

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1922

02/16/2023 Authored by Hassan and Smith
The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy

03/13/2023 Adoption of Report: Placed on the General Register
Read for the Second Time

03/20/2023 By motion, re-referred to the Committee on Economic Development Finance and Policy

03/27/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act

1.2 relating to economic development; adopting various policy provisions relating to

1.3 Explore Minnesota Tourism, the Department of Employment and Economic

1.4 Development, and the Department of Iron Range Resources and Rehabilitation;

1.5 creating an account; appropriating money; amending Minnesota Statutes 2022,

1.6 sections 116J.552, subdivisions 4, 6; 116L.04, subdivision 1a; 116L.17, subdivision

1.7 1; 116U.25; proposing coding for new law in Minnesota Statutes, chapters 116J;

1.8 298.

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

1.10 Section 1. 116J.015 EXPIRATION OF REPORT MANDATES.

1.11 (a) If the submission of a report by the commissioner of employment and economic

1.12 development to the legislature is mandated by statute and the enabling legislation does not

1.13 include a date for the submission of a final report, the mandate to submit the report expires

1.14 according to this section.

1.15 (b) If the mandate requires the submission of an annual report and the mandate was

1.16 enacted before January 1, 2022, the mandate expires January 1, 2024. If the mandate requires

1.17 the submission of a biennial or less frequent report and the mandate was enacted before

1.18 January 1, 2022, the mandate expires January 1, 2025.

1.19 (c) Any reporting mandate enacted on or after January 1, 2022, expires three years after

1.20 the date of enactment if the mandate requires the submission of an annual report and expires

1.21 five years after the date of enactment if the mandate requires the submission of a biennial

1.22 or less frequent report unless the enacting legislation provides for a different expiration

1.23 date.

2.1 (d) The commissioner shall submit to the chairs and ranking minority members of the
2.2 legislative committees with jurisdiction over employment and economic development by
2.3 February 15 of each year, beginning February 15, 2023, a list of all reports set to expire
2.4 during the following calendar year according to this section.

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

2.6 Sec. 2. Minnesota Statutes 2022, section 116J.552, subdivision 4, is amended to read:

2.7 Subd. 4. **Development authority.** "Development authority" includes a statutory or home
2.8 rule charter city, county, federally recognized Tribe, housing and redevelopment authority,
2.9 economic development authority, and a port authority.

2.10 Sec. 3. Minnesota Statutes 2022, section 116J.552, subdivision 6, is amended to read:

2.11 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,
2.12 town, federally recognized Tribe, or, in the case of unorganized territory, the county in
2.13 which the site is located.

2.14 Sec. 4. Minnesota Statutes 2022, section 116L.04, subdivision 1a, is amended to read:

2.15 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for
2.16 developing programs which assist in the transition of persons from welfare to work and
2.17 assist individuals at or below 200 percent of the federal poverty guidelines. The program
2.18 is to be operated by the board. The board shall consult and coordinate with program
2.19 administrators at the Department of Employment and Economic Development to design
2.20 and provide services for temporary assistance for needy families recipients.

2.21 Pathways grants-in-aid may be awarded to educational or other nonprofit training
2.22 institutions or to workforce development intermediaries for education and training programs
2.23 and services supporting education and training programs that serve eligible recipients.

2.24 Preference shall be given to projects that:

2.25 (1) provide employment with benefits paid to employees;

2.26 (2) provide employment where there are defined career paths for trainees;

2.27 (3) pilot the development of an educational pathway that can be used on a continuing
2.28 basis for transitioning persons from welfare to work; and

3.1 (4) demonstrate the active participation of Department of Employment and Economic
3.2 Development workforce centers, Minnesota State College and University institutions and
3.3 other educational institutions, and local welfare agencies.

3.4 Pathways projects must demonstrate the active involvement and financial commitment
3.5 of ~~private~~ a participating business. Pathways projects must be matched with cash or in-kind
3.6 contributions on at least a one-half-to-one ratio by a participating ~~private~~ business.

3.7 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may
3.8 be used for preemployment training.

3.9 Sec. 5. Minnesota Statutes 2022, section 116L.17, subdivision 1, is amended to read:

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

3.12 (b) "Commissioner" means the commissioner of employment and economic development.

3.13 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time
3.14 employment ceased or was working in the state at the time employment ceased and:

3.15 (1) has been permanently separated or has received a notice of permanent separation
3.16 from public or private sector employment and is eligible for or has exhausted entitlement
3.17 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

3.18 (2) has been long-term unemployed and has limited opportunities for employment or
3.19 reemployment in the same or a similar occupation in the area in which the individual resides,
3.20 including older individuals who may have substantial barriers to employment by reason of
3.21 age;

3.22 (3) has been terminated or has received a notice of termination of employment as a result
3.23 of a plant closing or a substantial layoff at a plant, facility, or enterprise;

3.24 (4) has been self-employed, including farmers and ranchers, and is unemployed as a
3.25 result of general economic conditions in the community in which the individual resides or
3.26 because of natural disasters;

3.27 (5) is a veteran as defined by section 197.447, has been discharged or released from
3.28 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
3.29 (ii) is employed in a job verified to be below the skill level and earning capacity of the
3.30 veteran;

4.1 (6) is an individual determined by the United States Department of Labor to be covered
4.2 by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331,
4.3 as amended; or

4.4 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent
4.5 a substantial number of years in the home providing homemaking service and (i) has been
4.6 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,
4.7 or disability of that person, must now find employment to self support; or (ii) derived the
4.8 substantial share of support from public assistance on account of dependents in the home
4.9 and no longer receives such support. To be eligible under this clause, the support must have
4.10 ceased while the worker resided in Minnesota.

4.11 For the purposes of this section, "dislocated worker" does not include an individual who
4.12 was an employee, at the time employment ceased, of a political committee, political fund,
4.13 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an
4.14 organization required to file with the federal elections commission.

4.15 (d) "Eligible organization" means a state or local government unit, nonprofit organization,
4.16 community action agency, business organization or association, or labor organization.

4.17 (e) "Plant closing" means the announced or actual permanent shutdown of a single site
4.18 of employment, or one or more facilities or operating units within a single site of
4.19 employment.

4.20 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a
4.21 result of a plant closing, and which results in an employment loss at a single site of
4.22 employment during any 30-day period for at least 50 employees excluding those employees
4.23 that work less than 20 hours per week.

4.24 Sec. 6. Minnesota Statutes 2022, section 116U.25, is amended to read:

4.25 **116U.25 EXPLORE MINNESOTA TOURISM COUNCIL.**

4.26 (a) The director shall be advised by the Explore Minnesota Tourism Council consisting
4.27 of up to ~~28~~ 35 voting members appointed by the governor for four-year terms, including:

4.28 (1) the director of Explore Minnesota Tourism who serves as the chair;

4.29 (2) ~~eleven~~ fourteen representatives of statewide associations representing bed and
4.30 breakfast establishments, golf, festivals and events, counties, convention and visitor bureaus,
4.31 lodging, resorts, trails, campgrounds, restaurants, ~~and~~ craft beverage establishments, chambers
4.32 of commerce, chambers of commerce for underrepresented communities, and Tribal nations;

5.1 (3) one representative from each of the tourism marketing regions of the state as
5.2 designated by the office;

5.3 (4) ~~six~~ ten representatives of the tourism business representing transportation, retail,
5.4 travel agencies, tour operators, travel media, ~~and~~ convention facilities, arts and culture,
5.5 sports, outdoor recreation, and tourism business owners from underrepresented communities;

5.6 (5) one or more ex officio nonvoting members including at least one from the University
5.7 of Minnesota Tourism Center;

5.8 (6) four legislators, two from each house, one each from the two largest political party
5.9 caucuses in each house, appointed according to the rules of the respective houses; and

5.10 (7) other persons, if any, as designated from time to time by the governor.

5.11 (b) The council shall act to serve the broader interests of tourism in Minnesota by
5.12 promoting activities that support, maintain, and expand the state's domestic and international
5.13 travel market, thereby generating increased visitor expenditures, tax revenue, and
5.14 employment.

5.15 (c) Filling of membership vacancies is as provided in section 15.059. The terms of
5.16 one-half of the members shall be coterminous with the governor and the terms of the
5.17 remaining one-half of the members shall end on the first Monday in January one year after
5.18 the terms of the other members. Members may serve until their successors are appointed
5.19 and qualify. Members are not compensated. A member may be reappointed.

5.20 (d) The council shall meet at least four times per year and at other times determined by
5.21 the council.

5.22 (e) If compliance with section 13D.02 is impractical, the Explore Minnesota Tourism
5.23 Council may conduct a meeting of its members by telephone or other electronic means so
5.24 long as the following conditions are met:

5.25 (1) all members of the council participating in the meeting, wherever their physical
5.26 location, can hear one another and can hear all discussion and testimony;

5.27 (2) members of the public present at the regular meeting location of the council can hear
5.28 clearly all discussion and testimony and all votes of members of the council and, if needed,
5.29 receive those services required by sections 15.44 and 15.441;

5.30 (3) at least one member of the council is physically present at the regular meeting location;
5.31 and

6.1 (4) all votes are conducted by roll call, so each member's vote on each issue can be
6.2 identified and recorded.

6.3 (f) Each member of the council participating in a meeting by telephone or other electronic
6.4 means is considered present at the meeting for purposes of determining a quorum and
6.5 participating in all proceedings.

6.6 (g) If telephone or other electronic means is used to conduct a meeting, the council, to
6.7 the extent practical, shall allow a person to monitor the meeting electronically from a remote
6.8 location. The council may require the person making such a connection to pay for
6.9 documented marginal costs that the council incurs as a result of the additional connection.

6.10 (h) If telephone or other electronic means is used to conduct a regular, special, or
6.11 emergency meeting, the council shall provide notice of the regular meeting location, of the
6.12 fact that some members may participate by telephone or other electronic means, and of the
6.13 provisions of paragraph (g). The timing and method of providing notice is governed by
6.14 section 13D.04.

6.15 Sec. 7. [298.2216] GIANTS RIDGE ACCOUNT.

6.16 Subdivision 1. Account established. The Giants Ridge account is established in the
6.17 state treasury. The account consists of appropriations made by the state or funds dedicated
6.18 by the Department of Iron Range Resources and Rehabilitation. The account may also
6.19 receive private contributions, gifts, or grants under section 16A.013. Any interest or profit
6.20 accruing from investment of these sums is credited to the account.

6.21 Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the
6.22 meanings given.

6.23 (b) "Commissioner" means the commissioner of Iron Range resources and rehabilitation.

6.24 (c) "Income" means the amount of interest or profit accruing from the investment of
6.25 account funds.

6.26 (d) "Long-term maintenance" means activities that would constitute substantial repairs
6.27 or rehabilitation.

6.28 (e) "Routine maintenance" means activities that are predictable and repetitive.

6.29 Subd. 3. Use of funds. (a) Income derived from the investment of principal in the account
6.30 may be used by the commissioner for capital expenditures, facility operations, or routine
6.31 or long-term maintenance of the commercial, state-owned assets within the Giants Ridge
6.32 Recreation Area. No money from this account may be used for any purposes except those

7.1 described in this section and no money from this account may be transferred to any other
7.2 account in the state treasury without specific legislative authorization.

7.3 (b) Investment management fees incurred by the State Board of Investment are eligible
7.4 expenses for reimbursement from the account.

7.5 (c) The commissioner has authority to approve or deny expenditures of funds in the
7.6 account.

7.7 Subd. 4. **Appropriation.** Income in the account derived from the investment of principal
7.8 is appropriated upon request by the commissioner to the agency for the purposes described
7.9 in this section. The commissioner may also request appropriations from the principal for
7.10 capital expenditures when the commissioner determines such expenditures are in the best
7.11 interest of the agency.

7.12 Subd. 5. **Investment.** Funds in the account shall be invested pursuant to law by the State
7.13 Board of Investment.

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

7.15 Sec. 8. **DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION;**
7.16 **AUTHORIZATION OF SEPARATION AND RETENTION INCENTIVE**
7.17 **PROGRAMS.**

7.18 The commissioner of Iron Range resources and rehabilitation may provide separation
7.19 and retention incentive programs for employees of the agency that are consistent with the
7.20 provisions of Laws 2009, chapter 78, article 7, section 2, as amended by Laws 2010, chapters
7.21 215, article 9, section 2, and 216, section 53. The cost of such incentives are payable solely
7.22 by funds made available to the commissioner of Iron Range resources and rehabilitation
7.23 under Minnesota Statutes, chapter 298. Employees must not be required to participate in
7.24 the programs. This section expires December 31, 2024.

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