

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1304**

(SENATE AUTHORS: **BAKK and Benson**)

DATE	D-PG	OFFICIAL STATUS
03/02/2015	506	Introduction and first reading Referred to Rules and Administration
03/04/2015	535	Author added Benson
03/16/2015	910	Withdrawn and re-referred to State and Local Government
03/19/2015		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act  
 1.2 relating to state government; creating a legislative budget office; amending  
 1.3 Minnesota Statutes 2014, sections 3.305, subdivision 1; 3.98; 3.987, subdivision  
 1.4 1; proposing coding for new law in Minnesota Statutes, chapter 3.

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

1.6 Section 1. Minnesota Statutes 2014, section 3.305, subdivision 1, is amended to read:

1.7 Subdivision 1. **Definitions.** (a) "Legislative commission" means a joint commission,  
 1.8 committee, or other entity in the legislative branch composed exclusively of members of  
 1.9 the senate and the house of representatives.

1.10 (b) "Joint offices" means the Revisor of Statutes, Legislative Reference Library, the  
 1.11 Office of Legislative Auditor, the Legislative Budget Office, and any other joint legislative  
 1.12 service office.

1.13 Sec. 2. **[3.901] LEGISLATIVE BUDGET OFFICE.**

1.14 A Legislative Budget Office is established under control of the Legislative  
 1.15 Coordinating Commission to provide the house of representatives and the senate with  
 1.16 nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation,  
 1.17 without regard to political factors. The Legislative Coordinating Commission shall  
 1.18 appoint a director who may hire staff necessary to do the work of the office. The director  
 1.19 serves a term of six years and may not be removed during a term except for cause after a  
 1.20 public hearing.

1.21 Sec. 3. Minnesota Statutes 2014, section 3.98, is amended to read:

1.22 **3.98 FISCAL NOTES.**

2.1 Subdivision 1. **Preparation.** ~~(a) The head or chief administrative officer of each~~  
 2.2 ~~department or agency of the state government, including the Supreme Court, Legislative~~  
 2.3 ~~Budget Office shall prepare a fiscal note at the request of the chair of the standing~~  
 2.4 ~~committee to which a bill has been referred, or the chair of the house of representatives~~  
 2.5 ~~Ways and Means Committee, or the chair of the senate Committee on Finance.~~

2.6 (b) The head or chief administrative officer of each department or agency of state  
 2.7 government, including the Supreme Court, shall supply information for fiscal notes  
 2.8 upon request of the director of the Legislative Budget Office. The Legislative Budget  
 2.9 Office may adopt standards and guidelines governing timing of responses to requests for  
 2.10 information and governing access to data, consistent with laws governing access to data.  
 2.11 Agencies must comply with these standards and guidelines.

2.12 (c) For purposes of this subdivision, "Supreme Court" includes all agencies,  
 2.13 committees, and commissions supervised or appointed by the state Supreme Court or the  
 2.14 state court administrator.

2.15 Subd. 2. **Contents.** (a) The fiscal note, where possible, shall:

- 2.16 (1) cite the effect in dollar amounts;
- 2.17 (2) cite the statutory provisions affected;
- 2.18 (3) estimate the increase or decrease in revenues or expenditures;
- 2.19 (4) include the costs which may be absorbed without additional funds;
- 2.20 (5) include the assumptions used in determining the cost estimates; and
- 2.21 (6) specify any long-range implication.

2.22 (b) The fiscal note may comment on technical or mechanical defects in the bill but  
 2.23 shall express no opinions concerning the merits of the proposal.

2.24 Subd. 3. **Distribution.** A copy of the fiscal note shall be delivered to the chair of  
 2.25 the Ways and Means Committee of the house of representatives, the chair of the Finance  
 2.26 Committee of the senate, the chair of the standing committee to which the bill has been  
 2.27 referred, to the chief author of the bill and to the commissioner of management and budget.

2.28 Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~  
 2.29 Legislative Budget Office shall prescribe a uniform procedure to govern the departments  
 2.30 and agencies of the state in complying with the requirements of this section.

2.31 Sec. 4. Minnesota Statutes 2014, section 3.987, subdivision 1, is amended to read:

2.32 Subdivision 1. **Local impact notes.** ~~The commissioner of management and budget~~  
 2.33 Legislative Budget Office shall coordinate the development of a local impact note for any  
 2.34 proposed legislation introduced after June 30, 1997, upon request of the chair or the ranking  
 2.35 minority member of either legislative Tax, Finance, or Ways and Means Committee. Upon

3.1 receipt of a request to prepare a local impact note, the ~~commissioner~~ office must notify the  
3.2 authors of the proposed legislation that the request has been made. The local impact note  
3.3 must be made available to the public upon request. If the action is among the exceptions  
3.4 listed in section 3.988, a local impact note need not be requested nor prepared. The  
3.5 ~~commissioner~~ office shall make a reasonable and timely estimate of the local fiscal impact  
3.6 on each type of political subdivision that would result from the proposed legislation. The  
3.7 ~~commissioner of management and budget~~ office may require any political subdivision or  
3.8 the commissioner of an administrative agency of the state to supply in a timely manner  
3.9 any information determined to be necessary to determine local fiscal impact. The political  
3.10 subdivision, its representative association, or commissioner shall convey the requested  
3.11 information to the ~~commissioner of management and budget~~ office with a signed statement  
3.12 to the effect that the information is accurate and complete to the best of its ability. The  
3.13 political subdivision, its representative association, or commissioner, when requested,  
3.14 shall update its determination of local fiscal impact based on actual cost or revenue figures,  
3.15 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ office must  
3.16 provide a copy to the authors of the proposed legislation and to the chair and ranking  
3.17 minority member of each committee to which the proposed legislation is referred.

3.18 Sec. 5. **EFFECTIVE DATE.**

3.19 Sections 1 to 4 are effective July 1, 2015.