

1.1 A bill for an act

1.2 relating to state government; requiring the state chief information officer to
1.3 establish a centralized statewide electronic permitting system; imposing a
1.4 surcharge; appropriating money; proposing coding for new law in Minnesota
1.5 Statutes, chapter 16E.

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

1.7 Section 1. **[16E.25] STATEWIDE ELECTRONIC PERMITTING SYSTEM.**

1.8 **Subdivision 1. Electronic permitting system established; requirements.** The
1.9 state chief information officer shall establish a statewide electronic permitting system to
1.10 provide a centralized, online system for prompt and convenient processing of permits
1.11 required under state law.

1.12 **Subd. 2. Account established; appropriation.** The statewide electronic permitting
1.13 account is created in the special revenue fund. Receipts and transfers credited to the
1.14 account are appropriated to the state chief information officer for completion of the
1.15 Minnesota electronic permitting system, to transfer permits issued by agencies to the
1.16 system, and for operation and maintenance of the system during the completion and
1.17 transfer period.

1.18 **Subd. 3. Requirements.** The transfer of an existing electronic permitting system
1.19 to the Minnesota electronic permitting system may not reduce the critical functionality
1.20 provided by the existing system.

1.21 **Subd. 4. Temporary permitting surcharge.** (a) Except as provided in this
1.22 subdivision, executive branch state agencies shall collect a temporary surcharge of ten
1.23 percent of the permitting fee, but no less than \$5 and no more than \$150 on each business,
1.24 commercial, professional, or occupational permit that:

1.25 (1) requires a fee; and

2.1 (2) will be transferred to the Minnesota electronic permitting system, as determined
2.2 by the state chief information officer.

2.3 The surcharge applies to initial permit applications and permit renewals. Each agency
2.4 that issues a permit subject to this subdivision shall collect the surcharge for the permit
2.5 for up to six years between July 1, 2010, and June 30, 2015, as directed by the state
2.6 chief information officer. Receipts from the surcharge shall be deposited in the statewide
2.7 permitting account established in subdivision 2.

2.8 (b) An agency may transfer an amount equivalent to the surcharge imposed under
2.9 this section from existing permit accounts to the statewide electronic permitting system
2.10 account in lieu of collecting the surcharge required under this section. Transfers received
2.11 under this paragraph shall be deposited in the statewide permitting account established in
2.12 subdivision 2.

2.13 Subd. 5. **Contract authority.** The state chief information officer may enter into
2.14 a risk-share or phased agreement with a vendor to complete the Minnesota electronic
2.15 permitting system and to transfer permitting agencies to the system, provided that the
2.16 payment for the vendor's services under the agreement is limited to the revenue from the
2.17 surcharge enacted under subdivision 3, after payment of state operating and maintenance
2.18 costs. The agreement must clearly indicate that the state chief information officer may
2.19 only expend amounts actually collected from the surcharge, after state operations and
2.20 maintenance costs have been paid, in payment for the vendor's services and that the vendor
2.21 assumes this risk when performing work under the contract. This section does not require
2.22 the state chief information officer to pay the vendor the entire amount of the surcharge
2.23 revenue that remains after payment of state operations and maintenance costs. Before
2.24 entering into a contract under this subdivision, the state chief information officer must
2.25 consult with the commissioner of management and budget regarding the implementation
2.26 of the surcharge and the terms of the contract.

2.27 Subd. 6. **Unused funds.** Money remaining in the statewide electronic permitting
2.28 account after payment of all costs of completing the Minnesota electronic permitting
2.29 system, transferring permitting agencies to the system, and operating and maintaining
2.30 the system during the completion and transfer period is appropriated to the state chief
2.31 information officer for the costs of operating and maintaining the Minnesota electronic
2.32 permitting system after the system has been completed.

2.33 Subd. 7. **Priority.** To the extent possible, in completing the Minnesota electronic
2.34 permitting system, the state chief information officer must give priority to permits that are
2.35 not issued electronically.

2.36 Subd. 8. **Expiration.** Subdivisions 2 to 7 expire June 30, 2017.

3.1 Sec. 2. **STATEWIDE ELECTRONIC LICENSING AND PERMITTING**
3.2 **SYSTEMS; REPORT.**

3.3 By January 15 each year beginning in 2011 and ending in 2018, the state chief
3.4 information officer shall report to the chairs and ranking minority members of the
3.5 legislative committees and divisions with jurisdiction over the Office of Enterprise
3.6 Technology regarding the implementation of Minnesota Statutes, sections 16E.22 and
3.7 16E.25. The report shall describe the progress made in implementing the systems,
3.8 improvements in response time and functionality, the schedule governing the transition of
3.9 licenses and permits, the total collected by the office, and the uses of money appropriated
3.10 under Minnesota Statutes, sections 16E.22 and 16E.25.