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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **990**

02/09/2017 Authored by Scott, Green and Peterson  
The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy  
03/27/2017 Adoption of Report: Placed on the General Register as Amended  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act  
1.2 relating to state government; providing for a free electronic filing system for  
1.3 individual income tax returns; establishing the appointment of the director of early  
1.4 education and development; amending Minnesota Statutes 2016, sections 13.321,  
1.5 by adding a subdivision; 13.461, by adding a subdivision; proposing coding for  
1.6 new law in Minnesota Statutes, chapter 270C; proposing coding for new law as  
1.7 Minnesota Statutes, chapter 119C.

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

1.9 **ARTICLE 1**

1.10 **FREE ELECTRONIC FILING SYSTEM FOR INDIVIDUAL INCOME TAX**  
1.11 **RETURNS**

1.12 Section 1. **[270C.303] FREE ELECTRONIC FILING OF INDIVIDUAL INCOME**  
1.13 **TAX RETURNS.**

1.14 (a) The commissioner must develop and implement a system for the secure electronic  
1.15 filing of individual income tax returns and payment of individual income tax liabilities on  
1.16 the department's Web site at no cost. The system must allow for filing of individual returns  
1.17 by individuals and also by tax preparers.

1.18 (b) The system must automatically populate returns with taxpayer data available to the  
1.19 commissioner including but not limited to wage data received from one or more employers,  
1.20 state income tax withheld by one or more employers, and additional taxes owed to the state  
1.21 or refund owed to the taxpayer.

1.22 (c) The system must be available:

1.23 (1) by January 15, 2019, for the filing and payment of tax year 2018 individual income  
1.24 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted

2.1 gross income less than \$200,000 for married couples filing joint returns, and less than  
2.2 \$100,000 for all other filers; and

2.3 (2) by January 15, 2020, for the filing and payment of tax year 2019 individual income  
2.4 taxes of filers with income only from wages, Social Security benefits, interest, dividends,  
2.5 individual retirement account distributions and pensions, fewer than five dependents, and  
2.6 federal adjusted gross income less than \$200,000 for married couples filing joint returns,  
2.7 and less than \$100,000 for all other filers.

2.8 (d) For purposes of this section, "federal adjusted gross income" has the meaning given  
2.9 in section 62 of the Internal Revenue Code. Other terms have the meanings given in chapter  
2.10 290.

2.11 (e) By September 15 of each year, beginning in 2019, the commissioner must provide  
2.12 a report to the chairs and ranking minority members of the legislative committees with  
2.13 jurisdiction over taxes, in compliance with sections 3.195 and 3.197. The report must include  
2.14 statistics on usage of the free electronic filing system required in this section; ways in which  
2.15 the commissioner could expand the system, including draft legislation if needed for system  
2.16 expansion; and any other information the commissioner considers relevant.

2.17 **Sec. 2. FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX RETURNS;**  
2.18 **PILOT PROGRAM.**

2.19 (a) The commissioner must conduct a pilot program to test the free electronic filing  
2.20 requirement in Minnesota Statutes, section 270C.303. The pilot program must operate at  
2.21 least three taxpayer assistance sites that receive grants under Minnesota Statutes, section  
2.22 270C.21. At least one of the pilot program sites must be in the seven-county metropolitan  
2.23 area, and at least one must be in greater Minnesota. The pilot program system must be  
2.24 available by January 15, 2018, for the filing and payment of tax year 2017 individual income  
2.25 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted  
2.26 gross income less than \$200,000 for married couples filing joint returns, and less than  
2.27 \$100,000 for all other filers.

2.28 (b) The system must automatically populate returns with taxpayer data available to the  
2.29 commissioner including but not limited to W-2 data on wages and state income tax  
2.30 withholding.

2.31 (c) For purposes of this section, "federal adjusted gross income" has the meaning given  
2.32 in section 62 of the Internal Revenue Code. Other terms have the meanings given in  
2.33 Minnesota Statutes, chapter 290.

3.1 (d) By August 15, 2018, the commissioner must report final statistics on usage of the  
3.2 pilot program and on plans to implement tax year 2018 electronic filing as required in  
3.3 Minnesota Statutes, section 270C.303. The report must comply with the requirements of  
3.4 Minnesota Statutes, sections 3.195 and 3.197.

## 3.5 **ARTICLE 2**

### 3.6 **DIRECTOR OF EARLY EDUCATION AND DEVELOPMENT**

3.7 Section 1. Minnesota Statutes 2016, section 13.321, is amended by adding a subdivision  
3.8 to read:

3.9 Subd. 11. **Director of early education and development.** Access by the director of  
3.10 early education and development to private data on individuals is provided under section  
3.11 119C.03, subdivision 6.

3.12 Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to  
3.13 read:

3.14 Subd. 33. **Director of early education and development.** Access by the director of  
3.15 early education and development to private data on individuals is provided under section  
3.16 119C.03, subdivision 6.

3.17 Sec. 3. **[119C.03] DIRECTOR OF EARLY EDUCATION AND DEVELOPMENT.**

3.18 Subdivision 1. **Appointment.** The governor must appoint the director of early education  
3.19 and development, subject to the advice and consent of the senate. The director must report  
3.20 to the commissioner, who must provide necessary administrative support to the director.

3.21 Subd. 2. **Qualifications.** The governor must select the director on the basis of professional  
3.22 qualifications and knowledge of early childhood development, early childhood education,  
3.23 and related public policies. The director serves in the unclassified service for a term of four  
3.24 years. The first term must end on December 31, 2020. The governor may remove the director  
3.25 for cause. If a director resigns or is removed for cause, the governor must appoint a director  
3.26 for the remainder of the term.

3.27 Subd. 3. **Compensation.** Compensation of the director shall be established under chapter  
3.28 15A.

3.29 Subd. 4. **Duties; powers.** (a) The director must:

3.30 (1) develop early education program policies;

4.1 (2) coordinate outreach to eligible families to provide uniform notification about available  
4.2 program options;

4.3 (3) streamline the administration of each early education program;

4.4 (4) manage data collection to support and evaluate a coordinated system of early child  
4.5 care and education;

4.6 (5) coordinate internal and external evaluation of early child care and educational  
4.7 programs to measure and report on their effectiveness and efficiency;

4.8 (6) calculate the total aid to each child for the programs listed in section 119C.01,  
4.9 subdivision 5;

4.10 (7) establish the aid limit under section 119C.05;

4.11 (8) develop data-sharing agreements and memoranda of understanding, as necessary,  
4.12 with the commissioners of administration, education, health, and human services; and

4.13 (9) serve as executive director of the Children's Cabinet established in section 4.045.

4.14 (b) In carrying out the duties under paragraph (a), the director has the authority to:

4.15 (1) direct the commissioner of education to administer early education programs according  
4.16 to the director's plans developed under paragraph (a);

4.17 (2) direct the commissioner of human services to administer the quality rating and  
4.18 improvement system according to the director's plans developed under paragraph (a);

4.19 (3) direct and control money appropriated to the director; and

4.20 (4) enter into agreements with other state agencies to provide appropriate funding to  
4.21 early child care and education programs.

4.22 Subd. 5. **Coordination with other agencies.** (a) The commissioner of human services  
4.23 and the commissioner of education must provide the director data on early education and  
4.24 child care assistance program participants under subdivision 6.

4.25 (b) The director must coordinate early education program activities, including the quality  
4.26 rating and improvement system, with advice from the commissioner of education and the  
4.27 commissioner of human services.

4.28 (c) The director must coordinate with the commissioner of education and the  
4.29 commissioner of human services to develop a form by which the parent or guardian of a  
4.30 child participating in an applicable early child care and education program may consent to  
4.31 share private data with the director. The consent form must specify what data is being shared,

5.1 what government entities will have access to the shared data, and the purpose for the data  
5.2 sharing. The consenting parent or guardian may withdraw consent, in writing, at any time.  
5.3 The ability of a parent or child to receive services is not affected by a refusal to give consent  
5.4 under this paragraph.

5.5 Subd. 6. **Data practices.** (a) Subject to the limitations in paragraphs (b) and (c), the  
5.6 director is authorized to access the following private data on individuals:

5.7 (1) educational data as defined in section 13.32, subdivision 1, paragraph (a); and

5.8 (2) data collected, maintained, used, or disseminated by the welfare system as defined  
5.9 in section 13.46, subdivision 1, paragraph (c).

5.10 (b) The director may only access private data relating to an individual's participation in  
5.11 the following programs:

5.12 (1) the school readiness program under sections 124D.15 and 124D.16;

5.13 (2) the voluntary prekindergarten program under section 124D.151;

5.14 (3) the early learning scholarship program under section 124D.165;

5.15 (4) the Head Start program under sections 119A.50 to 119A.545;

5.16 (5) a child care assistance program under chapter 119B; and

5.17 (6) the kindergarten readiness assessment under section 124D.162.

5.18 (c) The director may only access private data on an individual whose parent or guardian  
5.19 has consented to share data with the director under subdivision 5, paragraph (c).

5.20 Subd. 7. **Annual report.** The director must submit an annual report to the chairs and  
5.21 ranking minority members of the legislative committees having jurisdiction over education  
5.22 under section 3.195. The report must include data relating to the number of children  
5.23 participating in each program, the participating families' income level, aid received per child  
5.24 per program, total aid received per child per family, and the number of waivers to the aid  
5.25 limit granted. The director must submit the report by January 15, 2020, and annually  
5.26 thereafter.

5.27 **EFFECTIVE DATE.** This section is effective July 1, 2017.

APPENDIX  
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