORS' PORTRAITS.**

A portrait of each former Minnesota governor must be publicly displayed in the State Capitol at all times. The Minnesota Historical Society and the Capitol Area Architectural and Planning Board shall determine locations for the governors' portraits in any of the following spaces: the rotunda, public hallways or corridors, the public gallery and orientation area, or any other area of the State Capitol designed for public ceremonies.

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

C. EMERGE Tax Issue

The interest from EMERGE Community Development in receiving a tax credit for renovating the Minneapolis North Branch Library into a job training center continued after discussion in the past several sessions. Unlike 2015 and 2016, it was not included in any version of the Omnibus Tax bill. MNHS has opposed changes to the tax credit to specify the eligibility of projects that would be otherwise ineligible.

Bill Reference: 90th Legislature (2017 - 2018), Senate File 1162 (Introduction)

Section 1. **CREDIT FOR JOB TRAINING CENTER REHABILITATION.**

(a) A taxpayer is allowed a credit against the tax due under Minnesota Statutes, chapter 290, if the taxpayer rehabilitated and placed in service in calendar year 2015 a certified historic structure that once served as a library, is located in a city of the first class, and was placed on the National Register of Historic Places in 1977. The credit equals 20 percent of the qualified rehabilitation expenditures for the project.

(b) The taxpayer must notify the commissioner within six months of when the project is placed in service, and must provide documentation that the project meets the requirements of this section, in the form and manner prescribed by the commissioner. The commissioner must issue a credit certificate to the developer upon verifying that the project has been placed in service and meets the requirements of this section.

(c) The recipient of a credit certificate may assign the certificate to another taxpayer, including an insurance company, which is then allowed the credit under this section. An assignment is not valid unless the assignee notifies the commissioner within 30 days of the date the assignment is made. The commissioner shall prescribe the forms necessary for notifying the commissioner of the assignment of a credit certificate and for claiming a credit by assignment. In lieu of the credit under paragraph (a), an insurance company that is assigned a credit under this paragraph may claim the credit against the insurance premiums tax imposed under chapter 297I.

(d) Credits granted to a partnership, a limited liability company taxed as a partnership, S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or owner based on their share of the entity's assets or as specially allocated in their organizational documents or any other executed agreement, as of the last day of the taxable year.

(e) If the amount of credit that a taxpayer is eligible to receive under this section exceeds the taxpayer's liability for tax under Minnesota Statutes, chapter 290, the commissioner shall refund the excess to the taxpayer. If the amount of credit assigned to an insurance company exceeds the liability for tax under chapter 297I, the commissioner shall refund the excess to the insurance company. An amount sufficient to pay the refunds authorized under this section is appropriated to the commissioner from the general fund.

(f) For purposes of this section, the following terms have the meanings given:

(1) "certified historic structure" has the meaning given in section 47(c)(3)(A) of the Internal Revenue Code;

(2) "commissioner" means the commissioner of revenue;

(3) "qualified rehabilitation expenditures" means amounts chargeable to capital accounts but does not include the cost of acquiring the structure or enlarging the structure; and

(4) "project" means rehabilitation of a certified historic structure that is located in Minnesota.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2016, and before January 1, 2018, for projects placed in service in calendar year 2015.

D. Capitol Security Bonding

Capitol Security did not receive the requested appropriation for physical security improvements this year despite its inclusion in the bonding bill that failed at the end of the 2016 session and the initial proposals from the House, Senate and Governor. Security improvements at the Minnesota History Center are included in this package, since the History Center falls under the jurisdiction of Capitol Security.

Bill Reference: 90th Legislature (2017 - 2018), Senate File 210 (3rd Engrossment), Article 1, Section 11, Subdivision 5

Subd. 5. Capitol Complex - Physical Security Upgrades

10,500,000

For the design, construction, and equipping required to upgrade the physical security elements and systems for one or more of the buildings listed below, their attached tunnel systems and surrounding grounds, and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control to the extent these funds allow. This appropriation is for work associated with one or more of the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

E. Civics Class Requirement

Bills were introduced in each body to add a graduation requirement of a course in civics in either 11th or 12th grade. The bills did not receive consideration beyond an informational hearing.

Bill Reference: 90th Legislature (2017 - 2018), Senate File 1061 (Introduction)

Section 1. Minnesota Statutes 2016, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** Students beginning 9th grade in the 2011-2012 school year and later must successfully complete the following high school level credits for graduation:

- (1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;
- (2) three credits of mathematics, including an algebra II credit or its equivalent, sufficient to satisfy all of the academic standards in mathematics;
- (3) an algebra I credit by the end of 8th grade sufficient to satisfy all of the 8th grade standards in mathematics;
- (4) three credits of science, including at least one credit of biology, one credit of chemistry or physics, and one elective credit of science. The combination of credits under this clause must be sufficient to satisfy (i) all of the academic standards in either chemistry or physics and (ii) all other academic standards in science;
- (5) three and one-half credits of social studies, including one credit in civics in either 11th or 12th grade and a combination of other credits encompassing at least United States history, geography, ~~government and citizenship~~, world history, and economics sufficient to satisfy all of the academic standards in social studies;
- (6) one credit of the arts sufficient to satisfy all of the state or local academic standards in the arts; and
- (7) a minimum of seven elective credits.

F. “This Old House” / “This Old Shop” Valuation Exclusion

The Preservation Alliance of Minnesota again advocated for their “This Old House” / “This Old Shop” valuation exclusion. The bill would expand the current valuation exclusion for homes from 45 years old to 30 years and add a similar exclusion for commercial properties. The bill was introduced in each body and received a hearing in the House Property Tax and Local Government Finance Division.

Bill Reference: 90th Legislature (2017 - 2018), House File 414 (Introduction)

Section 1. Minnesota Statutes 2016, section 273.11, subdivision 16, is amended to read:

Subd. 16. **Valuation exclusion for certain improvements; homestead property.** (a) Improvements to homestead property ~~made before January 2, 2003,~~ shall be fully or partially excluded from the value of the property for assessment purposes provided that (1) the house is at least ~~45~~³⁰ years old at the time of the improvement and (2) the assessor's estimated market value of the house on January 2 of the current year is equal to or less than \$400,000.

(b) For purposes of determining this eligibility, "house" means land and buildings.

(c) The age of a residence is the number of years since the original year of its construction. In the case of a residence that is relocated, the relocation must be from a location within the state and the only improvements eligible for exclusion under this subdivision are (1) those for which building permits were issued to the homeowner after the residence was relocated to its present site, and (2) those undertaken during or after the year the residence is initially occupied by the homeowner, excluding any market value increase relating to basic improvements that are necessary to install the residence on its foundation and connect it to utilities at its present site. In the case of an owner-occupied duplex or triplex, the improvement is eligible regardless of which portion of the property was improved.

(d) If the property lies in a jurisdiction which is subject to a building permit process, a building permit must have been issued prior to commencement of the improvement. The improvements for a single project or in any one year must add at least \$5,000 to the value of the property to be eligible for exclusion under this subdivision. Only improvements to the structure which is the residence of the qualifying homesteader or construction of or improvements to no more than one two-car garage per residence qualify for the provisions of this subdivision. ~~If an improvement was begun between January 2, 1992, and January 2, 1993, any value added from that improvement for the January 1994 and subsequent assessments shall qualify for exclusion under this subdivision provided that a building permit was obtained for the improvement between January 2, 1992, and January 2, 1993.~~ Whenever a building permit is issued for property currently classified as homestead, the issuing jurisdiction shall notify the property owner of the possibility of valuation exclusion under this subdivision. The assessor shall require an application, including documentation of the age of the house from the owner, if unknown by the assessor. The application may be filed subsequent to the date of the building permit provided that the application must be filed within three years of the date the building permit was issued for the improvement. If the property lies in a jurisdiction which is not subject to a building permit process, the application must be filed within three years of the date the improvement was made. The assessor may require proof from the taxpayer of the date the improvement was made. Applications must be received prior to July 1 of any year in order to be effective for taxes payable in the following year. No exclusion for an improvement may be granted by a local board of review or county board of equalization, and no abatement of the taxes for qualifying improvements may be granted by the county board unless (1) a building permit was issued prior to the commencement of the improvement if the jurisdiction requires a building permit, and (2) an application was completed.

(e) The assessor shall note the qualifying value of each improvement on the property's record, and the sum of those amounts shall be subtracted from the value of the property in each year for ten years after the improvement has been made. After ten years the amount of the

qualifying value shall be added back as follows: (1) 50 percent in the two subsequent assessment years if the qualifying value is equal to or less than \$10,000 market value; or (2) 20 percent in the five subsequent assessment years if the qualifying value is greater than \$10,000 market value.

(f) If an application is filed after the first assessment date at which an improvement could have been subject to the valuation exclusion under this subdivision, the ten-year period during which the value is subject to exclusion is reduced by the number of years that have elapsed since the property would have qualified initially. The valuation exclusion shall terminate whenever (1) the property is sold, or (2) the property is reclassified to a class which does not qualify for treatment under this subdivision. Improvements made by an occupant who is the purchaser of the property under a conditional purchase contract do not qualify under this subdivision unless the seller of the property is a governmental entity. The qualifying value of the property shall be computed based upon the increase from that structure's market value as of January 2 preceding the acquisition of the property by the governmental entity.

(g) The total qualifying value for a homestead may not exceed \$50,000. The total qualifying value for a homestead with a house that is less than 70 years old may not exceed \$25,000. The term "qualifying value" means the increase in estimated market value resulting from the improvement if the improvement occurs when the house is at least 70 years old, or one-half of the increase in estimated market value resulting from the improvement otherwise. The \$25,000 and \$50,000 maximum qualifying value under this subdivision may result from multiple improvements to the homestead.

(h) If 50 percent or more of the square footage of a structure is voluntarily razed or removed, the valuation increase attributable to any subsequent improvements to the remaining structure does not qualify for the exclusion under this subdivision. If a structure is unintentionally or accidentally destroyed by a natural disaster, the property is eligible for an exclusion under this subdivision provided that the structure was not completely destroyed. The qualifying value on property destroyed by a natural disaster shall be computed based upon the increase from that structure's market value as determined on January 2 of the year in which the disaster occurred. A property receiving benefits under the homestead disaster provisions under sections 273.1231 to 273.1235 is not disqualified from receiving an exclusion under this subdivision. If any combination of improvements made to a structure after January 1, ~~1993~~ 2016, increases the size of the structure by 100 percent or more, the valuation increase attributable to the portion of the improvement that causes the structure's size to exceed 100 percent does not qualify for exclusion under this subdivision.

EFFECTIVE DATE. This section is effective for improvements initially subject to assessment on January 2, 2018, and thereafter.

Sec. 2. Minnesota Statutes 2016, section 273.11, is amended by adding a subdivision to read:

Subd. 24. Valuation exclusion for certain improvements; commercial or industrial property. (a) Improvements to commercial or industrial property, not including utility property, shall be fully or partially excluded from the value of the property for assessment purposes provided that (1) the building is at least 30 years old at the time of the improvement, and (2) the assessor's estimated market value of the property on January 2 of the current year is equal to or less than \$2,000,000.

(b) For purposes of determining this eligibility, "property" means land and buildings.

(c) The age of a building is the number of years since the original year of its construction. In the case of a building that is relocated, the relocation must be from a location within the state and the only improvements eligible for exclusion under this subdivision are (1) those for which building permits were issued to the property owner after the building was relocated to its present site, and (2) those undertaken during or after the year the building is initially occupied by the property owner, excluding any market value increase relating to basic improvements that are necessary to install the building on its foundation and connect it to utilities at its present site.

(d) If the property is located in a jurisdiction that is subject to a building permit process, a building permit must have been issued prior to commencement of the improvement. The improvements for a single project or in any one year must add at least 12 percent to the market value of the property to be eligible for exclusion under this subdivision. Whenever a building permit is issued for property currently classified as commercial-industrial, the issuing jurisdiction

shall notify the property owner of the possibility of valuation exclusion under this subdivision. The assessor shall require an application and may require proof from the taxpayer of the date the improvement was made and the age of the building. The application may be filed after the date of the building permit, provided that the application must be filed within three years of the date the building permit was issued for the improvement. If the property is located in a jurisdiction that is not subject to a building permit process, the application must be filed within three years of the date the improvement was made. Applications must be received before July 1 of any year in order to be effective for taxes payable in the following year. No exclusion for an improvement may be granted by a local board of review or county board of equalization, and no abatement of the taxes for qualifying improvements may be granted by the county board unless (1) a building permit was issued before the commencement of the improvement if the jurisdiction requires a building permit, and (2) an application was completed.

(e) The assessor shall note the qualifying value of each improvement on the property's record, and the sum of those amounts shall be subtracted from the value of the property in each year for ten years after the improvement has been made. After ten years the amount of the qualifying value shall be added back as follows: (1) 50 percent in the two subsequent assessment years if the qualifying value is equal to or less than \$40,000 market value; or (2) 20 percent in the five subsequent assessment years if the qualifying value is greater than \$40,000 market value.

(f) If an application is filed after the first assessment date at which an improvement could have been subject to the valuation exclusion under this subdivision, the ten-year period during which the value is subject to exclusion is reduced by the number of years that have elapsed since the property would have qualified initially. The valuation exclusion terminates when (1) the property is sold, or (2) the property is reclassified to a class that does not qualify for treatment under this subdivision. Improvements made by an occupant who is the purchaser of the property under a conditional purchase contract do not qualify under this subdivision unless the seller of the property is a governmental entity. The qualifying value of the property shall be computed based upon the increase from that structure's market value as of January 2 preceding the acquisition of the property by the governmental entity.

(g) The total qualifying value for a property under this subdivision may not exceed \$250,000. The total qualifying value for a commercial or industrial property with a building that is less than 70 years old may not exceed \$125,000. The term "qualifying value" means the increase in estimated market value resulting from the improvement if the improvement occurs when the building is at least 70 years old, or one-half of the increase in estimated market value resulting from the improvement otherwise. The \$125,000 and \$250,000 maximum qualifying value under this subdivision may result from multiple improvements to the building.

(h) If 50 percent or more of the square footage of a structure is voluntarily razed or removed, the valuation increase attributable to any subsequent improvements to the remaining structure does not qualify for the exclusion under this subdivision. If a structure is unintentionally or accidentally destroyed by a natural disaster, the property is eligible for an exclusion under this subdivision provided that the structure was not completely destroyed. The qualifying value of a property destroyed by a natural disaster shall be computed based upon the increase from that structure's market value as determined on January 2 of the year in which the disaster occurred. A property receiving benefits under sections 273.1231 to 273.1235 is not disqualified from receiving an exclusion under this subdivision. If any combination of improvements made to a structure after January 1, 2017, increases the size of the structure by 100 percent or more, the valuation increase attributable to the portion of the improvement that causes the structure's size to exceed 100 percent does not qualify for exclusion under this subdivision.

EFFECTIVE DATE. This section is effective for improvements initially subject to assessment on January 2, 2018, and thereafter.

G. Legacy Amendment Replacement

Rep. Steve Green again introduced a bill to present to voters an amendment to the Minnesota Constitution to redirect the current Legacy sales tax to roads, bridges and clean water. The bill did not receive a hearing but was the subject of some media attention.

Bill Reference: 90th Legislature (2017 - 2018), House File 698 (Introduction)

ARTICLE 1 CONSTITUTIONAL AMENDMENT

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 15, will be repealed.

Sec. 2. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section shall be added to article XI, to read:

Sec. 16. Beginning July 1, 2019, until June 30, 2034, the sales and use tax rate is increased by three-eighths of one percent on sales and uses taxable under the general state sales and use tax law. Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated, for the benefit of Minnesotans, to the following funds: 67 percent to the deficient roads and bridges fund and 33 percent to the clean water fund. Money in the deficient roads and bridges fund must not be used for light rail transit projects. Projects funded with money from the deficient roads and bridges fund must benefit the state as a whole. Money dedicated to the deficient roads and bridges fund must be appropriated by law and used solely for the purposes specified in clauses (1) to (3):

2.5 (1) Money dedicated to the deficient roads and bridges fund must first be appropriated to fund projects that improve or reconstruct structurally deficient bridges or highways on the trunk highway system that do not meet minimum highway standards.

(2) Once projects for deficient bridges and highways on the trunk highway system are completely funded under clause (1), money dedicated to the deficient roads and bridges fund must be appropriated for projects that increase permissible weight limits to 10-ton axle weight or at least 97,000 pounds on entire spans of trunk highways within the state boundaries. Only one trunk highway at a time may be improved under this clause, selected on the basis of the most urgent need at the discretion of the commissioner of transportation.

(3) Once all trunk highways have been improved according to clause (2), money dedicated to the deficient roads and bridges funds must be appropriated for projects that improve or reconstruct county state-aid highways, county highways, and township roads that do not meet minimum highway standards, with priority given to highways that are corridors of commerce and highways that connect to trunk highways completed under clause (2). Ten percent of the money in the clean water fund must be appropriated by law to local lake associations to slow the spread of aquatic invasive species. Sixty percent of the money in the clean water fund must be appropriated by law for eradication of aquatic invasive species and may be spent for private grants for development of aquatic invasive species control methods. Twenty-five percent of the money in the clean water fund must be appropriated by law for grants to monitor rivers and streams in the state, as recommended by the senate and house of representatives committees having jurisdiction over environment. Five percent of the money in the clean water fund must be appropriated by law for administrative costs of recipients of money from the clean water fund and no other money from the clean water fund may be used for this purpose. The legislature must provide for a public accounting of money spent from the clean water fund, including a record of outcomes. A recipient of clean water fund money that is found to be in violation of the terms of an appropriation is ineligible for funding from the clean water fund for two years and any money disbursed from the

clean water fund must be repaid to the fund before eligibility for future funding is restored.

Sec. 3. **SUBMISSION TO VOTERS.**

The proposed amendments must be submitted to the people at the 2018 general election.

The question submitted must be:

"Shall the Minnesota Constitution be amended to replace funding for outdoor heritage, clean water, parks and trails, and arts and cultural heritage with funding for deficient roads and bridges and clean water?"

Sec. 4. **PROHIBITION ON STATE-FUNDED OPPOSITION.**

No state funds from any source may be used to advertise against the constitutional amendments proposed under sections 1 and 2. No state employee may publicly campaign against the constitutional amendments proposed under sections 1 and 2.

H. Data Practices - Electronic Records Retention

The legislative session began with considerable attention to the state's policies on the retention of electronic government records. This bill would require the retention of electronic records for a minimum of three years. It received several hearings but was not passed or included in a larger bill. These changes would impact the records management and disposition procedures in which MNHS participates.

Bill Reference: 90th Legislature (2017 - 2018), House File 1185 (Introduction), Section 3

Sec. 3. Minnesota Statutes 2016, section 138.17, subdivision 1, is amended to read:

Subdivision 1. **Destruction, preservation, reproduction of records; prima facie evidence.** (a) The attorney general, legislative auditor in the case of state records, state auditor in the case of local records, and director of the Minnesota Historical Society, hereinafter director, shall constitute the Records Disposition Panel. The members of the panel shall have power by majority vote to direct the destruction or sale for salvage of government records determined to be no longer of any value, or to direct the disposition by gift to the Minnesota Historical Society or otherwise of government records determined to be valuable for preservation. The Records Disposition Panel may by majority vote order any of those records to be reproduced by photographic or other means, and order that photographic or other reproductions be substituted for the originals of them. It may direct the destruction or sale for salvage or other disposition of the originals from which they were made. Photographic or other reproductions shall for all purposes be deemed the originals of the records reproduced when so ordered by the records disposition panel, and shall be admissible as evidence in all courts and in proceedings of every kind. A facsimile, exemplified or certified copy of a photographic, optical disk imaging, or other reproduction, or an enlargement or reduction of it, shall have the same effect and weight as evidence as would a certified or exemplified copy of the original. The Records Disposition Panel, by majority vote, may direct the storage of government records, except as herein provided, and direct the storage of photographic or other reproductions. Photographic or other reproductions substituted for original records shall be disposed of in accordance with the procedures provided for the original records.

(b) For the purposes of this chapter:

(1) the term "government records" means state and local records, including all cards, correspondence, discs, maps, memoranda, microfilms, papers, photographs, recordings, reports, tapes, writings, optical disks, and other data, information, or documentary material, regardless of physical form or characteristics, storage media or conditions of use, made or received by an officer or agency of the state and an officer or agency of a county, city, town, school district, municipal

subdivision or corporation or other public authority or political entity within the state pursuant to state law or in connection with the transaction of public business by an officer or agency;

(2) the term "state record" means a record of a department, office, officer, commission, commissioner, board or any other agency, however styled or designated, of the executive branch of state government; a record of the state legislature; a record of any court, whether of statewide or local jurisdiction; and any other record designated or treated as a state record under state law;

(3) the term "local record" means a record of an agency of a county, city, town, school district, municipal subdivision or corporation or other public authority or political entity;

(4) the term "records" excludes ~~data and information that does not become part of an official transaction,~~ library and museum material made or acquired and kept solely for reference or exhibit purposes; extra copies of documents kept only for convenience of reference, including extra copies of newsletters and periodical publications; and stock of publications and processed documents, and bonds, coupons, or other obligations or evidences of indebtedness, the destruction or other disposition of which is governed by other laws;

(5) the term "state archives" means those records preserved or appropriate for preservation as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of government or because of the value of the information contained in them, when determined to have sufficient historical or other value to warrant continued preservation by the state of Minnesota and accepted for inclusion in the collections of the Minnesota Historical Society; and

(6) the term "correspondence" includes any written or electronic text-based communication to or from officers, elected officials, administrators, managers, professionals, and all other staff that document events, decisions, business, and functions of the agency, public authority, or political entity. "Correspondence" excludes purely personal communications, announcements of social events, and unsolicited advertising or promotional material that bears no substantive relationship to the events, decisions, business, or functions of the agency, public authority, or political entity.

(c) If the decision is made to dispose of records by majority vote, the Minnesota Historical Society may acquire and retain whatever they determine to be of potential historical value.

Sec. 4. Minnesota Statutes 2016, section 138.17, subdivision 7, is amended to read:

Subd. 7. **Records management.** It shall be the duty of the head of each state agency and the governing body of each county, municipality, and other subdivision of government to establish and maintain an active, continuing program for the economical and efficient management of the records of each agency, county, municipality, or other subdivision of government. Public officials shall prepare an inclusive inventory of records in their custody, to which shall be attached a schedule, approved by the head of the governmental unit or agency having custody of the records, establishing a time period for the retention or disposal of each series of records. In the case of correspondence, the time period for retention of a record shall be no less than three years from the date of creation or receipt. When the schedule is unanimously approved by the records disposition panel, the head of the governmental unit or agency having custody of the records may dispose of the type of records listed in the schedule at a time and in a manner prescribed in the schedule for particular records which were created after the approval. A list of records disposed of pursuant to this subdivision shall be maintained by the governmental unit or agency. When records containing not public data as defined in section 13.02, subdivision 8a, are being disposed of under this subdivision, the records must be destroyed in a way that prevents their contents from being determined.

I. Legacy - Indirect costs

As discussed above, the use of Legacy funds for indirect costs continued as a point of contention this session. This bill would require the specific documentation of how any overhead costs paid for with Legacy funds were directly needed as a result of the administration of a Legacy-funded activity.

Bill Reference: 90th Legislature (2017 - 2018), House File 1675 (Introduction), Section 5

Sec. 5. Minnesota Statutes 2016, section 129D.17, is amended by adding a subdivision to read:

Subd. 5. **Overhead costs.** Notwithstanding any law, policy, or guidance to the contrary, a recipient of money from the arts and cultural heritage fund must not use the money to pay for rent, lease payments, insurance, utilities, custodial services, building maintenance, or another overhead cost unless the recipient has documented the amount that specific overhead costs increased as a direct and necessary result of the recipient's responsibility to administer a program, project, or activity paid for with money from the arts and cultural heritage fund. The amount of money from the fund the recipient may use to pay for that specific overhead cost must not exceed the amount the recipient documented as the increase in the cost.

J. Unclaimed property

Several bills aimed at improving the processes related to unclaimed property held by the state received consideration this session but did not pass. Minnesota Statute 345.47 gives MNHS the opportunity to select unclaimed property of historical value for the collection before it is appraised for public sale.

K. MN-MRPC Repeal

The State Government Finance Omnibus bill in the House included the repeal of the Minnesota Mississippi River Parkway Commission (MN-MRPC). The repeal was not included in the Senate version or the agreement reached in conference committee. A member of the commission is appointed by the MNHS Director.

L. Advertising Expenditure Limit

The initial State Government Finance Omnibus bill vetoed by Governor Dayton included a provision that would have limited advertising expenditures by executive agencies to 90% of the 2016 fiscal year.

Bill Reference: 90th Legislature (2017 - 2018), Senate File 605 (3rd Engrossment), Article 2, Section 48

Sec. 48. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

During the fiscal years ending June 30, 2018, and June 30, 2019, an executive branch agency's spending on advertising and promotions may not exceed 90 percent of the amount the agency spent on advertising and promotions during the fiscal year ending June 30, 2016. The commissioner of management and budget must ensure compliance with this limit and may issue guidelines and policies to executive agencies. The commissioner may forbid an agency from engaging in advertising as the commissioner determines necessary to ensure compliance with this section. This section does not apply to the Minnesota Lottery, Explore Minnesota Tourism, or the Minnesota State Colleges and Universities. Spending during the biennium ending June 30, 2019, on advertising relating to a declared emergency, an emergency, or a disaster, as those terms are defined in Minnesota Statutes, section 12.03, is excluded for purposes of this section.

M. Omnibus Labor Standards

Governor Dayton vetoed an omnibus labor standards bill passed in the special session with two provisions that would have impacted MNHS.

1. *Pension Contributions Modifications*

The vetoed labor standards bill included changes aimed to improve the future financial health of the Minnesota State Retirement System pension plan MNHS employees can choose to join. The bill would have resulted in a modest increase in the required employee and employer contributions.

2. *Preemption of Local Labor Laws*

The bill also would have preempted the authority of cities to set some of their own labor laws. It specifically would preempt local ordinances related to minimum wage, scheduling or benefits like sick time.

N. WWI State Capitol Court of Honor

The authorization of a memorial plaque to honor veterans of World War I on the capitol grounds passed the Senate but was not considered by the House.

Bill Reference: 90th Legislature (2017 - 2018), Senate File 106 (Introduction)

Section 1. **PURPOSE.**

The state wishes to honor all Minnesota veterans who have honorably and bravely served in the United States armed forces, both at home and abroad, during World War I.

Sec. 2. **PLAQUE AUTHORIZED.**

The commissioner of administration shall place a memorial plaque in the court of honor on the Capitol grounds to recognize the valiant service of Minnesota veterans who have honorably and bravely served in the United States armed forces, both at home and abroad, during World War I. This plaque will replace the current plaque honoring veterans who served abroad during World War I. The Capitol Area Architectural and Planning Board shall solicit design submissions from the public. Each design submission must include a commitment to furnish the plaque. The Capitol Area Architectural and Planning Board shall select a design from those submitted to use as a basis for final production. The selected design must be approved by the commissioner of veterans affairs and must be furnished by the person or group who submitted the design.

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

General Fund Summary - Direct and Open Appropriations

(all dollars in thousands)

AGENCY/PROGRAM	Fund Name	Forecast FY 16-17	Base FY 18-19	Governor FY 18-19	House FY 18-19	Senate FY 18-19	SF 605 (Chap 44 VETOED)			SF 1 (Chap 4, 1st SS)			\$ diff from Base	% diff from base	SF 1 (Chap 4, 1st SS)		
							FY 2018	FY 2019	FY 18-19	FY 2018	FY 2019	FY 18-19			FY 2020	FY 2021	FY20-21
BASE SPENDING/DECISION ITEMS																	
Gambling Control Board	GEN		-	-	-	-							-				
Minnesota Racing Commission	GEN	341	-	-	-	-							-				
MN Amateur Sports Commission (MASC)	GEN	10,650	600	7,947	600	7,750	300	300	600	303	305	608	8		305	305	610
Minnesotans of African Heritage Council	GEN	947	802	1,011	802	802	401	401	802	403	406	809	7	0.9%	406	406	812
Latino Affairs - Minnesota Council	GEN	767	772	973	802	772	386	386	772	477	494	971	199	25.8%	494	494	988
Asian-Pacific Minnesotans Council	GEN	723	728	923	802	728	364	364	728	457	464	921	193	26.5%	464	464	928
Council on Indian Affairs.	GEN	1,145	1,152	1,167	1,152	1,152	576	576	1,152	580	584	1,164	12	1.0%	584	584	1,168
MN Historical Society	GEN	44,215	44,286	45,786	45,786	42,026	22,893	22,893	45,786	23,393	23,893	47,286	3,000	6.8%	23,143	23,143	46,286
Historic Preservation Grants (Open General Fund)	OGF	3,312	2,027	2,027	2,027	2,027	677	1,350	2,027	677	1,350	2,027	-		1,350	1,350	2,700
MN State Arts Board	GEN	15,052	15,060	15,078	15,060	15,000	7,530	7,530	15,060	7,534	7,539	15,073	13	0.1%	7,539	7,539	15,078
Humanities Center	GEN	1,445	1,350	1,400	1,900	664	950	950	1,900	950	950	1,900	550	40.7%	700	700	1,400
Board of Accountancy	GEN	1,280	1,282	1,299	1,282	1,218	641	641	1,282	645	649	1,294	12	0.9%	649	649	1,298
Board of Architectural/Engineering	GEN	1,578	1,588	1,610	1,588	1,508	794	794	1,588	799	804	1,603	15	0.9%	804	804	1,608
Board of Cosmetologist Examiners	GEN	5,149	5,168	5,575	2,692	4,910	1,346	1,346	2,692	2,775	2,785	5,560	392	7.6%	2,785	2,785	5,570
Board of Barber Examiners	GEN	646	650	686	650	616	325	325	650	341	343	684	34	5.2%	343	343	686
Contingent Accounts	GEN	298	500	500	250	500	250	-	250	500	-	500	-		500	-	500
Tort Claims	GEN	272	322	322	322	322	161	161	322	161	161	322	-		161	161	322
Minnesota State Retirement System																	
Consolidated Legislators & Const Officers Retirement	GEN	16,896	29,964	29,964	29,964	29,964	14,893	15,071	29,964	14,893	15,071	29,964	-		15,253	15,438	30,691
Total MSRS General Fund:	GEN	16,896	29,964	29,964	29,964	29,964	14,893	15,071	29,964	14,893	15,071	29,964	-		15,253	15,438	30,691
PERA - Mpls. Employee Retirement Fund Aid	GEN	12,000	32,000	32,000	12,000	32,000	6,000	6,000	12,000	16,000	16,000	32,000	-		6,000	6,000	12,000
Teachers Retirement Association	GEN	59,662	59,662	59,662	59,662	59,662	29,831	29,831	59,662	29,831	29,831	59,662	-		29,831	29,831	59,662
St. Paul Teachers Association	GEN	19,654	19,654	19,654	19,654	19,654	9,827	9,827	19,654	9,827	9,827	19,654	-		9,827	9,827	19,654
Military Affairs																	
Maintenance/ Training Facilities	GEN	29,322	19,322	19,393	19,322	13,322	9,661	9,661	19,322	9,677	9,694	19,371	49	0.3%	9,694	9,694	19,388
General Support	GEN	6,067	6,134	6,235	6,134	5,214	3,067	3,067	6,134	3,090	3,114	6,204	70	1.1%	3,114	3,114	6,228
Enlistment Incentives	GEN	24,363	13,776	25,318	13,776	20,696	12,888	6,888	19,776	12,069	10,112	22,181	8,405	61.0%	10,112	10,112	20,224
Total Military Affairs Direct	GEN	59,752	39,232	50,946	39,232	39,232	25,616	19,616	45,232	24,836	22,920	47,756	8,524	21.7%	22,920	22,920	45,840
Enlistment Incentives Carryforward	GEN												-				
Military Forces ordered to Active Duty (Open GF)	OGF	954	576	576	576	576	288	288	576	288	288	576	-		288	288	576
Veterans Affairs																	
Veterans Programs & Services	GEN	33,310	32,922	34,325	33,622	33,922	16,811	16,811	33,622	17,375	17,440	34,815	1,893	5.7%	17,090	17,090	34,180
Veterans Health Care	GEN	109,931	114,436	118,298	114,436	114,436	67,218	57,218	124,436	57,635	58,057	115,692	1,256	1.1%	58,057	58,057	116,114
Total Veterans Affairs direct	GEN	143,241	147,358	152,623	148,058	148,358	84,029	74,029	158,058	75,010	75,497	150,507	3,149	2.1%	75,147	75,147	150,294
GI Bill - Open General Fund	OGF	2,170	6,000	6,400	6,400	6,000	3,200	3,200	6,400	3,200	3,200	6,400	400	6.7%	3,300	3,300	6,600
Total State Government Agencies																	
Direct General Fund	GEN	1,374,156	1,028,871	1,171,381	984,435	1,026,020	513,092	496,267	1,009,359	549,016	545,316	1,094,332	65,461	6.4%	534,441	534,126	1,068,567
Governor Line Item Vetoes-(Senate & House) Chap 4	GEN									(64,682)	(64,488)	(129,170)			(64,488)	(64,488)	(128,976)
Carryforward / Cancellations	GF-C	17,958			(8,634)												
Open/Statutory General Fund	OGF	592	4,677	5,077	2,408	2,008	849	1,559	2,408	934	4,143	5,077	400	8.6%	(3,522)	(4,642)	(8,164)

	AGENCY/PROGRAM BASE SPENDING/DECISION ITEMS	Fund Name	SF 605 (Chap 44 Vetoed)			SF 605 (Chap 44 Vetoed)			SF 1 (Chap 4, 1st SS)			SF 1 (Chap 4, 1st SS)		
			FY 2018	FY 2019	FY 18-19	FY 2020	FY 2021	FY 20-21	FY 2018	FY 2019	FY 18-19	FY 2020	FY 2021	FY 20-21
809	Statutory Appropriations:													
810	Special Revenue	SR	76	77	153	77	77	154	76	77	153	77	77	154
811														
812	MINNESOTANS OF AFRICAN HERITAGE COUNCIL													
813	General Fund Base	GEN	401	401	802	401	401	802	401	401	802	401	401	802
814														
815	Change Item:													
816	Operating Adjustment	GEN							2	5	7	5	5	10
817	Program Expansion	GEN												
818	total change items:	GEN							2	5	7	5	5	10
819														
820	Total Direct Appropriations:													
821	General Fund	GEN	401	401	802	401	401	802	403	406	809	406	406	812
822														
823	LATINO AFFAIRS MINNESOTA COUNCIL													
824	General Fund Base	GEN	386	386	772	386	386	772	386	386	772	386	386	772
825														
826	Change Item:													
827	Operating Adjustment	GEN							91	108	199	108	108	216
828														
829	Total Direct Appropriations:													
830	General Fund	GEN	386	386	772	386	386	772	477	494	971	494	494	988
831														
832	ASIAN-PACIFIC MINNESOTANS COUNCIL													
833	General Fund Base	GEN	364	364	728	364	364	728	364	364	728	364	364	728
834														
835	Change Item:													
836	Operating Adjustment	GEN							93	100	193	100	100	200
837		GEN												
838														
839	Total Direct Appropriations:													
840	General Fund	GEN	364	364	728	364	364	728	457	464	921	464	464	928
841	Statutory Appropriations:													
842	Special Revenue	SR	16	16	32	16	16	32	16	16	32	16	16	32
843														
844	MINNESOTA INDIAN AFFAIRS COUNCIL													
845	General Fund Base	GEN	576	576	1,152	576	576	1,152	576	576	1,152	576	576	1,152
846														
847	Change Item:													
848	Operating Adjustment	GEN							4	8	12	8	8	16
849														
850	Total Direct Appropriations:													
851	General Fund	GEN	576	576	1,152	576	576	1,152	580	584	1,164	584	584	1,168
852	Statutory Appropriations:													
853	Special Revenue	SR												
854														
855	MINNESOTA HISTORICAL SOCIETY													
856														

	AGENCY/PROGRAM BASE SPENDING/DECISION ITEMS	Fund Name	SF 605 (Chap 44 Vetoed)			SF 605 (Chap 44 Vetoed)			SF 1 (Chap 4, 1st SS)			SF 1 (Chap 4, 1st SS)		
			FY 2018	FY 2019	FY 18-19	FY 2020	FY 2021	FY 20-21	FY 2018	FY 2019	FY 18-19	FY 2020	FY 2021	FY 20-21
857	Programs & Operations													
858	General Fund base	GEN	21,822	21,822	43,644	21,822	21,822	43,644	21,822	21,822	43,644	21,822	21,822	43,644
859														
860	<i>Program-Level Change Items</i>													
861	Operating Reduction (Sen 5%)													
862	Operating Adjustment (Governor's Revised Recs)								500	1,000	1,500	1,000	1,000	2,000
863	Digital Preservation Project	GEN	750	750	1,500				750	750	1,500			
864	<i>total Change Items:</i>	GEN	750	750	1,500				1,250	1,750	3,000	1,000	1,000	2,000
865	Summary - Operations & Programs													
866	Direct Appropriations:													
867	General Fund	GEN	22,572	22,572	45,144	21,822	21,822	43,644	23,072	23,572	46,644	22,822	22,822	45,644
868	Fiscal Agents													
869														
870	Global Minnesota (MN International Center)	GEN	39	39	78	39	39	78	39	39	78	39	39	78
871	<i>Change Item:</i>													
872	Discontinue Grant													
873	Global Minnesota	GEN	39	39	78	39	39	78	39	39	78	39	39	78
874														
875	MN Air National Guard Museum	GEN	17	17	34	17	17	34	17	17	34	17	17	34
876														
877	Hockey Hall of Fame	GEN	100	100	200	100	100	200	100	100	200	100	100	200
878														
879	MN Military Museum	GEN	50	50	100	50	50	100	50	50	100	50	50	100
880														
881	Farm America	GEN	115	115	230	115	115	230	115	115	230	115	115	230
882														
883	<i>total: Fiscal Agents</i>	GEN	321	321	642	321	321	642	321	321	642	321	321	642
884														
885	Summary - Fiscal Agents													
886	Direct Appropriations:													
887	General Fund	GEN	321	321	642	321	321	642	321	321	642	321	321	642
888														
889	Historic Preservation													
890														
891	Historic Structures Grants MS 290.0681 (grant estimate not tax credit)	OGF	677	1,350	2,027	1,350	1,350	2,700	677	1,350	2,027	1,350	1,350	2,700
892														
893	TOTAL - MN Historical Society													
894	Direct Appropriations:													
895	General Fund	GEN	22,893	22,893	45,786	22,143	22,143	44,286	23,393	23,893	47,286	23,143	23,143	46,286
896	Open & Statutory Appropriations:													
897	<i>Open General Fund</i>	OGF	677	1,350	2,027	1,350	1,350	2,700	677	1,350	2,027	1,350	1,350	2,700
898	Statutory Appropriations:													
899	<i>Special Revenue</i>	SR	200	200	400	200	200	400	200	200	400	200	200	400
900														
901	MINNESOTA ARTS BOARD													
902														
903	Operations and Services													
904	General Fund base	GEN	591	591	1,182	591	591	1,182	591	591	1,182	591	591	1,182
905														

2017 Capital Budget - First Special Session		
<i>(all figures in thousands 000's)</i>		
AGENCY		2017 First Special Session Ch. 8
Appropriation Title <i>Rider within appropriation or Grant to Political Subdivision</i>	Fund	
257 MN HOUSING FINANCE AGENCY		
258		
259 Public Housing Rehabilitation	GO	10,000
260		
261	Total - GO	10,000
262 MINNESOTA HISTORICAL SOCIETY		
263		
264 Historic Sites Asset Preservation	GO	2,500
265 Fort Snelling Visitor Center Design	GO	4,000
266		
267	Total - GO	6,500
268 MINNESOTA MANAGMENT AND BUDGET		
269		
270 Estimated Bond Sale Expenses (Estimate)	GO	1,039
271		
272	Total - GO	1,039
273 APPROPRIATIONS BONDS		
274		
275 PFA - Lewis and Clark Joint Powers Board	APPROP	3,500
276 MHFA - Non Profit Housing Infrastructure Appropriations Bonds	APPROP	35,000
277 MHFA - Non Profit Housing Infrastructure - 2014 Principal Increase*	APPROP	15,000
278 MHFA - Non Profit Housing Infrastructure - 2015 Principal Increase*	APPROP	5,000
279		
280	Total APPROP	58,500
281 TOTALS		
282	Total - General Obligation (Excludes TF, Max Effort)	\$ 850,924
283	Total - GO / TF (Transportation Fund is GO Debt)	\$ 165,144
284	Total - User Financing	\$ 22,442
285	2015 - DEED - Eagle's Healing Nest Cancellation (GF)	\$ (300)
286	Additional General Fund Cancellations	\$ (217)
287	General Fund New Spending	\$ 11,550
288	Renewable Development Account - RDA	\$ 15,000
289	Total - Appropriations Bonds	\$ 58,500
290	Total	\$ 1,123,043
291	Net General Fund	\$ 11,033
292	General Fund Supported GO Debt (GO + TF + MAX)	\$ 1,016,068
293	Principal Needed for Bond Sale (GO + TF + MAX + UF)	\$ 1,038,510
294	Bond Sale Authorization (GO + UF)	\$ 873,366
295	Prior Bond Sale Reduction and estimated debt service savings equivalent	(12,571)
296	2011 - St. Louis Park - Noise Barrier	(700)
297	2012 - Public Safety - State Match for Public Assistance	(2,285)
298	2012 - Public Facilities Authority - Disaster Relief Facilities Grants	(1,380)
299	2014 - Arrowhead Economic Development Center	(1,200)
300	Additional GO Cancellations	(9,993)
301	Total GO Impact	\$ 987,939
302	Trunk highway Bond Cancellation (Not counted in totals)	\$ (1,187)
303	*MHFA changes allow for additional aprop. bonds principal however do not require additional debt service	

Legacy Finance
MI 2017 Ch 91/ HF 707 3E and HF 707UE

185	ARTICLE 3- Parks and Trails Fund		House HF 707 3E			Senate HF 707UE			ML 2017, Ch 91			change from House	change from Senate
			FY 2018	FY 2019	FY18-19	FY 2018	FY 2019	FY18-19	FY 2018	FY 2019	FY18-19		
186													
187	Department of Natural Resources												
188	State Park Trails and Recreation Areas	DNR	16,584	18,891	35,475	16,584	18,891	35,475	16,584	18,891	35,475	-	-
189	Grants to Parks and Trails of Regional and Statewide Significance Outside the Metro Area	DNR	8,292	9,445	17,737	8,293	9,445	17,738	8,293	9,445	17,738	1	-
190	Great Minnesota Regional Parks and Trails Commission	DNR	[424]	[399]	[823]	[424]	[399]	[823]	[424]	[399]	[823]	-	-
191	Parks and Trails Collaboration Among Partners	DNR	521	548	1,069	521	548	1,069	521	548	1,069	-	-
192	Subtotal		25,397	28,884	54,281	25,398	28,884	54,282	25,398	28,884	54,282	1	-
193	Metropolitan Council												
194	Distributed to Implementation Agencies by Minnesota Statute 85.53, Subd. 3	Met Council	16,584	18,891	35,475	16,584	18,891	35,475	16,584	18,891	35,475	-	-
195	Subtotal		16,584	18,891	35,475	16,584	18,891	35,475	16,584	18,891	35,475	-	-
196	Legislative Coordinating Commission												
197	Legislative Coordinating Commission Website	LCC	7	-	7	7	-	7	7	-	7	-	-
198	Subtotal		7	-	7	7	-	7	7	-	7	-	-
199	TOTAL		41,988	47,775	89,763	41,989	47,775	89,764	41,989	47,775	89,764	1	-
200													
201	Adjusted Carryforward		-	2,269		-	2,268		-	2,268			
202	Revenues		45,372	47,694		45,372	47,694		45,372	47,694			
203	Investment income		198	198		198	198		198	198			
204	Administrative Adjustments		1,313	-		1,313	-		1,313	-			
205	Appropriations		41,988	47,775		41,989	47,775		41,989	47,775			
206	Balance		2,269	2,386		2,268	2,385		2,268	2,385			
207	Percent Reserve		5.00%	5.00%		5.00%	5.00%		5.00%	5.00%			
208	<i>Based on February 2017 Consolidated Fund Statement</i>												
209													
210													
211	ARTICLE 4- Arts and Cultural Heritage Fund		House HF 707 3E			Senate HF 707UE			ML 2017, Ch 91				
212			FY 2018	FY 2019	FY18-19	FY 2018	FY 2019	FY18-19	FY 2018	FY 2019	FY18-19		
213	Board of the Arts												
214	Arts Grants		19,000	25,342	44,342	20,700	25,589	46,289	20,700	25,589	46,289		
215	Arts Education		4,500	4,500	9,000	4,115	4,610	8,725	4,115	4,610	8,725		
216	Arts and Cultural Heritage		1,500	1,500	3,000	1,430	1,537	2,967	1,430	1,537	2,967		
217	Arts Map Application Software		30	20	50	-	-	-	50	-	50		
218	China Garden		250	250	500	-	-	-	-	-	-		
219	Dan Patch Statues		375	375	750	-	-	-	75	-	75		
220	Fanka Grants		125	125	250	-	-	-	-	-	-		
221	Hmong Folk Art Exhibit		75	-	75	-	-	-	-	-	-		
222	Total Arts Board		25,855	32,112	57,967	26,245	31,736	57,981	26,370	31,736	58,106		
223	Minnesota Historical Society												
224	Minnesota Historical Society		-	-	-	-	-	-	-	-	-		
225	Statewide Historical Grants		4,500	5,500	10,000	5,381	6,947	12,328	4,500	6,500	11,000		
226	Statewide History Programs		4,517.5	6,125	10,643	5,025	6,905	11,930	4,055	6,945	11,000		
227	History Partnerships		2,000	2,000	4,000	2,000	2,200	4,200	2,000	2,000	4,000		

Legacy Finance

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228	Statewide Survey			500	500	1,000	300	300	600	400	400	800
229	Digital Library			375	375	750	300	300	600	300	300	600
230	Historic Andrew Peterson Farm			125	125	250	-	-	-	80	80	160
231	Woodbury Miller Barn			125	125	250	-	-	-	80	80	160
232	Fort Snelling Chapel Stained Glass			100	-	100	90	-	90	100	-	100
233	Fairmont Opera House									250		
234	Litchfield Opera House									50		
235	Total Minnesota Historical Society			12,242.5	14,750	26,993	13,096	16,652	29,748	11,815	16,305	28,120
236	Minnesota Department of Education											
237	Regional Public Libraries			2,750	2,500	5,250	2,200	2,200	4,400	2,500	2,500	5,000
238	Total Minnesota Department of Education			2,750	2,500	5,250	2,200	2,200	4,400	2,500	2,500	5,000
239	Department of Administration											
240	Minnesota Public Radio			1,650	1,650	3,300	1,500	1,700	3,200	1,500	1,700	3,200
241	Ampers Public Radio			1,600	1,600	3,200	1,500	1,700	3,200	1,500	1,700	3,200
242	Minnesota Public Television			4,000	4,000	8,000	4,150	3,900	8,050	4,150	3,900	8,050
243	Vietnam: Minnesota Remembers \$650,000			[650]	-	[650]	[650]	-	[650]	[650]	-	[650]
244	Wilderness Inquiry Canoemobile			300	300	600	250	250	500	250	250	500
245	Como Zoo			1,400	1,500	2,900	1,000	1,200	2,200	1,350	1,350	2,700
246	Science Museum of Minnesota			600	600	1,200	600	600	1,200	600	600	1,200
247	Lake Superior Center			150	150	300	-	-	-	-	-	-
248	Green Giant Museum			300	-	300	300	75	375	300	-	300
249	Lake Superior Zoo			75	75	150	75	75	150	75	75	150
250	Minnesota State Band			25	25	50	-	-	-	50	-	50
251	Veteran's memorial Grants			-	-	-	200	-	200	-	-	-
252	Rice County Veteran's Memorial			30	-	30	-	-	-	30	-	30
253	Waseca Veteran's Memorial			-	50	50	-	-	-	50	-	50
254	Minnesota Square Park Pavilion St Peter			112	113	225	-	-	-	200	-	200
255	State Archeologist Reburial Human Remains			107.5	-	108	108	-	108	107	-	107
256	Medal of Honor Memorial			-	-	-	250	-	250	250	-	250
257	Camp Legionville			-	-	-	222	-	222	222	-	222
258	Council on Disability Broadcasts			-	-	-	55	-	55	-	-	-
259	Veterans Rest Camp									278		
260	Midwest Outdoors Unlimited									25	25	
261	Total Department of Admin			10,349.5	10,063	20,413	10,210	9,500	19,710	10,937	9,600	20,537
262	Minnesota Zoo											
263	Zoo Programs			1,775	1,850	3,625	1,550	1,950	3,500	1,550	1,950	3,500
264	Total Minnesota Zoo			1,775	1,850	3,625	1,550	1,950	3,500	1,550	1,950	3,500
265	Humanities Center											
266	Humanities Center Programs			1,125	1,125	2,250	1,000	1,000	2,000	1,125	1,125	2,250
267	Veterans Voices			-	-	-	[100]	[100]	[200]	[100]	[100]	-
268	Why Treaties Matter \$250,000			[125]	[125]	[125]	-	-	-	[125]	[125]	[125]
269	Council on Disability \$55,000			[55]	\$ -	[55]	-	-	-	[55]	\$ -	[55]
270	Community Identity and Heritage Competitive			100	250	350	-	-	-	-	-	-
271	Takraw Courts \$150,000			-	[150]	[150]	-	-	-	75	-	[150]
272	Minnesota Children's Museum			500	500	1,000	500	500	1,000	500	500	1,000
273	Duluth Children's Museum			150	150	300	150	150	300	150	150	300
274	Children's Discovery Museum Grand Rapids			150	150	300	150	150	300	150	150	300