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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4456

03/16/2020 Authored by Carlson, A., The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; providing for compliance with section 6103 of the Internal
1.3 Revenue Code and IRS Publication 1075 for certain individuals with access to
1.4 federal tax information; classifying data; amending Minnesota Statutes 2018,
1.5 section 270B.13, by adding a subdivision; proposing coding for new law in
1.6 Minnesota Statutes, chapter 299C.

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

1.8 Section 1. Minnesota Statutes 2018, section 270B.13, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 3. Background check; access to federal tax information. An individual
1.11 performing services for an independent contractor or a vendor under subdivision 1 who has
1.12 or will have access to federal tax information is subject to the requirements of section
1.13 299C.76.

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

1.15 Sec. 2. [299C.76] BACKGROUND CHECK; ACCESS TO FEDERAL TAX
1.16 INFORMATION.

1.17 Subdivision 1. Definitions. (a) For the purposes of this section, the following definitions
1.18 apply.

1.19 (b) "Federal tax information" means federal tax returns and return information or
1.20 information derived or created from federal tax returns, in possession of or control by the
1.21 requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of
1.22 the Internal Revenue Code.

2.1 (c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that  
2.2 provides guidance and requirements for the protection and confidentiality of federal tax  
2.3 information as required in section 6103(p)(4) of the Internal Revenue Code.

2.4 (d) "National criminal history record information" means the Federal Bureau of  
2.5 Investigation identification records as defined in Code of Federal Regulations, title 28,  
2.6 section 20.3(d).

2.7 (e) "Requesting agency" means the Department of Revenue, Department of Employment  
2.8 and Economic Development, Department of Human Services, board of directors of MNsure,  
2.9 the Office of MN.IT Services, and counties.

2.10 Subd. 2. **National criminal history record information check.** As required by IRS  
2.11 Publication 1075, a requesting agency shall require fingerprints for a national criminal  
2.12 history record information check from the following individuals who have or will have  
2.13 access to federal tax information:

2.14 (1) a current or prospective permanent or temporary employee of the requesting agency;

2.15 (2) an independent contractor or vendor of the requesting agency;

2.16 (3) an employee or agent of an independent contractor or vendor of the requesting agency;

2.17 or

2.18 (4) any other individual authorized to access federal tax information by the requesting  
2.19 agency.

2.20 Subd. 3. **Fingerprint submission and written statement of understanding.** An  
2.21 individual subject to this section must provide fingerprints and a written statement of  
2.22 understanding that the fingerprints will be used for a background check to the requesting  
2.23 agency. The requesting agency must submit the fingerprints and written statement of  
2.24 understanding, along with the processing fees, to the superintendent of the Bureau of Criminal  
2.25 Apprehension. The fingerprints must only be used for the purposes described in this section.

2.26 Subd. 4. **Bureau of Criminal Apprehension requirements.** (a) After the superintendent  
2.27 of the Bureau of Criminal Apprehension notifies requesting agencies that the United States  
2.28 Attorney General has approved the request for submission under Public Law 92-544, a  
2.29 requesting agency may submit information under subdivision 3.

2.30 (b) Upon receipt of the information under subdivision 3, the superintendent of the Bureau  
2.31 of Criminal Apprehension must:

2.32 (1) perform a state criminal history record information search;

3.1 (2) exchange the fingerprints to the Federal Bureau of Investigation to facilitate a search  
3.2 of the national criminal history record information;

3.3 (3) compile the results of the state and national criminal history record information  
3.4 searches; and

3.5 (4) provide the results to the requesting agency.

3.6 Subd. 5. **Classification of data.** (a) All data collected, created, received, maintained, or  
3.7 disseminated by the requesting agency under this section is classified as private data on  
3.8 individuals as defined in section 13.02, subdivision 12.

3.9 (b) Notwithstanding any law to the contrary, a requesting agency must not further  
3.10 disseminate the results received under subdivision 4.

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

3.12 Sec. 3. **PURPOSE.**

3.13 It is the intent of the legislature to ensure compliance with section 6103 of the Internal  
3.14 Revenue Code and IRS Publication 1075.

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