

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1937

(SENATE AUTHORS: MILLER)

DATE	D-PG	OFFICIAL STATUS
03/08/2017	1187	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
03/23/2017	1806a	Comm report: To pass as amended and re-refer to Finance
03/28/2017	1972a	Comm report: To pass as amended
03/29/2017	2178	Second reading Special Order: Amended Third reading Passed

1.1

A bill for an act

1.2 relating to state government; appropriating money for commerce, energy, labor
 1.3 and industry, and employment and economic development; making policy and
 1.4 technical changes; modifying fees; requiring reports; amending regulation of
 1.5 municipal electric utilities and rural electric cooperatives; modifying
 1.6 telecommunications provisions; modifying the solar energy standard; amending
 1.7 resource planning requirements; establishing a task force; establishing a youth
 1.8 skills training program; modifying water conditioning installation requirements;
 1.9 modifying job creation fund requirements for certain businesses; providing a
 1.10 onetime exception to restrictions on use of Minnesota investment fund repayments;
 1.11 creating the getting to work grant program; amending Minnesota Statutes 2016,
 1.12 sections 45.0135, subdivision 6; 46.131, subdivision 7, by adding a subdivision;
 1.13 53B.11, subdivision 1; 58.10, subdivision 1; 65B.84, subdivision 1; 80A.65,
 1.14 subdivision 2; 116J.395, subdivision 7; 116J.8731, subdivision 2, by adding a
 1.15 subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116L.17, subdivision 1; 116L.665;
 1.16 116M.14, subdivision 4; 116M.17, subdivision 4; 116M.18, subdivisions 1a, 4,
 1.17 4a, 8; 175.45; 216B.164, subdivisions 5, 9, by adding a subdivision; 216B.1691,
 1.18 subdivision 2f; 216B.1694, subdivision 3; 216B.2422, subdivisions 2, 4; 216B.62,
 1.19 subdivision 3b; 216C.435, by adding a subdivision; 237.01, by adding subdivisions;
 1.20 237.295, by adding a subdivision; 239.101, subdivision 2; 297I.11, subdivision 2;
 1.21 326B.092, subdivision 7; 326B.153, subdivision 1; 326B.37, by adding
 1.22 subdivisions; 326B.435, subdivision 2; 326B.50, subdivision 3, by adding
 1.23 subdivisions; 326B.55, subdivisions 2, 4; 326B.89, subdivisions 1, 5; Laws 2015,
 1.24 First Special Session chapter 1, article 1, sections 2, subdivision 6; 5, subdivision
 1.25 2; Laws 2016, chapter 189, article 7, section 2, subdivision 2; proposing coding
 1.26 for new law in Minnesota Statutes, chapters 175; 237; 326B; repealing Minnesota
 1.27 Statutes 2016, sections 46.131, subdivision 5; 326B.89, subdivision 14; Minnesota
 1.28 Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; 4355.0500.

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

1.30

ARTICLE 1

1.31

APPROPRIATIONS

1.32 Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

2.1 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 2.2 and for the purposes specified in this article. The appropriations are from the general fund,
 2.3 or another named fund, and are available for the fiscal years indicated for each purpose.
 2.4 The figures "2018" and "2019" used in this article mean that the appropriations listed under
 2.5 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
 2.6 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
 2.7 is fiscal years 2018 and 2019.

2.8 **APPROPRIATIONS**

2.9 **Available for the Year**

2.10 **Ending June 30**

2.11 **2018** **2019**

2.12 **Sec. 2. DEPARTMENT OF COMMERCE**

2.13 **Subdivision 1. Total Appropriation** **\$** **25,691,000** **\$** **25,691,000**

2.14 **Appropriations by Fund**

2.15 **2018** **2019**

2.16 <u>General</u>	<u>23,029,000</u>	<u>23,029,000</u>
2.17 <u>Special Revenue</u>	<u>1,610,000</u>	<u>1,610,000</u>
2.18 <u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
2.19 <u>Workers'</u>		
2.20 <u>Compensation</u>	<u>751,000</u>	<u>751,000</u>

2.21 The amounts that may be spent for each
 2.22 purpose are specified in the following
 2.23 subdivisions.

2.24 **Subd. 2. Financial Institutions** **420,000** **420,000**

2.25 **Subd. 3. Petroleum Tank Release Compensation**
 2.26 **Board** **1,052,000** **1,052,000**

2.27 This appropriation is from the petroleum tank
 2.28 fund.

2.29 **Subd. 4. Administrative Services** **7,386,000** **7,386,000**

2.30 \$100,000 each year is for the support of
 2.31 broadband development.

2.32 **Subd. 5. Telecommunications**

2.33 **Appropriations by Fund**

2.34 **General** **1,229,000** **1,229,000**

3.1 Special Revenue 1,610,000 1,610,000

3.2 (a) \$1,610,000 each year is from the
 3.3 telecommunication access fund for the
 3.4 following transfers.

3.5 (1) \$1,170,000 each year is to the
 3.6 commissioner of human services to
 3.7 supplement the ongoing operational expenses
 3.8 of the Commission of Deaf, DeafBlind, and
 3.9 Hard-of-Hearing Minnesotans;

3.10 (2) \$290,000 each year is to the chief
 3.11 information officer for the purpose of
 3.12 coordinating technology accessibility and
 3.13 usability;

3.14 (3) \$100,000 each year is to the Legislative
 3.15 Coordinating Commission for captioning of
 3.16 legislative coverage; and

3.17 (4) \$50,000 each year is to the Office of
 3.18 MN.IT Services for a consolidated access fund
 3.19 to provide grants to other state agencies related
 3.20 to accessibility of their Web-based services.

3.21 (b) \$220,000 each year from the general fund
 3.22 is for costs related to implementation of
 3.23 Minnesota Statutes, section 237.037, for
 3.24 providers of Voice-over-Internet protocol
 3.25 service. This is a onetime appropriation.

3.26 **Subd. 6. Enforcement**

3.27 **Appropriations by Fund**

3.28 General 4,901,000 4,901,000

3.29 Workers'
 3.30 Compensation 198,000 198,000

3.31 **Subd. 7. Energy Resources** 4,677,000 4,677,000

3.32 \$150,000 each year is for grants to providers
 3.33 of low-income weatherization services to
 3.34 install renewable energy equipment in

4.1 households that are eligible for weatherization
 4.2 assistance under Minnesota's weatherization
 4.3 assistance program state plan under Minnesota
 4.4 Statutes, section 216C.264.

4.5 \$430,000 each year is for costs associated with
 4.6 competitive rates for energy-intensive,
 4.7 trade-exposed electric utility customers. All
 4.8 general fund appropriations for costs
 4.9 associated with competitive rates for
 4.10 energy-intensive, trade-exposed electric utility
 4.11 customers are recovered through assessments
 4.12 under Minnesota Statutes, section 216B.62.

4.13 **Subd. 8. Insurance**

4.14 **Appropriations by Fund**

4.15 <u>General</u>	<u>4,416,000</u>	<u>4,416,000</u>
4.16 <u>Workers'</u>		
4.17 <u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

4.18 **Subd. 9. Commerce Fraud Bureau**

4.19 The revenue transferred in Minnesota Statutes,
 4.20 section 297I.11, subdivision 2, to the insurance
 4.21 fraud prevention account must be used in part
 4.22 for compensation for two new employees in
 4.23 the Commerce Fraud Bureau to perform
 4.24 analytical duties. The new employees may not
 4.25 be peace officers.

4.26 **Sec. 3. DEPARTMENT OF EMPLOYMENT**
 4.27 **AND ECONOMIC DEVELOPMENT**

4.28 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>128,246,000</u>	<u>\$</u>	<u>125,175,000</u>
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4.29 **Appropriations by Fund**

	<u>2018</u>	<u>2019</u>
4.31 <u>General</u>	<u>93,004,000</u>	<u>90,680,000</u>
4.32 <u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
4.33 <u>Workforce</u>		
4.34 <u>Development</u>	<u>34,542,000</u>	<u>33,795,000</u>

5.1 The amounts that may be spent for each
5.2 purpose are specified in the following
5.3 subdivisions.

5.4 **Subd. 2. Business and Community Development**

5.5 **Appropriations by Fund**

5.6 <u>General</u>	<u>44,164,000</u>	<u>41,890,000</u>
5.7 <u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
5.8 <u>Workforce</u>		
5.9 <u>Development</u>	<u>900,000</u>	<u>900,000</u>

5.10 (a) \$12,500,000 each year is for the Minnesota
5.11 investment fund under Minnesota Statutes,
5.12 section 116J.8731. Of this amount, up to three
5.13 percent is for administration and monitoring
5.14 of the program. Of the amount appropriated
5.15 in fiscal year 2018, \$4,000,000 is for a loan
5.16 to construct and equip a wholesale electronic
5.17 component distribution center investing a
5.18 minimum of \$200,000,000 and constructing
5.19 a facility at least 700,000 square feet in size.

5.20 Loan funds may be used for purchases of
5.21 materials, supplies, and equipment for the
5.22 construction of the facility and are available
5.23 from July 1, 2017, to June 30, 2021. The
5.24 commissioner of employment and economic
5.25 development shall forgive the loan after
5.26 verification that the project has satisfied
5.27 performance goals and contractual obligations
5.28 as required under Minnesota Statutes, section
5.29 116J.8731. This appropriation is available until
5.30 spent. The base for this program is
5.31 \$13,500,000 in fiscal year 2020 and
5.32 \$13,500,000 in fiscal year 2021.

5.33 (b) \$8,000,000 each year is for the Minnesota
5.34 job creation fund under Minnesota Statutes,
5.35 section 116J.8748. Of this amount, up to three
5.36 percent is for administration and monitoring

6.1 of the program. This appropriation is available
6.2 until spent. The base for this program is
6.3 \$8,000,000 in fiscal year 2020 and \$8,000,000
6.4 in fiscal year 2021.

6.5 (c) \$1,500,000 each year is for the
6.6 redevelopment program under Minnesota
6.7 Statutes, section 116J.571. The base for this
6.8 program is \$2,000,000 in fiscal year 2020 and
6.9 \$2,000,000 in fiscal year 2021.

6.10 (d) \$3,000,000 each year is for the workforce
6.11 housing grant program in Minnesota Statutes,
6.12 section 116J.549. Of this amount, up to five
6.13 percent is for administration and monitoring
6.14 of the program. This appropriation is available
6.15 until spent.

6.16 (e) \$500,000 each year is for the Minnesota
6.17 emerging entrepreneur loan program under
6.18 Minnesota Statutes, section 116M.18. Funds
6.19 available under this paragraph are for transfer
6.20 into the emerging entrepreneur program
6.21 special revenue fund account created under
6.22 Minnesota Statutes, chapter 116M, and are
6.23 available until spent. Of this amount, up to
6.24 five percent is for administration and
6.25 monitoring of the program. The base for this
6.26 appropriation is \$1,000,000 in fiscal year 2020
6.27 and \$1,000,000 in fiscal year 2021.

6.28 (f) \$900,000 each year from the workforce
6.29 development fund is for the job training
6.30 incentive program under Minnesota Statutes,
6.31 section 116L.42. Of this amount, up to five
6.32 percent is for administration and monitoring
6.33 of the program.

7.1 (g) \$1,300,000 each year is for the greater
7.2 Minnesota business development public
7.3 infrastructure grant program under Minnesota
7.4 Statutes, section 116J.431. Of this amount,
7.5 \$800,000 each year is for a onetime grant to
7.6 the city of Thief River Falls to support utility
7.7 extensions, roads, and other public
7.8 improvements related to the construction of a
7.9 wholesale electronic component distribution
7.10 center at least 700,000 square feet in size and
7.11 investing a minimum of \$200,000,000.

7.12 Notwithstanding Minnesota Statutes, section
7.13 116J.431, a local match is not required for the
7.14 grant. Grant funds provided to the city of Thief
7.15 River Falls under this paragraph are available
7.16 from July 1, 2017, to June 30, 2021. Except
7.17 as otherwise specified in this paragraph, this
7.18 appropriation is available until spent.

7.19 (h) \$139,000 each year is for the Center for
7.20 Rural Policy and Development.

7.21 (i) \$1,272,000 each year is for contaminated
7.22 site cleanup and development grants under
7.23 Minnesota Statutes, sections 116J.551 to
7.24 116J.558. This appropriation is available until
7.25 spent.

7.26 (j) \$700,000 each year is from the remediation
7.27 fund for contaminated site cleanup and
7.28 development grants under Minnesota Statutes,
7.29 sections 116J.551 to 116J.558. This
7.30 appropriation is available until spent.

7.31 (k) \$1,425,000 each year is for the business
7.32 development competitive grant program. Of
7.33 this amount, up to five percent is for
7.34 administration and monitoring of the business
7.35 development competitive grant program. All

8.1 grant awards shall be for two consecutive
8.2 years. Grants shall be awarded in the first year.

8.3 (l) \$4,848,000 in fiscal year 2018 and
8.4 \$4,849,000 in fiscal year 2019 is for the
8.5 Minnesota job skills partnership program
8.6 under Minnesota Statutes, sections 116L.01
8.7 to 116L.17. If the appropriation for either year
8.8 is insufficient, the appropriation for the other
8.9 year is available. This appropriation is
8.10 available until spent. The base amount for this
8.11 program is \$5,195,000 in fiscal year 2020 and
8.12 \$5,195,000 in fiscal year 2021.

8.13 (m) \$25,000 each year is for the administration
8.14 of state aid for the Destination Medical Center
8.15 under Minnesota Statutes, sections 469.40 to
8.16 469.47.

8.17 (n) \$750,000 each year is for a grant to the
8.18 Neighborhood Development Center for small
8.19 business programs, including, but not limited
8.20 to:

8.21 (1) training, lending, and business services;
8.22 (2) model outreach and training in greater
8.23 Minnesota; and
8.24 (3) development of new business incubators.

8.25 This is a onetime appropriation.

8.26 (o) \$1,175,000 each year is for a grant to the
8.27 Metropolitan Economic Development
8.28 Association (MEDA) for statewide business
8.29 development and assistance services, including
8.30 services to entrepreneurs with businesses that
8.31 have the potential to create job opportunities
8.32 for unemployed and underemployed people,

9.1 with an emphasis on minority-owned
9.2 businesses. This is a onetime appropriation.

9.3 (p) \$125,000 each year is for a grant to the
9.4 White Earth Nation for the White Earth Nation
9.5 Integrated Business Development System to
9.6 provide business assistance with workforce
9.7 development, outreach, technical assistance,
9.8 infrastructure and operational support,
9.9 financing, and other business development
9.10 activities. This is a onetime appropriation.

9.11 (q) \$875,000 each year is for a grant to
9.12 Enterprise Minnesota, Inc. for the small
9.13 business growth acceleration program under
9.14 Minnesota Statutes, section 116O.115. This
9.15 is a onetime appropriation.

9.16 (r) \$12,000 each year is from the general fund
9.17 for a grant to the Upper Minnesota Film
9.18 Office.

9.19 (s) \$325,000 each year is from the general
9.20 fund for the Minnesota Film and TV Board.
9.21 The appropriation in each year is available
9.22 only upon receipt by the board of \$1 in
9.23 matching contributions of money or in-kind
9.24 contributions from nonstate sources for every
9.25 \$3 provided by this appropriation, except that
9.26 each year up to \$50,000 is available on July
9.27 1 even if the required matching contribution
9.28 has not been received by that date.

9.29 (t) \$500,000 each year is from the general fund
9.30 for a grant to the Minnesota Film and TV
9.31 Board for the film production jobs program
9.32 under Minnesota Statutes, section 116U.26.
9.33 This appropriation is available until spent.

10.1 (u) \$275,000 in fiscal year 2018 is from the
10.2 general fund to the commissioner of
10.3 employment and economic development for
10.4 a grant to Community and Economic
10.5 Development Associates (CEDA) for an
10.6 economic development study and analysis of
10.7 the effects of current and projected economic
10.8 growth in southeast Minnesota. CEDA shall
10.9 report on the findings and recommendations
10.10 of the study to the committees of the house of
10.11 representatives and senate with jurisdiction
10.12 over economic development and workforce
10.13 issues by February 15, 2019. All results and
10.14 information gathered from the study shall be
10.15 made available for use by cities in southeast
10.16 Minnesota by March 15, 2019. This is a
10.17 onetime appropriation and is available until
10.18 June 30, 2020.

10.19 (v) \$2,000,000 the first year is for a grant to
10.20 Pillsbury United Communities for construction
10.21 and renovation of a building in north
10.22 Minneapolis for use as the "North Market"
10.23 grocery store and wellness center, focused on
10.24 offering healthy food, increasing health care
10.25 access, and providing job creation and
10.26 economic opportunities in one place for
10.27 children and families living in the area. To the
10.28 extent possible, Pillsbury United Communities
10.29 shall employ individuals who reside within a
10.30 five mile radius of the grocery store and
10.31 wellness center. This appropriation is not
10.32 available until at least an equal amount of
10.33 money is committed from nonstate sources.
10.34 This is a onetime appropriation and is
10.35 available until the project is completed or

11.1 abandoned, subject to Minnesota Statutes,
11.2 section 16A.642.

11.3 Subd. 3. **Broadband Development** 10,250,000 10,250,000

11.4 (a) \$250,000 each year is for the Broadband
11.5 Development Office.

11.6 (b) \$10,000,000 each year is for deposit in the
11.7 border-to-border broadband fund account
11.8 created under Minnesota Statutes, section
11.9 116J.396, and may be used for the purposes
11.10 provided in Minnesota Statutes, section

11.11 116J.395. This is a onetime appropriation.

11.12 This appropriation is available until spent. Of
11.13 this appropriation, up to three percent is for
11.14 costs incurred by the commissioner to
11.15 administer Minnesota Statutes, section
11.16 116J.395. Administrative costs may include
11.17 the following activities related to measuring
11.18 progress toward the state's broadband goals
11.19 established in Minnesota Statutes, section

11.20 237.012:

11.21 (1) collecting broadband deployment data from
11.22 Minnesota providers, verifying its accuracy
11.23 through on-the-ground testing, and creating
11.24 state and county maps available to the public
11.25 showing the availability of broadband service
11.26 at various upload and download speeds
11.27 throughout Minnesota;

11.28 (2) analyzing the deployment data collected
11.29 to help inform future investments in broadband
11.30 infrastructure; and

11.31 (3) conducting business and residential surveys
11.32 that measure broadband adoption and use in
11.33 the state.

12.1 Data provided by a broadband provider under
 12.2 this paragraph is nonpublic data under
 12.3 Minnesota Statutes, section 13.02, subdivision
 12.4 9. Maps produced under this paragraph are
 12.5 public data under Minnesota Statutes, section
 12.6 13.03.

12.7 Subd. 4. Minnesota Trade Office 2,292,000 2,292,000

12.8 (a) \$300,000 each year is for the STEP grants
 12.9 in Minnesota Statutes, section 116J.979.

12.10 (b) \$180,000 each year is for the Invest
 12.11 Minnesota Marketing Initiative in Minnesota
 12.12 Statutes, section 116J.9781.

12.13 (c) \$270,000 each year is for the Minnesota
 12.14 Trade Offices under Minnesota Statutes,
 12.15 section 116J.978.

12.16 (d) \$50,000 each year is for the trade policy
 12.17 advisory group under Minnesota Statutes,
 12.18 section 116J.9661.

12.19 Subd. 5. Workforce Development

12.20 Appropriations by Fund

12.21 <u>General</u>	<u>5,939,000</u>	<u>5,889,000</u>
12.22 <u>Workforce</u>		
12.23 <u>Development</u>	<u>23,295,000</u>	<u>22,548,000</u>

12.24 (a) \$1,539,000 each year from the general fund
 12.25 and \$3,104,000 each year from the workforce
 12.26 development fund are for the pathways to
 12.27 prosperity competitive grant program. Of this
 12.28 amount, up to five percent is for administration
 12.29 and monitoring of the program. The base
 12.30 amount for this program is \$5,039,000 from
 12.31 the general fund and \$3,104,000 from the
 12.32 workforce development fund in fiscal year
 12.33 2020 and fiscal year 2021.

13.1 (b) \$4,053,000 each year is from the
13.2 workforce development fund for the
13.3 Minnesota youth program under Minnesota
13.4 Statutes, sections 116L.56 and 116L.561.

13.5 (c) \$1,001,000 each year is from the workforce
13.6 development fund for the youthbuild program
13.7 under Minnesota Statutes, sections 116L.361
13.8 to 116L.366.

13.9 (d) \$500,000 each year is from the general
13.10 fund and \$3,348,000 each year is from the
13.11 workforce development fund for the youth at
13.12 work competitive grant program under
13.13 Minnesota Statutes, section 116L.562. Of this
13.14 amount, up to five percent is for administration
13.15 and monitoring of the youth workforce
13.16 development competitive grant program. All
13.17 grant awards shall be for two consecutive
13.18 years. Grants shall be awarded in the first year.

13.19 The base amount for this program is
13.20 \$3,348,000 in fiscal year 2020 and \$3,348,000
13.21 in fiscal year 2021 from the workforce
13.22 development fund, and \$750,000 in fiscal year
13.23 2020 and \$750,000 in fiscal year 2021 from
13.24 the general fund.

13.25 (e) \$500,000 each year from the general fund
13.26 and \$500,000 each year from the workforce
13.27 development fund are for rural career
13.28 counseling coordinators in the workforce
13.29 service areas and for the purposes specified
13.30 in Minnesota Statutes, section 116L.667. Of
13.31 these amounts, up to five percent is for
13.32 administration and monitoring of the program.

13.33 (f) \$250,000 each year is for the higher
13.34 education career advising program. Of this

14.1 amount, up to five percent is for administration
14.2 and monitoring of the program.

14.3 (g) \$500,000 each year is for a competitive
14.4 grant program for grants to organizations
14.5 providing services to relieve economic
14.6 disparities in the Southeast Asian community
14.7 through workforce recruitment, development,
14.8 job creation, assistance of smaller
14.9 organizations to increase capacity, and
14.10 outreach. Of this amount, up to five percent
14.11 is for administration and monitoring of the
14.12 program.

14.13 (h) \$750,000 each year is for a competitive
14.14 grant program to provide grants to
14.15 organizations that provide support services for
14.16 individuals, such as job training, employment
14.17 preparation, internships, job assistance to
14.18 fathers, financial literacy, academic and
14.19 behavioral interventions for low-performing
14.20 students, and youth intervention. Grants made
14.21 under this section must focus on low-income
14.22 communities, young adults from families with
14.23 a history of intergenerational poverty, and
14.24 communities of color. Of this amount, up to
14.25 five percent is for administration and
14.26 monitoring of the program. The base amount
14.27 for this program is \$1,000,000 in fiscal year
14.28 2020 and \$1,000,000 in fiscal year 2021.

14.29 (i) \$500,000 each year is for the high-wage,
14.30 high-demand, nontraditional jobs grant
14.31 program under Minnesota Statutes, section
14.32 116L.99. Of this amount, up to five percent is
14.33 for administration and monitoring of the
14.34 program. The base amount for this program

15.1 is \$750,000 in fiscal year 2020 and \$750,000
15.2 in fiscal year 2021.

15.3 (j) \$450,000 each year is from the workforce
15.4 development fund for a grant to Minnesota
15.5 Diversified Industries, Inc., to provide
15.6 progressive development and employment
15.7 opportunities for people with disabilities. This
15.8 is a onetime appropriation.

15.9 (k) \$500,000 each year is from the workforce
15.10 development fund for the Opportunities
15.11 Industrialization Center programs. This
15.12 appropriation shall be divided equally among
15.13 the eligible centers.

15.14 (l) \$750,000 each year is from the workforce
15.15 development fund for a grant to the Minnesota
15.16 Alliance of Boys and Girls Clubs to administer
15.17 a statewide project of youth job skills
15.18 development. This project, which may have
15.19 career guidance components, including health
15.20 and life skills, is to encourage, train, and assist
15.21 youth in job-seeking skills, workplace
15.22 orientation, and job-site knowledge through
15.23 coaching. This grant requires a 25 percent
15.24 match from nonstate resources. This is a
15.25 onetime appropriation.

15.26 (m) \$250,000 each year is from the workforce
15.27 development fund for a grant to YWCA St.
15.28 Paul to provide job training services and
15.29 workforce development programs and
15.30 services, including job skills training and
15.31 counseling. This is a onetime appropriation.

15.32 (n) \$375,000 each year is from the workforce
15.33 development fund for a grant to the YWCA
15.34 of Minneapolis to provide economically

16.1 challenged individuals the job skills training,
16.2 career counseling, and job placement
16.3 assistance necessary to secure a child
16.4 development associate credential and to have
16.5 a career path in early childhood education.
16.6 This is a onetime appropriation.

16.7 (o) \$1,000,000 each year is from the
16.8 workforce development fund for a grant to
16.9 EMERGE Community Development, in
16.10 collaboration with community partners, for
16.11 services targeting Minnesota communities
16.12 with the highest concentrations of African and
16.13 African-American joblessness, based on the
16.14 most recent census tract data, to provide
16.15 employment readiness training, credentialed
16.16 training placement, job placement and
16.17 retention services, supportive services for
16.18 hard-to-employ individuals, and a general
16.19 education development fast track and adult
16.20 diploma program. This is a onetime
16.21 appropriation.

16.22 (p) \$1,000,000 each year is from the
16.23 workforce development fund for a grant to the
16.24 Minneapolis Foundation for a strategic
16.25 intervention program designed to target and
16.26 connect program participants to meaningful,
16.27 sustainable living-wage employment. This is
16.28 a onetime appropriation.

16.29 (q) \$1,297,000 in fiscal year 2018 and
16.30 \$800,000 in fiscal year 2019 are from the
16.31 workforce development fund for performance
16.32 grants under Minnesota Statutes, section
16.33 116J.8747, to Twin Cities R!SE to provide
16.34 training to hard-to-train individuals. Of the
16.35 amounts appropriated, \$497,000 in fiscal year

17.1 2018 is for a grant to Twin Cities R!SE, in
17.2 collaboration with Metro Transit and Hennepin
17.3 Technical College for the Metro Transit
17.4 technician training program. This is a onetime
17.5 appropriation and is available until June 30,
17.6 2020.

17.7 (r) \$750,000 each year is from the workforce
17.8 development fund for a grant to Latino
17.9 Communities United in Service (CLUES) to
17.10 expand culturally tailored programs that
17.11 address employment and education skill gaps
17.12 for working parents and underserved youth by
17.13 providing new job skills training to stimulate
17.14 higher wages for low-income people, family
17.15 support systems designed to reduce
17.16 intergenerational poverty, and youth
17.17 programming to promote educational
17.18 advancement and career pathways. At least
17.19 50 percent of this amount must be used for
17.20 programming targeted at greater Minnesota.
17.21 This is a onetime appropriation.

17.22 (s) \$250,000 each year is for transfer to the
17.23 Department of Education for a grant to the
17.24 American Indian Opportunities and
17.25 Industrialization Center, in collaboration with
17.26 the Northwest Indian Community
17.27 Development Center, to reduce academic
17.28 disparities for American Indian students and
17.29 adults. This is a onetime appropriation. The
17.30 grant funds may be used to provide:

17.31 (1) student tutoring and testing support
17.32 services;
17.33 (2) training in information technology;
17.34 (3) assistance in obtaining a GED;

18.1 (4) remedial training leading to enrollment in
18.2 a postsecondary higher education institution;
18.3 (5) real-time work experience in information
18.4 technology fields; and
18.5 (6) contextualized adult basic education.
18.6 After notification to the legislature, the
18.7 commissioner may transfer this appropriation
18.8 to the commissioner of education.
18.9 (t) \$600,000 each year is from the workforce
18.10 development fund for a grant to Ujamaa Place
18.11 for job training, employment preparation,
18.12 internships, education, training in the
18.13 construction trades, housing, and
18.14 organizational capacity-building. This is a
18.15 onetime appropriation.
18.16 (u) \$500,000 each year from the workforce
18.17 development fund is for a grant to Resource,
18.18 Inc. to provide low-income individuals career
18.19 education and job skills training that are fully
18.20 integrated with chemical and mental health
18.21 services. This is a onetime appropriation.
18.22 (v) \$1,100,000 each year from the workforce
18.23 development fund is for a grant to the
18.24 Minnesota High Tech Association to support
18.25 SciTechsperience, a program that supports
18.26 science, technology, engineering, and math
18.27 (STEM) internship opportunities for two- and
18.28 four-year college students and graduate
18.29 students in their field of study. The internship
18.30 opportunities must match students with paid
18.31 internships within STEM disciplines at small,
18.32 for-profit companies located in Minnesota,
18.33 having fewer than 250 employees worldwide.
18.34 At least 200 students must be matched in the

19.1 first year and at least 250 students must be
19.2 matched in the second year. No more than 15
19.3 percent of the hires may be graduate students.
19.4 Selected hiring companies shall receive from
19.5 the grant 50 percent of the wages paid to the
19.6 intern, capped at \$2,500 per intern. The
19.7 program must work toward increasing the
19.8 participation among women or individuals
19.9 with barriers to employment. This is a onetime
19.10 appropriation.

19.11 (w) \$1,000,000 each year is for a grant to the
19.12 Construction Careers Foundation for the
19.13 construction career pathway initiative to
19.14 provide year-round educational and
19.15 experiential learning opportunities for teens
19.16 and young adults under the age of 21 that lead
19.17 to careers in the construction industry. This is
19.18 a onetime appropriation. Grant funds must be
19.19 used to:

19.20 (1) increase construction industry exposure
19.21 activities for middle school and high school
19.22 youth, parents, and counselors to reach a more
19.23 diverse demographic and broader statewide
19.24 audience. This requirement includes, but is
19.25 not limited to, an expansion of programs to
19.26 provide experience in different crafts to youth
19.27 and young adults throughout the state;

19.28 (2) increase the number of high schools in
19.29 Minnesota offering construction classes during
19.30 the academic year that utilize a multicraft
19.31 curriculum;

19.32 (3) increase the number of summer internship
19.33 opportunities;

20.1 (4) enhance activities to support graduating
20.2 seniors in their efforts to obtain employment
20.3 in the construction industry;

20.4 (5) increase the number of young adults
20.5 employed in the construction industry and
20.6 ensure that they reflect Minnesota's diverse
20.7 workforce; and

20.8 (6) enhance an industrywide marketing
20.9 campaign targeted to youth and young adults
20.10 about the depth and breadth of careers within
20.11 the construction industry.

20.12 Programs and services supported by grant
20.13 funds must give priority to individuals and
20.14 groups that are economically disadvantaged
20.15 or historically underrepresented in the
20.16 construction industry, including but not limited
20.17 to women, veterans, and members of minority
20.18 and immigrant groups.

20.19 (x) \$215,000 each year is from the workforce
20.20 development fund for a grant to Big Brothers,
20.21 Big Sisters of the Greater Twin Cities for
20.22 workforce readiness, employment exploration,
20.23 and skills development for youth ages 12 to
20.24 21. The grant must serve youth in the Twin
20.25 Cities, Central Minnesota and Southern
20.26 Minnesota Big Brothers, Big Sisters chapters.
20.27 This is a onetime appropriation.

20.28 (y) \$50,000 the first year is for a grant to
20.29 Fighting Chance for behavioral intervention
20.30 programs for at-risk youth. This is a onetime
20.31 appropriation.

20.32 (z) \$250,000 each year is from the workforce
20.33 development fund for a grant to Bridges to
20.34 Healthcare to provide career education,

21.1 wraparound support services, and job skills
21.2 training in high-demand health care fields to
21.3 low-income parents, non-native speakers of
21.4 English, and other hard-to-train individuals,
21.5 helping families build secure pathways out of
21.6 poverty while also addressing worker
21.7 shortages in one of Minnesota's most
21.8 innovative industries. Funds may be used for
21.9 program expenses, including, but not limited
21.10 to, hiring instructors and navigators; space
21.11 rental; and supportive services to help
21.12 participants attend classes, including assistance
21.13 with course fees, child care, transportation,
21.14 and safe and stable housing. In addition, up to
21.15 five percent of grant funds may be used for
21.16 Bridges to Healthcare's administrative costs.
21.17 This is a onetime appropriation and is
21.18 available until June 30, 2020.
21.19 (aa) \$230,000 in fiscal year 2018 is from the
21.20 workforce development fund for a grant to the
21.21 Bois Forte Tribal Employment Rights Office
21.22 (TERO) for an American Indian workforce
21.23 development training pilot project. This is a
21.24 onetime appropriation.
21.25 (bb) \$500,000 each year is from the workforce
21.26 development fund for a grant to the Nonprofits
21.27 Assistance Fund to provide capacity-building
21.28 grants to small, culturally specific
21.29 organizations that primarily serve historically
21.30 underserved cultural communities. Grants may
21.31 only be awarded to nonprofit organizations
21.32 that (1) have an annual organizational budget
21.33 of less than \$500,000 and (2) are culturally
21.34 specific organizations that primarily serve

22.1 historically underserved cultural communities.

22.2 Grant funds awarded must be used for:

22.3 (1) organizational infrastructure improvement,

22.4 including developing database management

22.5 systems and financial systems, or other

22.6 administrative needs that increase the

22.7 organization's ability to access new funding

22.8 sources;

22.9 (2) organizational workforce development,

22.10 including hiring culturally competent staff,

22.11 training and skills development, and other

22.12 methods of increasing staff capacity; or

22.13 (3) creation or expansion of partnerships with

22.14 existing organizations that have specialized

22.15 expertise in order to increase the capacity of

22.16 the grantee organization to improve services

22.17 for the community. Of this amount, up to five

22.18 percent may be used by the Nonprofits

22.19 Assistance Fund for administration costs and

22.20 providing technical assistance to potential

22.21 grantees. This is a onetime appropriation.

22.22 (cc) \$1,502,000 each year is from the

22.23 workforce development fund for a grant to

22.24 FastTRAC-Minnesota Adult Careers Pathways

22.25 Program. Up to ten percent of this

22.26 appropriation may be used to provide

22.27 leadership, oversight, and technical assistance

22.28 services for low-skilled, low-income adults.

22.29 (dd) \$100,000 each year is for the "Getting to

22.30 Work" grant program. This is a onetime

22.31 appropriation and is available until June 30,

22.32 2021.

22.33 (ee) \$20,000 in fiscal year 2018 is

22.34 appropriated from the workforce development

23.1 fund for a grant to the Cook County Higher
23.2 Education Board to provide educational
23.3 programming and academic support services
23.4 to remote regions in northeastern Minnesota.
23.5 This appropriation is in addition to other funds
23.6 previously appropriated to the board. This is
23.7 a onetime appropriation.

23.8 **Subd. 6. Vocational Rehabilitation**

23.9 **Appropriations by Fund**

23.10 <u>General</u>	<u>20,361,000</u>	<u>20,361,000</u>
23.11 <u>Workforce</u>		
23.12 <u>Development</u>	<u>10,330,000</u>	<u>10,330,000</u>

23.13 (a) \$8,300,000 each year from the general fund
23.14 and \$2,500,000 from the workforce
23.15 development fund are for the state's vocational
23.16 rehabilitation program under Minnesota
23.17 Statutes, chapter 268A. The base for this
23.18 program is \$10,800,000 from the general fund
23.19 in fiscal year 2020 and fiscal year 2021.

23.20 (b) \$3,011,000 each year is from the general
23.21 fund for grants to centers for independent
23.22 living under Minnesota Statutes, section
23.23 268A.11.

23.24 (c) \$6,830,000 each year from the workforce
23.25 development fund and \$6,495,000 each year
23.26 from the general fund are for extended
23.27 employment services for persons with severe
23.28 disabilities under Minnesota Statutes, section
23.29 268A.15. The base for this program is
23.30 \$7,620,000 from the general fund and
23.31 \$6,830,000 from the workforce development
23.32 fund in fiscal year 2020 and fiscal year 2021.

23.33 (d) \$1,000,000 each year is from the
23.34 workforce development fund for grants under
23.35 Minnesota Statutes, section 268A.16, for

24.1 employment services for persons, including
 24.2 transition-aged youth, who are deaf, deafblind,
 24.3 or hard-of-hearing. If the amount in the first
 24.4 year is insufficient, the amount in the second
 24.5 year is available in the first year. Of this
 24.6 amount, up to five percent is for administration
 24.7 and monitoring of the program.

24.8 (e) \$2,555,000 each year is for grants to
 24.9 programs that provide employment support
 24.10 services to persons with mental illness under
 24.11 Minnesota Statutes, sections 268A.13 and
 24.12 268A.14.

24.13	<u>Subd. 7. Services for the Blind</u>	<u>6,425,000</u>	<u>6,425,000</u>
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24.14 \$6,425,000 each year is for state services for
 24.15 the blind. Of this amount, \$500,000 each year
 24.16 is for senior citizens who are becoming blind.
 24.17 At least half of the funds appropriated must
 24.18 be used to provide training services for seniors
 24.19 who are becoming blind. Training services
 24.20 must provide independent living skills to
 24.21 seniors who are becoming blind to allow them
 24.22 to continue to live independently in their
 24.23 homes. The base for this program is
 24.24 \$5,925,000 in fiscal year 2020 and \$5,925,000
 24.25 in fiscal year 2021.

24.26 **Subd. 8. General Support Services**

24.27	<u>Appropriations by Fund</u>		
24.28	<u>General</u>	<u>3,573,000</u>	<u>3,573,000</u>
24.29	<u>Workforce</u>		
24.30	<u>Development</u>	<u>17,000</u>	<u>17,000</u>

24.31 (a) \$250,000 each year is for the publication,
 24.32 dissemination, and use of labor market
 24.33 information under Minnesota Statutes, section
 24.34 116J.4011.

25.1 (b) \$150,000 each year is for the cost-of-living
25.2 study required under Minnesota Statutes,
25.3 section 116J.013.

25.4 (c) \$1,269,000 each year is for transfer to the
25.5 Minnesota Housing Finance Agency for
25.6 operating the Olmstead Compliance Office.

25.7 (d) \$500,000 each year is for a statewide
25.8 capacity-building grant program. The
25.9 commissioner of employment and economic
25.10 development shall, through a request for
25.11 proposal process, select a nonprofit
25.12 organization to administer the
25.13 capacity-building grant program. The selected
25.14 organization must have demonstrated
25.15 experience in providing financial and technical
25.16 assistance to nonprofit organizations statewide.

25.17 The selected organization shall provide
25.18 financial assistance in the form of sub-grants
25.19 and technical assistance to small to
25.20 medium-sized nonprofit organizations
25.21 offering, or seeking to offer, workforce or
25.22 economic development programming that
25.23 addresses economic disparities in underserved
25.24 cultural communities. This assistance can be
25.25 provided in-house or in partnership with other
25.26 organizations depending on need. The
25.27 nonprofit organization selected to administer
25.28 the grant program shall report to the
25.29 commissioner by February 1 each year
25.30 regarding assistance provided, including the
25.31 demographic and geographic distribution of
25.32 the grant awards, services, and outcomes. By
25.33 April 1 each year, the commissioner shall
25.34 report the information submitted by the
25.35 nonprofit to the legislative committees having

26.1 jurisdiction over economic development
 26.2 issues. Of this amount, one percent is for the
 26.3 commissioner to conduct the request for
 26.4 proposal process and monitoring the selected
 26.5 organization. The nonprofit selected to
 26.6 administer the grant program may use up to
 26.7 five percent of the grant funds for
 26.8 administration costs and providing technical
 26.9 assistance to potential sub-grantees.

26.10 **Subd. 9. Reporting**

26.11 (a) An entity receiving a direct appropriation
 26.12 in this article that received a direct
 26.13 appropriation in Laws 2016, chapter 189,
 26.14 article 12, is subject to the requirements for
 26.15 grants to individually specified recipients
 26.16 under Laws 2016, chapter 189, article 12,
 26.17 section 11.

26.18 (b) Any recipient of a direct appropriation
 26.19 from the workforce development fund for
 26.20 adult workforce-related programs under
 26.21 subdivision 5 not subject to the requirements
 26.22 of paragraph (a) is subject to the reporting
 26.23 requirements under Minnesota Statutes,
 26.24 section 116L.98.

26.25 **Sec. 4. DEPARTMENT OF LABOR AND**
 26.26 **INDUSTRY**

26.27 **Subdivision 1. Total Appropriation** \$ **28,184,000** **\$ 28,484,000**

26.28 **Appropriations by Fund**

	<u>2018</u>	<u>2019</u>
26.30 <u>General</u>	<u>1,202,000</u>	<u>1,202,000</u>
26.31 <u>Workers'</u>		
26.32 <u>Compensation</u>	<u>24,975,000</u>	<u>24,975,000</u>
26.33 <u>Workforce</u>		
26.34 <u>Development</u>	<u>2,007,000</u>	<u>2,307,000</u>

27.1 The amounts that may be spent for each
 27.2 purpose are specified in the following
 27.3 subdivisions.

27.4 Subd. 2. Workers' Compensation 14,782,000 14,782,000

27.5 (a) This appropriation is from the workers'
 27.6 compensation fund.

27.7 (b) \$3,000,000 each year is for workers'
 27.8 compensation system upgrades. This
 27.9 appropriation is available until June 30, 2021.

27.10 The base appropriation for fiscal year 2020
 27.11 and beyond is \$0.

27.12 (c) This appropriation includes funds for
 27.13 information technology project services and
 27.14 support subject to the provisions of Minnesota
 27.15 Statutes, section 16E.0466. Any ongoing
 27.16 information technology costs must be
 27.17 incorporated into the service level agreement
 27.18 and must be paid to the Office of MN.IT
 27.19 Services by the commissioner of labor and
 27.20 industry under the rates and mechanism
 27.21 specified in that agreement.

27.22 Subd. 3. Labor Standards and Apprenticeship

27.23 Appropriations by Fund

27.24 <u>General</u>	<u>1,202,000</u>	<u>1,202,000</u>
27.25 <u>Workforce</u>		
27.26 <u>Development</u>	<u>1,507,000</u>	<u>1,507,000</u>

27.27 (a) \$1,202,000 in fiscal year 2018 and
 27.28 \$1,202,000 in fiscal year 2019 are from the
 27.29 general fund for the labor standards and
 27.30 apprenticeship program.

27.31 (b) \$1,057,000 in fiscal year 2018 and
 27.32 \$1,057,000 in fiscal year 2019 are from the
 27.33 workforce development fund for the

28.1 apprenticeship program under Minnesota

28.2 Statutes, chapter 178.

28.3 (c) \$150,000 each year from the workforce

28.4 development fund is for prevailing wage

28.5 enforcement.

28.6 (d) \$100,000 each year is from the workforce

28.7 development fund for labor education and

28.8 advancement program grants under Minnesota

28.9 Statutes, section 178.11, to expand and

28.10 promote registered apprenticeship training for

28.11 minorities and women.

28.12 (e) \$200,000 each year is from the workforce

28.13 development fund for a grant to the

28.14 Construction Careers Foundation Inc. for the

28.15 Helmets to Hardhats Minnesota Initiative.

28.16 Grant funds must be used to recruit, retain,

28.17 assist, and support National Guard, Reserve,

28.18 active duty military members, and veteran's

28.19 participation in apprenticeship programs

28.20 registered with the Department of Labor and

28.21 Industry and connect them with career training

28.22 and employment in the building and

28.23 construction industry. The recruitment,

28.24 selection, employment, and training must be

28.25 without discrimination due to race, color,

28.26 creed, religion, national origin, sex, sexual

28.27 orientation, marital status, physical or mental

28.28 disability, receipt of public assistance, or age.

28.29 This is a onetime appropriation.

28.30 Subd. 4. Workplace Safety

4,154,000

4,154,000

28.31 This appropriation is from the workers'

28.32 compensation fund.

28.33 Subd. 5. General Support

Appropriations by Fund

Workers'
Compensation 6,039,000 6,039,000

Workforce Development 500,000 800,000

29.6 (a) \$300,000 each year is from the workforce
29.7 development fund for the PIPELINE program.

29.8 (b) \$200,000 in fiscal year 2018 is from the
29.9 workforce development fund for the
29.10 commissioner of labor and industry to convene
29.11 and collaborate with stakeholders as provided
29.12 under Minnesota Statutes, section 175.46,
29.13 subdivision 3, and to develop youth skills
29.14 training competencies for approved
29.15 occupations. This is a onetime appropriation.

29.16 (c) \$500,000 in fiscal year 2019 is from the
29.17 workforce development fund to administer the
29.18 youth skills training program under Minnesota
29.19 Statutes, section 175.46. The commissioner
29.20 shall award up to five grants each year to local
29.21 partnerships located throughout the state, not
29.22 to exceed \$100,000 per local partnership grant.
29.23 The commissioner may use a portion of this
29.24 appropriation for administration of the grant
29.25 program. The base amount for this program
29.26 is \$500,000 each year beginning in fiscal year
29.27 2020.

29.28 Sec. 5. **BUREAU OF MEDIATION SERVICES** \$ **2,247,000** \$ **2,247,000**

29.29 (a) \$68,000 each year is for grants to area
29.30 labor management committees. Grants may
29.31 be awarded for a 12-month period beginning
29.32 July 1 each year. Any unencumbered balance
29.33 remaining at the end of the first year does not
29.34 cancel but is available for the second year.

30.1 (b) \$394,000 each year is for the Office of
 30.2 Collaboration and Dispute Resolution under
 30.3 Minnesota Statutes, section 179.90.

30.4 Sec. 6. **PUBLIC EMPLOYMENT RELATIONS**
 30.5 **BOARD** \$ 125,000 \$ 125,000

30.6 Sec. 7. **PUBLIC UTILITIES COMMISSION** \$ 7,565,000 \$ 7,565,000

30.7 \$100,000 each year from the general fund is
 30.8 for costs related to implementation of
 30.9 Minnesota Statutes, section 237.037, for
 30.10 providers of Voice-over-Internet protocol
 30.11 service. This is a onetime appropriation.

30.12 Sec. 8. **WORKERS' COMPENSATION COURT**
 30.13 **OF APPEALS** \$ 1,913,000 \$ 1,913,000

30.14 This appropriation is from the workers'
 30.15 compensation fund.

30.16 Sec. 9. **APPROPRIATION AND TRANSFER.**

30.17 (a) The utility subject to Minnesota Statutes, section 116C.779, shall transfer \$10,000,000
 30.18 in fiscal year 2018 from the renewable development account established under that section
 30.19 to the commissioner of commerce, who shall deposit it in the special revenue fund. This is
 30.20 a onetime transfer.

30.21 (b) \$10,000,000 from the money deposited in the special revenue fund under paragraph
 30.22 (a) is appropriated to the commissioner of commerce for transfer to the Iron Range Resources
 30.23 and Rehabilitation Board for deposit in Fund #280, Business Development Fund for
 30.24 Renewable Energy Manufacturing. This is a onetime appropriation and is available until
 30.25 June 30, 2020.

30.26 Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is
 30.27 amended to read:

30.28 Subd. 2. **Workers' Compensation** 15,226,000 17,782,000

30.29 This appropriation is from the workers'
 30.30 compensation fund.

31.1 \$4,000,000 in fiscal year 2016 and \$6,000,000
31.2 in fiscal year 2017 are for workers'
31.3 compensation system upgrades and are
31.4 available through June 30, 2021. The base
31.5 appropriation for this purpose is \$3,000,000
31.6 in fiscal year 2018 and \$3,000,000 in fiscal
31.7 year 2019. The base appropriation for fiscal
31.8 year 2020 and beyond is zero.

31.9 This appropriation includes funds for
31.10 information technology project services and
31.11 support subject to the provisions of Minnesota
31.12 Statutes, section 16E.0466. Any ongoing
31.13 information technology costs will be
31.14 incorporated into the service level agreement
31.15 and will be paid to the Office of MN.IT
31.16 Services by the commissioner of labor and
31.17 industry under the rates and mechanism
31.18 specified in that agreement.

31.19 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

ARTICLE 2

COMMERCE

31.22 Section 1. Minnesota Statutes 2016, section 45.0135, subdivision 6, is amended to read:

31.23 **Subd. 6. Insurance fraud prevention account.** The insurance fraud prevention account
31.24 is created in the state treasury. Money received from assessments under subdivision 7 and
31.25 transferred from the automobile theft prevention account in ~~section~~ sections 65B.84,
31.26 subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund
31.27 is appropriated to the commissioner of commerce for the purposes specified in this section
31.28 and sections 60A.951 to 60A.956.

31.29 Sec. 2. Minnesota Statutes 2016, section 46.131, subdivision 7, is amended to read:

31.30 **Subd. 7. Fiscal year assessments.** Such assessments shall be levied on July 1, 1965,
31.31 and at prior to the beginning of each fiscal period beginning July 1 and ending June 30
31.32 thereafter, and shall be based on the total estimated expense as herein referred to during

32.1 such period. Assessment revenue will be remitted to the commissioner for deposit in the
32.2 financial institutions account on or before July 1 of each year.

32.3 Sec. 3. Minnesota Statutes 2016, section 46.131, is amended by adding a subdivision to
32.4 read:

32.5 Subd. 11. Financial institutions account; appropriation. (a) The financial institutions
32.6 account is created as a separate account in the special revenue fund. The account consists
32.7 of funds received from assessments under subdivision 7 and examination fees under
32.8 subdivision 8. Earnings, including interest, dividends, and any other earnings arising from
32.9 account assets, must be credited to the account.

32.10 (b) Funds in the account are annually appropriated to the commissioner of commerce
32.11 for activities under this section.

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

32.13 Sec. 4. Minnesota Statutes 2016, section 53B.11, subdivision 1, is amended to read:

32.14 Subdivision 1. **Fee.** The annual fee for renewal of a license under this chapter is \$2,500
32.15 \$3,030.

32.16 Sec. 5. Minnesota Statutes 2016, section 58.10, subdivision 1, is amended to read:

32.17 Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

32.18 (1) for a residential mortgage originator license, \$1,000, \$50 of which is credited to the
32.19 consumer education account in the special revenue fund;

32.20 (2) for a renewal license, \$500 \$780, \$50 of which is credited to the consumer education
32.21 account in the special revenue fund;

32.22 (3) for a residential mortgage servicer's license, \$500;

32.23 (4) for a renewal license, \$250; and

32.24 (5) for a certificate of exemption, \$100.

32.25 Sec. 6. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

32.26 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The
32.27 commissioner of commerce shall:

32.28 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
32.29 to combat automobile theft, improve the administration of the automobile theft laws, and

33.1 provide a forum for identification of critical problems for those persons dealing with
33.2 automobile theft;

33.3 (2) coordinate the development, adoption, and implementation of plans, programs, and
33.4 strategies relating to interagency and intergovernmental cooperation with respect to
33.5 automobile theft enforcement;

33.6 (3) annually audit the plans and programs that have been funded in whole or in part to
33.7 evaluate the effectiveness of the plans and programs and withdraw funding should the
33.8 commissioner determine that a plan or program is ineffective or is no longer in need of
33.9 further financial support from the fund;

33.10 (4) develop a plan of operation including:

33.11 (i) an assessment of the scope of the problem of automobile theft, including areas of the
33.12 state where the problem is greatest;

33.13 (ii) an analysis of various methods of combating the problem of automobile theft;

33.14 (iii) a plan for providing financial support to combat automobile theft;

33.15 (iv) a plan for eliminating car hijacking; and

33.16 (v) an estimate of the funds required to implement the plan; and

33.17 (5) distribute money, in consultation with the commissioner of public safety, pursuant
33.18 to subdivision 3 from the automobile theft prevention special revenue account for automobile
33.19 theft prevention activities, including:

33.20 (i) paying the administrative costs of the program;

33.21 (ii) providing financial support to the State Patrol and local law enforcement agencies
33.22 for automobile theft enforcement teams;

33.23 (iii) providing financial support to state or local law enforcement agencies for programs
33.24 designed to reduce the incidence of automobile theft and for improved equipment and
33.25 techniques for responding to automobile thefts;

33.26 (iv) providing financial support to local prosecutors for programs designed to reduce
33.27 the incidence of automobile theft;

33.28 (v) providing financial support to judicial agencies for programs designed to reduce the
33.29 incidence of automobile theft;

33.30 (vi) providing financial support for neighborhood or community organizations or business
33.31 organizations for programs designed to reduce the incidence of automobile theft and to

34.1 educate people about the common methods of automobile theft, the models of automobiles
34.2 most likely to be stolen, and the times and places automobile theft is most likely to occur;
34.3 and

34.4 (vii) providing financial support for automobile theft educational and training programs
34.5 for state and local law enforcement officials, driver and vehicle services exam and inspections
34.6 staff, and members of the judiciary.

34.7 (b) The commissioner may not spend in any fiscal year more than ten percent of the
34.8 money in the fund for the program's administrative and operating costs. The commissioner
34.9 is annually appropriated and must distribute the amount of the proceeds credited to the
34.10 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
34.11 each year to the general fund insurance fraud prevention account described in section 297I.11,
34.12 subdivision 2.

34.13 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
34.14 in the auto theft prevention account to the insurance fraud prevention account under section
34.15 45.0135, subdivision 6.

34.16 Sec. 7. Minnesota Statutes 2016, section 80A.65, subdivision 2, is amended to read:

34.17 **Subd. 2. Registration application and renewal filing fee.** Every applicant for an initial
34.18 or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, \$50 \$60
34.19 in the case of an agent, and \$100 in the case of an investment adviser. When an application
34.20 is denied or withdrawn, the filing fee shall be retained. A registered agent who has terminated
34.21 employment with one broker-dealer shall, before beginning employment with another
34.22 broker-dealer, pay a transfer fee of \$25.

34.23 Sec. 8. Minnesota Statutes 2016, section 216B.164, subdivision 5, is amended to read:

34.24 **Subd. 5. Dispute; resolution.** In the event of disputes between ~~an electric~~ a public utility
34.25 and a qualifying facility, either party may request a determination of the issue by the
34.26 commission. In any such determination, the burden of proof shall be on the public utility.
34.27 The commission in its order resolving each such dispute shall require payments to the
34.28 prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys'
34.29 fees, except that the qualifying facility will be required to pay the costs, disbursements, and
34.30 attorneys' fees of the public utility only if the commission finds that the claims of the
34.31 qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

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

35.1 Sec. 9. Minnesota Statutes 2016, section 216B.164, subdivision 9, is amended to read:

35.2 Subd. 9. **Municipal electric utility.** For purposes of this section only, ~~except subdivision~~
35.3 5, and with respect to municipal electric utilities only, the term "commission" means the
35.4 governing body of each municipal electric utility that adopts and has in effect rules
35.5 implementing this section which are consistent with the rules adopted by the Minnesota
35.6 Public Utilities Commission under subdivision 6. As used in this subdivision, the governing
35.7 body of a municipal electric utility means the city council of that municipality; except that,
35.8 if another board, commission, or body is empowered by law or resolution of the city council
35.9 or by its charter to establish and regulate rates and days for the distribution of electric energy
35.10 within the service area of the city, that board, commission, or body shall be considered the
35.11 governing body of the municipal electric utility.

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

35.13 Sec. 10. Minnesota Statutes 2016, section 216B.164, is amended by adding a subdivision
35.14 to read:

35.15 Subd. 11. **Cooperative electric association.** (a) For purposes of this section only, the
35.16 term "commission" means the board of directors of a cooperative association that (1) elects,
35.17 by resolution, to assume the authority delegated to the Public Utilities Commission over
35.18 cooperative electric associations under this section, and (2) adopts and has in effect rules
35.19 implementing this section. The rules must provide for a process to resolve disputes that
35.20 arise under this section, and must include a provision that a request by either party for
35.21 mediation of the dispute by an independent third party must be implemented. A cooperative
35.22 electric association that has adopted a resolution and rules under this subdivision is exempt
35.23 from regulation by the Public Utilities Commission under this section.

35.24 (b) Except as provided in paragraph (c), any proceedings concerning the activities of a
35.25 cooperative electric association under this section that are pending at the Public Utilities
35.26 Commission on the effective date of this section are terminated on that date.

35.27 (c) The Public Utilities Commission shall limit its investigation in Docket No. 16-512
35.28 determining whether the methodology used by cooperative associations to establish a fee
35.29 under section 216B.164, subdivision 3, paragraph (a), complies with state law. The
35.30 commission shall complete the investigation no later than December 31, 2017. A
35.31 methodology determined by the commission to comply with state law may not be challenged
35.32 in a dispute under section 216B.164. If the commission determines that a methodology does
35.33 not comply with state law, it shall clearly state the changes necessary to bring the

36.1 methodology into compliance, and the cooperative electric association shall proceed under
36.2 paragraph (a).

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

36.4 Sec. 11. Minnesota Statutes 2016, section 216B.1691, subdivision 2f, is amended to read:

36.5 **Subd. 2f. Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
36.6 and 2b, each public utility shall generate or procure sufficient electricity generated by solar
36.7 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at
36.8 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is
36.9 generated by solar energy.

36.10 (b) For a public utility with more than 200,000 retail electric customers, at least ten
36.11 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
36.12 solar photovoltaic devices with a nameplate capacity of 20 kilowatts or less.

36.13 (c) A public utility with between 50,000 and 200,000 retail electric customers:

36.14 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
36.15 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
36.16 less; and

36.17 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
36.18 of 40 kilowatts or less to a community solar garden program operated by the public utility
36.19 that has been approved by the commission.

36.20 ~~(b)~~ (d) The solar energy standard established in this subdivision is subject to all the
36.21 provisions of this section governing a utility's standard obligation under subdivision 2a.

36.22 ~~(e)~~ (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the
36.23 retail electric sales in Minnesota be generated by solar energy.

36.24 ~~(d)~~ (f) For the purposes of calculating the total retail electric sales of a public utility
36.25 under this subdivision, there shall be excluded retail electric sales to customers that are:

36.26 (1) an iron mining extraction and processing facility, including a scrap mining facility
36.27 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

36.28 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
36.29 manufacturer.

36.30 Those customers may not have included in the rates charged to them by the public utility
36.31 any costs of satisfying the solar standard specified by this subdivision.

37.1 ~~(e)~~(g) A public utility may not use energy used to satisfy the solar energy standard under
37.2 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
37.3 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
37.4 solar standard under this subdivision.

37.5 ~~(f)~~(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
37.6 with a solar photovoltaic device installed and generating electricity in Minnesota after
37.7 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
37.8 under this subdivision.

37.9 ~~(g)~~(i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall
37.10 file a report with the commission reporting its progress in achieving the solar energy standard
37.11 established under this subdivision.

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

37.13 Sec. 12. Minnesota Statutes 2016, section 216B.1694, subdivision 3, is amended to read:

37.14 **Subd. 3. Staging and permitting.** (a) A Natural gas-fired plant that is located on one
37.15 site designated as an innovative energy project site under subdivision 1, clause (3), is
37.16 accorded the regulatory incentives granted to an innovative energy project under subdivision
37.17 2, clauses (1) to (3), and may exercise the authorities therein.

37.18 (b) Following issuance of a final state or federal environmental impact statement for an
37.19 innovative energy project that was a subject of contested case proceedings before an
37.20 administrative law judge:

37.21 (1) site and route permits and water appropriation approvals for an innovative energy
37.22 project must also be deemed valid for a plant meeting the requirements of paragraph (a)
37.23 and shall remain valid until the ~~earlier~~ later of (i) four years from the date the final required
37.24 state or federal preconstruction permit is issued or (ii) June 30, ~~2019~~ 2025; and

37.25 (2) no air, water, or other permit issued by a state agency that is necessary for constructing
37.26 an innovative energy project may be the subject of contested case hearings, notwithstanding
37.27 Minnesota Rules, parts 7000.1750 to 7000.2200.

37.28 Sec. 13. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

37.29 **Subd. 2. Resource plan filing and approval.** A utility shall file a resource plan with
37.30 the commission periodically in accordance with rules adopted by the commission. The
37.31 commission shall approve, reject, or modify the plan of a public utility, as defined in section
37.32 216B.02, subdivision 4, consistent with the public interest. In the resource plan proceedings

38.1 of all other utilities, the commission's order shall be advisory and the order's findings and
38.2 conclusions shall constitute prima facie evidence which may be rebutted by substantial
38.3 evidence in all other proceedings. With respect to utilities other than those defined in section
38.4 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions
38.5 in any comparable proceedings in another jurisdiction. As a part of its resource plan filing,
38.6 a utility shall include the least cost plan for meeting 50 and 75 percent of all energy needs
38.7 from both new and refurbished capacity needs generating facilities through a combination
38.8 of conservation and renewable energy resources.

38.9 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
38.10 applies to resource plans filed with the commission on or after July 1, 2017.

38.11 Sec. 14. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

38.12 **Subd. 4. Preference for renewable energy facility.** The commission shall not approve
38.13 a new or refurbished nonrenewable energy facility in an integrated resource plan or a
38.14 certificate of need, pursuant to section 216B.243, nor shall the commission allow rate
38.15 recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the
38.16 utility has demonstrated that a renewable energy facility is not in the public interest. When
38.17 making the public interest determination, the commission must include consider:

38.18 (1) whether the resource plan helps the utility achieve the greenhouse gas reduction
38.19 goals under section 216H.02, the renewable energy standard under section 216B.1691, or
38.20 the solar energy standard under section 216B.1691, subdivision 2f;

38.21 (2) impacts on local and regional grid reliability;

38.22 (3) utility and ratepayer impacts resulting from the intermittent nature of renewable
38.23 energy facilities, including but not limited to the costs of purchasing wholesale electricity
38.24 in the market and the costs of providing ancillary services; and

38.25 (4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility,
38.26 changes in transmission costs, portfolio diversification, and environmental compliance
38.27 costs.

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

38.29 Sec. 15. Minnesota Statutes 2016, section 216B.62, subdivision 3b, is amended to read:

38.30 **Subd. 3b. Assessment for department regional and national duties.** In addition to
38.31 other assessments in subdivision 3, the department may assess up to \$1,000,000 \$500,000
38.32 per fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount

39.1 in this subdivision shall be assessed to energy utilities in proportion to their respective gross
39.2 operating revenues from retail sales of gas or electric service within the state during the last
39.3 calendar year and shall be deposited into an account in the special revenue fund and is
39.4 appropriated to the commissioner of commerce for the purposes of section 216A.07,
39.5 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
39.6 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
39.7 an "energy utility" means public utilities, generation and transmission cooperative electric
39.8 associations, and municipal power agencies providing natural gas or electric service in the
39.9 state. This subdivision expires June 30, 2017 2021.

39.10 Sec. 16. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision
39.11 to read:

39.12 Subd. 7a. **Multifamily residential dwelling.** "Multifamily residential dwelling" means
39.13 a residential dwelling containing five or more units intended for use as a residence by tenants
39.14 or lessees of the owner.

39.15 Sec. 17. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to
39.16 read:

39.17 Subd. 10. **Voice-over-Internet protocol service.** "Voice-over-Internet protocol service"
39.18 or "VoIP service" means any service that (1) enables real-time two-way voice
39.19 communications that originate from or terminate at the user's location in Internet protocol
39.20 or any successor protocol, and (2) permits users generally to receive calls that originate on
39.21 the public switched telephone network and terminate calls to the public switched telephone
39.22 network.

39.23 Sec. 18. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to
39.24 read:

39.25 Subd. 11. **Internet protocol-enabled service.** "Internet protocol-enabled service" or
39.26 "IP-enabled service" means any service, capability, functionality, or application provided
39.27 using Internet protocol, or any successor protocol, that enables an end user to send or receive
39.28 a communication in Internet protocol format or any successor format, regardless of whether
39.29 that communication is voice, data, or video.

40.1 **Sec. 19. [237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND**
40.2 **INTERNET PROTOCOL-ENABLED SERVICE.**

40.3 **Subdivision 1. Regulation prohibited.** Except as provided in this section, no state
40.4 agency, including the commission and the Department of Commerce, or political subdivision
40.5 of this state shall by rule, order, or other means directly or indirectly regulate the entry,
40.6 rates, terms, quality of service, availability, classification, or any other aspect of VoIP service
40.7 or IP-enabled service.

40.8 **Subd. 2. VoIP regulation.** (a) To the extent permitted by federal law, VoIP service is
40.9 subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard to
40.10 the collection and remittance of the surcharges governed by those sections.

40.11 (b) A provider of VoIP service must comply with the requirements of chapter 403
40.12 applicable to the provision of access to 911 service by service providers, except to the extent
40.13 those requirements conflict with federal requirements for the provision of 911 service by
40.14 VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP provider is
40.15 entitled to the benefit of the limitation of liability provisions of section 403.07, subdivision
40.16 5. Beginning June 1, 2017, and continuing each June 1 thereafter, each VoIP provider shall
40.17 file a plan with the commission describing how it will comply with the requirements of this
40.18 paragraph. After its initial filing under this paragraph, a VoIP provider shall file with the
40.19 commission either an update of the plan or a statement certifying that the plan and personnel
40.20 contact information previously filed is still current.

40.21 **Subd. 3. Relation to other law.** Nothing in this section restricts, creates, expands, or
40.22 otherwise affects or modifies:

40.23 (1) the commission's authority under the Federal Communications Act of 1934, United
40.24 States Code, title 47, sections 251 and 252;

40.25 (2) any applicable wholesale tariff or any commission authority related to wholesale
40.26 services;

40.27 (3) any commission jurisdiction over (i) intrastate switched access rates, terms, and
40.28 conditions, including the implementation of federal law with respect to intercarrier
40.29 compensation, or (ii) existing commission authority to address or affect the resolution of
40.30 disputes regarding intercarrier compensation;

40.31 (4) the rights of any entity, or the authority of the commission and local government
40.32 authorities, with respect to the use and regulation of public rights-of-way under sections
40.33 237.162 and 237.163;

41.1 (5) the establishment or enforcement of standards, requirements or procedures in
41.2 procurement policies, internal operational policies, or work rules of any state agency or
41.3 political subdivision of the state relating to the protection of intellectual property; or

41.4 (6) the authority of the attorney general to apply and enforce chapters 325C to 325G
41.5 and 325K to 325M or other laws of general applicability governing consumer protection
41.6 and trade practices.

41.7 **Subd. 4. Exemption.** The following services delivered by IP-enabled service are not
41.8 regulated under this chapter:

41.9 (1) video services provided by a cable communications system, as defined in section
41.10 238.02, subdivision 3;

41.11 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or
41.12 (3) any other IP-enabled video service.

41.13 **Subd. 5. Preservation of existing landline telephone service.** Nothing in this section
41.14 restricts, creates, expands, or otherwise affects or modifies the obligations of a telephone
41.15 company under this chapter to offer landline telephone service that is not Voice-over-Internet
41.16 protocol service.

41.17 Sec. 20. Minnesota Statutes 2016, section 237.295, is amended by adding a subdivision
41.18 to read:

41.19 **Subd. 2a. Assessment of costs related to providers of Voice-over-Internet protocol**
41.20 **service.** The department and the commission may assess their actual regulatory costs directly
41.21 related to implementation of section 237.037 with respect to providers of Voice-over-Internet
41.22 protocol service. The total amount that may be assessed to all providers of
41.23 Voice-over-Internet protocol service under this subdivision shall not exceed the lesser of
41.24 either the department and commission's actual regulatory costs directly related to
41.25 implementation of this section in calendar years 2019, 2020, and 2021, or \$625,000 in
41.26 calendar year 2019, \$925,000 in calendar year 2020, and \$1,200,000 in calendar year 2021,
41.27 respectively.

41.28 Sec. 21. **[237.417] PERSONAL INFORMATION; PROHIBITION.**

41.29 No telecommunications or Internet service provider that has entered into a franchise
41.30 agreement, right-of-way agreement, or other contract with the state of Minnesota or a
41.31 political subdivision, or that uses facilities that are subject to such agreements, even if it is
41.32 not a party to the agreement, may collect personal information from a customer resulting

42.1 from the customer's use of the telecommunications or Internet service provider without
42.2 express written approval from the customer. No such telecommunication or Internet service
42.3 provider shall refuse to provide its services to a customer on the grounds that the customer
42.4 has not approved collection of the customer's personal information.

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

42.6 Sec. 22. Minnesota Statutes 2016, section 239.101, subdivision 2, is amended to read:

42.7 Subd. 2. **Weights and measures fees.** The director shall charge a fee to the owner for
42.8 inspecting and testing weights and measures, providing metrology services and consultation,
42.9 and providing petroleum quality assurance tests at the request of a licensed distributor.
42.10 Money collected by the director must be paid into the state treasury and as follows: (1) ten
42.11 percent of metrology fees and ten percent of all other fees must be credited to the petroleum
42.12 inspection fee account; and (2) the remainder must be credited to the state general fund.

42.13 Sec. 23. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

42.14 Subd. 2. **Automobile theft prevention account.** A special revenue account in the state
42.15 treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1.
42.16 Of the revenue in the account, \$1,300,000 each year must be transferred to the general fund
42.17 insurance fraud prevention account under section 45.0135, subdivision 6. Revenues in excess
42.18 of \$1,300,000 each year may be used only for the automobile theft prevention program
42.19 described in section 65B.84.

42.20 Sec. 24. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK**
42.21 **FORCE.**

42.22 Subdivision 1. Establishment. The Residential PACE Consumer Protection Legislation
42.23 Task Force shall develop recommendations for consumer protection legislation for any
42.24 energy improvements financing program implemented under Minnesota Statutes, sections
42.25 216C.435 to 216C.436, for single-family residential dwellings. For purposes of this section,
42.26 "residential PACE" or "PACE" means energy improvement financing programs for
42.27 single-family residential dwellings authorized under Minnesota Statutes, sections 216C.435
42.28 to 216C.436.

42.29 Subd. 2. **Task force.** (a) The task force consists of 16 members as follows:

42.30 (1) one member appointed by the Minnesota Association of Realtors;

42.31 (2) one member appointed by the Center for Energy and Environment;

43.1 (3) one member appointed by the Minnesota Bankers Association;

43.2 (4) one member appointed by the Legal Services Advocacy Project;

43.3 (5) one member appointed by the Minnesota Credit Union Network;

43.4 (6) one member appointed by the Minnesota Solar Energy Industry Association;

43.5 (7) one member appointed by the St. Paul Port Authority;

43.6 (8) one member appointed by the League of Minnesota Cities;

43.7 (9) one member appointed by the Association of Minnesota Counties;

43.8 (10) one member appointed by AARP Minnesota;

43.9 (11) one member appointed by Fresh Energy;

43.10 (12) one member appointed by the Citizens Utility Board of Minnesota;

43.11 (13) one member appointed by Clean Energy Economy Minnesota;

43.12 (14) one member appointed by the Minnesota Land Title Association;

43.13 (15) one member appointed by an organization with experience implementing residential
43.14 PACE programs in other states; and

43.15 (16) the commissioner of commerce or a designee.

43.16 (b) Any public member can designate a substitute from the same organization to replace
43.17 that member at a meeting of the task force.

43.18 Subd. 3. **Duties.** The task force must develop recommendations to:

43.19 (1) address concerns regarding the possible constraints on free alienation of residential
43.20 property caused by existence and amount of the PACE liens;

43.21 (2) reduce and minimize any point-of-sale confusion in transactions involving
43.22 PACE-encumbered homes;

43.23 (3) ensure conspicuous and meaningful disclosure of, among other things:

43.24 (i) all costs and fees of a residential PACE loan; and

43.25 (ii) the risks, such as foreclosure and higher costs, that may be associated with residential
43.26 PACE loans relative to other financing mechanisms;

43.27 (4) ensure that the ability to repay standard uses commonly accepted underwriting
43.28 principles;

44.1 (5) ensure that consumer provisions required of and protections that apply to conventional
44.2 loans and other financing options, including but not limited to the Truth in Lending Act and
44.3 the Real Estate Settlement Procedures Act, are required of and apply to PACE financing;

44.4 (6) address any unique protections necessary for elderly, low-income homeowners and
44.5 other financially vulnerable homeowners;

44.6 (7) establish criteria for ensuring the cost-effectiveness of PACE-enabled clean energy
44.7 improvements; and

44.8 (8) address any other issues the task force identifies that are necessary to protect
44.9 consumers.

44.10 **Subd. 4. Administrative support.** The commissioner of commerce shall provide
44.11 administrative support and meeting space for the task force.

44.12 **Subd. 5. Compensation.** Members serve without compensation and shall not be
44.13 reimbursed for expenses.

44.14 **Subd. 6. Chair.** The commissioner of commerce or the commissioner's designee shall
44.15 serve as chair.

44.16 **Subd. 7. Meetings.** The task force shall meet regularly, at the call of the chair. Meetings
44.17 of the task force are subject to Minnesota Statutes, chapter 13D.

44.18 **Subd. 8. Appointments; first meeting.** Appointments must be made by June 1, 2017.
44.19 The commissioner of commerce must convene the first meeting by July 15, 2017.

44.20 **Subd. 9. Report to legislature.** By January 15, 2018, the commissioner shall submit a
44.21 report detailing the task force's findings and recommendations to the chairs and ranking
44.22 minority members of the senate and house of representatives committees with jurisdiction
44.23 over energy and consumer protection policy and finance. The report must include any draft
44.24 legislation necessary to implement the recommendations of the task force.

44.25 **Subd. 10. Suspension of residential PACE.** Until legislation is enacted establishing
44.26 consumer protections that addresses, but is not limited to, the concerns identified in
44.27 subdivision 3, no programs for the financing of energy improvements on a single-family
44.28 residential property dwelling under Minnesota Statutes, sections 216C.435 to 216C.436,
44.29 may be operated after the effective date of this section.

44.30 **Subd. 11. Expiration.** The task force shall expire January 15, 2018, or after submitting
44.31 the report required in this section, whichever is earlier.

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

45.1 Sec. 25. REPEALER.

45.2 Minnesota Statutes 2016, section 46.131, subdivision 5, is repealed.

45.3 ARTICLE 3**45.4 LABOR AND INDUSTRY**

45.5 Section 1. Minnesota Statutes 2016, section 175.45, is amended to read:

45.6 175.45 COMPETENCY STANDARDS FOR DUAL TRAINING.

45.7 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene
45.8 industry representatives, identify occupational competency standards for dual training, and
45.9 provide technical assistance to develop dual-training programs. The goal of dual training
45.10 is to provide employees of an employer with training to acquire competencies that the
45.11 employer requires. The competency standards shall be identified for employment in
45.12 occupations in advanced manufacturing, health care services, information technology, and
45.13 agriculture. Competency standards are not rules and are exempt from the rulemaking
45.14 provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do
45.15 not apply.

45.16 Subd. 2. **Definition; competency standards Definitions.** For purposes of this section,
45.17 the following terms have the meanings given them:

45.18 (1) "competency standards" means the specific knowledge and skills necessary for a
45.19 particular occupation; and

45.20 (2) "dual-training program" means an employment-based earn-as-you-learn program
45.21 where the trainee is employed by a participating employer and receives structured on-the-job
45.22 training and technical instruction in accordance with the competency standards.

45.23 Subd. 3. **Competency standards identification process.** In identifying competency
45.24 standards, the commissioner shall consult with the commissioner of the Office of Higher
45.25 Education and the commissioner of employment and economic development and convene
45.26 recognized industry experts, representative employers, higher education institutions,
45.27 representatives of the disabled community, and representatives of labor to assist in identifying
45.28 credible competency standards. Competency standards must be consistent with, to the extent
45.29 available and practical, recognized international and national standards.

45.30 Subd. 4. **Duties.** The commissioner shall:

45.31 (1) convene industry representatives to identify, develop, and implement dual-training
45.32 programs;

46.1 (2) identify competency standards for ~~entry level~~ entry-level and higher skill levels;

46.2 ~~(2)~~(3) verify the competency standards and skill levels and their transferability by subject

46.3 matter expert representatives of each respective industry;

46.4 ~~(3)~~(4) develop models for Minnesota educational institutions to engage in providing

46.5 education and training to meet the competency standards established;

46.6 ~~(4)~~(5) encourage participation by employers and labor in the competency standard

46.7 identification process for occupations in their industry; and

46.8 ~~(5)~~(6) align ~~dual training competency standards~~ dual-training programs with other

46.9 workforce initiatives; and

46.10 (7) provide technical assistance to develop dual-training programs.

46.11 **Subd. 5. Notification.** The commissioner must communicate identified competency standards to the commissioner of the Office of Higher Education for the purpose of the ~~dual training~~ competency grant program under section 136A.246. The commissioner of labor and industry shall maintain the competency standards on the department's Web site.

46.16 **Sec. 2. [175.46] YOUTH SKILLS TRAINING PROGRAM.**

46.17 **Subdivision 1. Program established; grants authorized.** The commissioner shall

46.18 approve youth skills training programs established for the purpose of providing work-based

46.19 skills training for student learners ages 16 and older. The commissioner shall award grants

46.20 to local partnerships for the implementation and coordination of local youth skills training

46.21 programs as provided in this section.

46.22 **Subd. 2. Definitions.** (a) For purposes of this section, the terms in this subdivision have

46.23 the meanings given.

46.24 (b) "School district" means a school district or charter school.

46.25 (c) "Local partnership" means a school district, nonpublic school, intermediate school

46.26 district, or postsecondary institution, in partnership with other school districts, nonpublic

46.27 schools, intermediate school districts, postsecondary institutions, workforce development

46.28 authorities, economic development authorities, nonprofit organizations, labor unions, or

46.29 individuals who have an agreement with one or more local employers to be responsible for

46.30 implementing and coordinating a local youth skills training program.

46.31 (d) "Student learner" means a student who is both enrolled in a course of study at a public

46.32 or nonpublic school to obtain related instruction for academic credit and is employed under

47.1 a written agreement to obtain on-the-job skills training under a youth skills training program
47.2 approved under this section.

47.3 Subd. 3. **Duties.** (a) The commissioner shall:

47.4 (1) approve youth skills training programs in high-growth, high-demand occupations
47.5 that provide:

47.6 (i) that the work of the student learner in the occupations declared particularly hazardous
47.7 shall be incidental to the training;

47.8 (ii) that the work shall be intermittent and for short periods of time, and under the direct
47.9 and close supervision of a qualified and experienced person;

47.10 (iii) that safety instruction shall be provided to the student learner and may be given by
47.11 the school and correlated by the employer with on-the-job training;

47.12 (iv) a schedule of organized and progressive work processes to be performed on the job;

47.13 (v) a schedule of wage rates in compliance with section 177.24; and

47.14 (vi) whether the student learner will obtain secondary school academic credit,
47.15 postsecondary credit, or both, for the training program;

47.16 (2) approve occupations and maintain a list of approved occupations for programs under
47.17 this section;

47.18 (3) issue requests for proposals for grants;

47.19 (4) work with individuals representing industry and labor to develop new youth skills
47.20 training programs;

47.21 (5) develop model program guides;

47.22 (6) monitor youth skills training programs;

47.23 (7) provide technical assistance to local partnership grantees;

47.24 (8) work with providers to identify paths for receiving postsecondary credit for
47.25 participation in the youth skills training program; and

47.26 (9) approve other activities as necessary to implement the program.

47.27 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,
47.28 representatives of secondary school institutions, career and technical education instructors,
47.29 postsecondary institutions, businesses, and labor, in developing youth skills training

48.1 programs, and identifying and approving occupations and competencies for youth skills
48.2 training programs.

48.3 Subd. 4. **Training agreement.** Each student learner shall sign a written training agreement
48.4 on a form prescribed by the commissioner. Each agreement shall contain the name of the
48.5 student learner, and be signed by the employer, the school coordinator or administrator, and
48.6 the student learner, or if the student learner is a minor, by the student's parent or legal
48.7 guardian. Copies of each agreement shall be kept on file by both the school and the employer.

48.8 Subd. 5. **Program approval.** The commissioner may grant exemptions from the
48.9 provisions of chapter 181A for student learners participating in youth skills training programs
48.10 approved by the commissioner under this section. The approval of a youth skills training
48.11 program will be reviewed annually. The approval of a youth skills training program may
48.12 be revoked at any time if the commissioner finds that:

48.13 (1) all provisions of subdivision 3 have not been met in the previous year; or
48.14 (2) reasonable precautions have not been observed for the safety of minors.

48.15 The commissioner shall maintain and annually update a list of occupations and tasks suitable
48.16 for student learners in compliance with federal law.

48.17 Subd. 6. **Interactions with education finance.** (a) For the purpose of computing state
48.18 aids for the enrolling school district, the hours a student learner participates in a youth skills
48.19 training program under this section must be counted in the student's hours of average daily
48.20 membership under section 126C.05.

48.21 (b) Educational expenses for a participating student learner must be included in the
48.22 enrolling district's career and technical revenue as provided under section 124D.4531.

48.23 Subd. 7. **Academic credit.** A school district may grant academic credit to student learners
48.24 participating in youth skills training programs under this section in accordance with local
48.25 requirements.

48.26 Subd. 8. **Postsecondary credit.** A postsecondary institution may award postsecondary
48.27 credit to a student learner who successfully completes a youth skills training program.

48.28 Subd. 9. **Work-based learning program.** A youth skills training program shall qualify
48.29 as a work-based learning program if it meets requirements for a career and technical education
48.30 program and is supervised by a qualified teacher with appropriate licensure for a work-based
48.31 learning teacher-coordinator.

49.1 Subd. 10. **School coordinator.** Unless otherwise required for a work-based learning
49.2 program, a youth skills training program may be supervised by a qualified teacher or by an
49.3 administrator as determined by the school district.

49.4 Subd. 11. **Other apprenticeship programs.** (a) This section shall not affect programs
49.5 under section 124D.47.

49.6 (b) A registered apprenticeship program governed by chapter 178 may grant credit
49.7 toward the completion of a registered apprenticeship for the successful completion of a
49.8 youth skills training program under this section.

49.9 Subd. 12. **Grant applications.** (a) Applications for grants must be made to the
49.10 commissioner on a form provided by the commissioner.

49.11 (b) A local partnership may apply for a grant and shall include in its grant application:

49.12 (1) the identity of each school district, public agency, nonprofit organization, or individual
49.13 who is a participant in the local partnership;

49.14 (2) the identity of each employer who is a participant in the local partnership and the
49.15 amount of matching funds provided by each employer, if any;

49.16 (3) a plan to accomplish the implementation and coordination of activities specified in
49.17 this subdivision; and

49.18 (4) the identity of a fiscal agent responsible for receiving, managing, and accounting for
49.19 the grant.

49.20 Subd. 13. **Grant awards.** (a) A local partnership awarded a grant under this section
49.21 must use the grant award for any of the following implementation and coordination activities:

49.22 (1) recruiting additional employers to provide on-the-job training and supervision for
49.23 student learners and providing technical assistance to those employers;

49.24 (2) recruiting students to participate in the local youth skills training program and
49.25 monitoring the progress of student learners participating in the program and monitoring
49.26 program outcomes;

49.27 (3) coordinating youth skills training activities within participating school districts and
49.28 among participating school districts, postsecondary institutions, and employers;

49.29 (4) coordinating academic, vocational and occupational learning, school-based and
49.30 work-based learning, and secondary and postsecondary education for participants in the
49.31 local youth skills training program;

50.1 (5) coordinating transportation for student learners participating in the local youth skills
50.2 training program; and

50.3 (6) any other implementation or coordination activity that the commissioner may direct
50.4 or permit the local partnership to perform.

50.5 (b) Grant awards may not be used to directly or indirectly pay the wages of a student
50.6 learner.

50.7 Subd. 14. **Outcomes.** The following outcomes are expected of a local youth skills training
50.8 program:

50.9 (1) at least 80 percent of the student learners who participate in a youth skills training
50.10 program receive a high school diploma when eligible upon completion of the training
50.11 program; and

50.12 (2) at least 60 percent of the student learners who participate in a youth skills training
50.13 program receive a recognized credential upon completion of the training program.

50.14 Subd. 15. **Reporting.** (a) By February 1, 2019, and annually thereafter, the commissioner
50.15 shall report on the activity and outcomes of the program for the preceding fiscal year to the
50.16 chairs of the legislative committees with jurisdiction over jobs and economic growth policy
50.17 and finance. At a minimum, the report must include:

50.18 (1) the number of student learners who commenced the training program and the number
50.19 who completed the training program; and

50.20 (2) recommendations, if any, for changes to the program.

50.21 (b) The initial report shall include a detailed description of the differences between the
50.22 state and federal systems in child safety standards.

50.23 Sec. 3. Minnesota Statutes 2016, section 326B.092, subdivision 7, is amended to read:

50.24 **Subd. 7. License fees and license renewal fees.** (a) The license fee for each license is
50.25 the base license fee plus any applicable board fee, continuing education fee, and contractor
50.26 recovery fund fee and additional assessment, as set forth in this subdivision.

50.27 (b) For purposes of this section, "license duration" means the number of years for which
50.28 the license is issued except that if the initial license is not issued for a whole number of
50.29 years, the license duration shall be rounded up to the next whole number.

51.1 (c) The base license fee shall depend on whether the license is classified as an entry
 51.2 level, master, journeyman, or business license, and on the license duration. The base license
 51.3 fee shall be:

51.4	License Classification	License Duration
51.5		1 year 2 years
51.6	Entry level	\$10 \$20
51.7	Journeyworker	\$20 \$40
51.8	Master	\$40 \$80
51.9	Business	\$180

51.10 (d) If there is a continuing education requirement for renewal of the license, then a
 51.11 continuing education fee must be included in the renewal license fee. The continuing
 51.12 education fee for all license classifications shall be: \$10 if the renewal license duration is
 51.13 one year; and \$20 if the renewal license duration is two years.

51.14 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.925,
 51.15 then a board fee must be included in the license fee and the renewal license fee. The board
 51.16 fee for all license classifications shall be: \$4 if the license duration is one year; and \$8 if
 51.17 the license duration is two years.

51.18 (f) If the application is for the renewal of a license issued under sections 326B.802 to
 51.19 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision
 51.20 3, and any additional assessment required under section 326B.89, subdivision 16, must be
 51.21 included in the license renewal fee.

51.22 (g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period
 51.23 July 1, 2015 2017, through June 30, 2017 September 30, 2021, the following fees apply:

51.24	License Classification	License Duration
51.25		1 year 2 years
51.26	Entry level	\$10 \$20
51.27		<u>\$35</u>
51.28	Journeyworker	\$15 \$30
51.29		<u>\$75</u>
51.30	Master	\$30 \$60
51.31		<u>\$160</u>
51.32	Business	<u>\$120</u>

51.33 If there is a continuing education requirement for renewal of the license, then a continuing
 51.34 education fee must be included in the renewal license fee. The continuing education fee for
 51.35 all license classifications shall be \$5.

52.1 **Sec. 4. [326B.108] PLACES OF PUBLIC ACCOMMODATION SUBJECT TO**
52.2 **CODE.**

52.3 Subdivision 1. **Definition.** For purposes of this section, "place of public accommodation" means a publicly or privately owned facility that is designed for occupancy by 200 or more people and includes a sports or entertainment arena, stadium, theater, community or convention hall, special event center, indoor amusement facility or water park, or swimming pool.

52.8 Subd. 2. **Application.** Construction, additions, and alterations to a place of public accommodation must be designed and constructed to comply with the State Building Code.

52.10 Subd. 3. **Enforcement.** In a municipality that has not adopted the code by ordinance under section 326B.121, subdivision 2, the commissioner shall enforce this section in accordance with section 326B.107, subdivision 1.

52.13 Sec. 5. Minnesota Statutes 2016, section 326B.153, subdivision 1, is amended to read:

52.14 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required in section 326B.106 326B.107 include:

52.16 (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality; and

52.18 (2) the surcharge required by section 326B.148.

52.19 (b) The total valuation and fee schedule is:

52.20 (1) \$1 to \$500, ~~\$29.50~~ \$21;

52.21 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100 or fraction thereof, to and including \$2,000;

52.23 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each additional \$1,000 or fraction thereof, to and including \$25,000;

52.25 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each additional \$1,000 or fraction thereof, to and including \$50,000;

52.27 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for each additional \$1,000 or fraction thereof, to and including \$100,000;

52.29 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for each additional \$1,000 or fraction thereof, to and including \$500,000;

53.1 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
53.2 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and
53.3 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
53.4 for each additional \$1,000 or fraction thereof.

53.5 (c) Other inspections and fees are:

53.6 (1) inspections outside of normal business hours (minimum charge two hours), \$63.25
53.7 per hour;

53.8 (2) reinspection fees, \$63.25 per hour;

53.9 (3) inspections for which no fee is specifically indicated (minimum charge one-half
53.10 hour), \$63.25 per hour; and

53.11 (4) additional plan review required by changes, additions, or revisions to approved plans
53.12 (minimum charge one-half hour), \$63.25 per hour.

53.13 (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25,
53.14 then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment,
53.15 hourly wages, and fringe benefits of the employees involved.

53.16 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2017. Paragraph (b) is effective
53.17 July 1, 2017, and the amendments to it expire October 1, 2021.

53.18 Sec. 6. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to
53.19 read:

53.20 **Subd. 16. Wind electric systems.** (a) The inspection fee for the installation of a wind
53.21 turbine is:

53.22 (1) 0 watts to and including 100,000 watts, \$80;

53.23 (2) 100,001 watts to and including 500,000 watts, \$105;

53.24 (3) 500,001 watts to and including 1,000,000 watts, \$120;

53.25 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

53.26 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

53.27 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

53.28 (7) 3,000,001 watts and larger, \$160.

53.29 (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating
53.30 current energy output of one individual wind turbine.

54.1 Sec. 7. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to
54.2 read:

54.3 **Subd. 17. Solar photovoltaic systems.** (a) The inspection fee for the installation of a
54.4 solar photovoltaic system is:

54.5 (1) 0 watts to and including 5,000 watts, \$60;

54.6 (2) 5,001 watts to and including 10,000 watts, \$100;

54.7 (3) 10,001 watts to and including 20,000 watts, \$150;

54.8 (4) 20,001 watts to and including 30,000 watts, \$200;

54.9 (5) 30,001 watts to and including 40,000 watts, \$250;

54.10 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional
54.11 10,000 watts over 40,000 watts;

54.12 (7) 1,000,000 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts
54.13 over 1,000,000 watts; and

54.14 (8) 5,000,000 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over
54.15 5,000,000 watts.

54.16 (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating
54.17 current energy output of the solar photovoltaic system.

54.18 Sec. 8. Minnesota Statutes 2016, section 326B.435, subdivision 2, is amended to read:

54.19 **Subd. 2. Powers; duties; administrative support.** (a) The board shall have the power
54.20 to:

54.21 (1) elect its chair, vice-chair, and secretary;

54.22 (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board,
54.23 and containing such other provisions as may be useful and necessary for the efficient conduct
54.24 of the business of the board;

54.25 (3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code
54.26 amendments thereto. The Plumbing Code shall include the minimum standards described
54.27 in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the
54.28 Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in
54.29 subdivision 6, paragraphs (b), (c), and (d);

55.1 (4) review requests for final interpretations and issue final interpretations as provided
55.2 in section 326B.127, subdivision 5;

55.3 (5) adopt rules that regulate the licensure, certification, or registration of plumbing
55.4 contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers,
55.5 restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and
55.6 testers, water conditioning contractors, and water conditioning installers, and other persons
55.7 engaged in the design, installation, and alteration of plumbing systems or engaged in or
55.8 working at the business of water conditioning installation or service, or engaged in or
55.9 working at the business of medical gas system installation, maintenance, or repair, except
55.10 for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall
55.11 adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e)
55.12 and (f);

55.13 (6) adopt rules that regulate continuing education for individuals licensed as master
55.14 plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers,
55.15 registered unlicensed individuals, water conditioning ~~contractors~~ masters, and water
55.16 conditioning ~~installers~~ journeymen, and for individuals certified under sections 326B.437
55.17 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in
55.18 subdivision 6, paragraphs (e) and (f);

55.19 (7) refer complaints or other communications to the commissioner, whether oral or
55.20 written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or
55.21 order that the commissioner has the authority to enforce pertaining to code compliance,
55.22 licensure, or an offering to perform or performance of unlicensed plumbing services;

55.23 (8) approve per diem and expenses deemed necessary for its members as provided in
55.24 subdivision 3;

55.25 (9) approve license reciprocity agreements;

55.26 (10) select from its members individuals to serve on any other state advisory council,
55.27 board, or committee; and

55.28 (11) recommend the fees for licenses, registrations, and certifications.

55.29 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the
55.30 Board of High Pressure Piping Systems, the commissioner of labor and industry shall
55.31 administer and enforce the provisions of this chapter and any rules promulgated pursuant
55.32 thereto.

55.33 (b) The board shall comply with section 15.0597, subdivisions 2 and 4.

56.1 (c) The commissioner shall coordinate the board's rulemaking and recommendations
56.2 with the recommendations and rulemaking conducted by the other boards created pursuant
56.3 to this chapter. The commissioner shall provide staff support to the board. The support
56.4 includes professional, legal, technical, and clerical staff necessary to perform rulemaking
56.5 and other duties assigned to the board. The commissioner of labor and industry shall supply
56.6 necessary office space and supplies to assist the board in its duties.

56.7 Sec. 9. Minnesota Statutes 2016, section 326B.50, subdivision 3, is amended to read:

56.8 Subd. 3. **Water conditioning installation.** "Water conditioning installation" means the
56.9 installation of appliances, appurtenances, and fixtures designed to treat water so as to alter,
56.10 modify, add or remove mineral, chemical or bacterial content, said installation to be made
56.11 in a water distribution system serving:

56.12 (1) a single family residential unit, which has been initially established by a licensed
56.13 plumber, and does not involve a direct connection without an air gap to a soil or waste pipe;
56.14 or

56.15 (2) a multifamily or nonresidential building, where the plumbing installation has been
56.16 initially established by a licensed plumber. Isolation valves shall be required for all water
56.17 conditioning installations and shall be readily accessible. Water conditioning installation
56.18 does not include:

56.19 (i) a valve that allows isolation of the water conditioning installation;
56.20 (ii) piping greater than two-inch nominal pipe size; or
56.21 (iii) a direct connection without an air gap to a soil or waste pipe.

56.22 Sec. 10. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision
56.23 to read:

56.24 Subd. 5. **Direct supervision.** The term "direct supervision," with respect to direct
56.25 supervision of a registered unlicensed individual, means that:

56.26 (1) at all times while the registered unlicensed individual is performing water conditioning
56.27 installation work, a direct supervisor is present at the location where the registered unlicensed
56.28 individual is working;

56.29 (2) the direct supervisor is physically present and immediately available to the registered
56.30 unlicensed individual at all times for assistance and direction;

57.1 (3) any form of electronic supervision does not meet the requirement of being physically

57.2 present;

57.3 (4) the direct supervisor reviews the water conditioning installation work performed by

57.4 the registered unlicensed individual before the water conditioning installation is operated;

57.5 and

57.6 (5) the direct supervisor determines that all water conditioning installation work

57.7 performed by the registered unlicensed individual is performed in compliance with sections

57.8 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,

57.9 and all orders issued under section 326B.082.

57.10 Sec. 11. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision

57.11 to read:

57.12 Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman

57.13 plumber, restricted master plumber, restricted journeyman plumber, water conditioning

57.14 master, or water conditioning journeyman responsible for providing direct supervision of

57.15 a registered unlicensed individual.

57.16 Sec. 12. Minnesota Statutes 2016, section 326B.55, subdivision 2, is amended to read:

57.17 **Subd. 2. Qualifications for licensing.** (a) A water conditioning master license shall be

57.18 issued only to an individual who has demonstrated skill in planning, superintending, and

57.19 servicing, and installing water conditioning installations, and has successfully passed the

57.20 examination for water conditioning masters. A water conditioning journeyman license shall

57.21 only be issued to an individual other than a water conditioning master who has demonstrated

57.22 practical knowledge of water conditioning installation, and has successfully passed the

57.23 examination for water conditioning journeymen. A water conditioning journeyman must

57.24 successfully pass the examination for water conditioning masters before being licensed as

57.25 a water conditioning master.

57.26 (b) Each water conditioning contractor must designate a responsible licensed master

57.27 plumber or a responsible licensed water conditioning master, who shall be responsible for

57.28 the performance of all water conditioning installation and servicing in accordance with the

57.29 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to

57.30 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If

57.31 the water conditioning contractor is an individual or sole proprietorship, the responsible

57.32 licensed master must be the individual, proprietor, or managing employee. If the water

57.33 conditioning contractor is a partnership, the responsible licensed master must be a general

58.1 partner or managing employee. If the water conditioning contractor is a limited liability
58.2 company, the responsible licensed master must be a chief manager or managing employee.
58.3 If the water conditioning contractor is a corporation, the responsible licensed master must
58.4 be an officer or managing employee. If the responsible licensed master is a managing
58.5 employee, the responsible licensed master must be actively engaged in performing water
58.6 conditioning work on behalf of the water conditioning contractor and cannot be employed
58.7 in any capacity as a water conditioning master or water conditioning journeyman for any
58.8 other water conditioning contractor. An individual must not be the responsible licensed
58.9 master for more than one water conditioning contractor.

58.10 (c) All applications and renewals for water conditioning contractor licenses shall include
58.11 a verified statement that the applicant or licensee has complied with paragraph (b).

58.12 (d) Each application and renewal for a water conditioning master license, water
58.13 conditioning journeyman license, or a water conditioning contractor license shall be
58.14 accompanied by all fees required by section 326B.092.

58.15 Sec. 13. Minnesota Statutes 2016, section 326B.55, subdivision 4, is amended to read:

58.16 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under
58.17 section 326B.47 is authorized to assist in water conditioning installation and water
58.18 conditioning servicing only while under the direct supervision of a master plumber,
58.19 journeyman plumber, restricted master plumber, restricted journeyman plumber, water
58.20 conditioning master, or water conditioning journeyman. The master or journeyman is
58.21 responsible for ensuring that all water conditioning work performed by the plumber's
58.22 apprentice complies with the plumbing code and rules adopted under sections 326B.50 to
58.23 326B.59. The supervising master or journeyman must be licensed and must be employed
58.24 by the same employer as the plumber's apprentice. Licensed individuals shall not permit
58.25 plumber's apprentices to perform water conditioning work except under the direct supervision
58.26 of an individual actually licensed to perform such work. Plumber's apprentices shall not
58.27 supervise the performance of plumbing work or make assignments of plumbing work to
58.28 unlicensed individuals.

58.29 (b) Water conditioning contractors employing plumber's apprentices to perform water
58.30 conditioning work shall maintain records establishing compliance with this subdivision that
58.31 shall identify all plumber's apprentices performing water conditioning work, and shall permit
58.32 the department to examine and copy all such records.

59.1 **Sec. 14. [326B.555] REGISTERED UNLICENSED INDIVIDUALS.**

59.2 Subdivision 1. Registration; supervision; records. (a) All unlicensed individuals
59.3 engaged in water conditioning installation must be registered under subdivision 3.

59.4 (b) A registered unlicensed individual is authorized to assist in water conditioning
59.5 installations in a single family residential unit only when a master plumber, journeyman
59.6 plumber, restricted master plumber, restricted journeyman plumber, water conditioning
59.7 master, or water conditioning journeyman is available and responsible for ensuring that all
59.8 water conditioning installation work performed by the unlicensed individual complies with
59.9 the applicable provisions of the plumbing and water conditioning codes and rules adopted
59.10 pursuant to such codes. For all other water conditioning installation work, the registered
59.11 unlicensed individual must be under the direct supervision of a responsible licensed water
59.12 conditioning master.

59.13 (c) Water conditioning contractors employing registered unlicensed individuals to perform
59.14 water conditioning installation work shall maintain records establishing compliance with
59.15 this subdivision that shall identify all unlicensed individuals performing water conditioning
59.16 installations, and shall permit the department to examine and copy all such records.

59.17 Subd. 2. Journeyman exam. A registered unlicensed individual who has completed
59.18 875 hours of practical water conditioning installation, servicing, and training is eligible to
59.19 take the water conditioning journeyman examination. Up to 100 hours of practical water
59.20 conditioning installation and servicing experience prior to becoming a registered unlicensed
59.21 individual may be applied to the practical experience requirement. However, none of this
59.22 practical experience may be applied if the unlicensed individual did not have any practical
59.23 experience in the 12-month period immediately prior to becoming a registered unlicensed
59.24 individual.

59.25 Subd. 3. Registration, renewals, and fees. An unlicensed individual may register by
59.26 completing and submitting to the commissioner an application form provided by the
59.27 commissioner, with all fees required by section 326B.58. A completed application form
59.28 must state the date, the individual's age, schooling, previous experience and employer, and
59.29 other information required by the commissioner. The plumbing board may prescribe rules,
59.30 not inconsistent with this section, for the registration of unlicensed individuals. Applications
59.31 for initial registration may be submitted at any time. Registration must be renewed annually
59.32 and shall be for the period from July 1 of each year to June 30 of the following year.

60.1 Sec. 15. Minnesota Statutes 2016, section 326B.89, subdivision 1, is amended to read:

60.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
60.3 the meanings given them.

60.4 (b) "Gross annual receipts" means the total amount derived from residential contracting
60.5 or residential remodeling activities, regardless of where the activities are performed, and
60.6 must not be reduced by costs of goods sold, expenses, losses, or any other amount.

60.7 (c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

60.8 (d) "Residential real estate" means a new or existing building constructed for habitation
60.9 by one to four families, and includes detached garages intended for storage of vehicles
60.10 associated with the residential real estate.

60.11 (e) "Fund" means the contractor recovery fund.

60.12 (f) "Owner" when used in connection with real property, means a person who has any
60.13 legal or equitable interest in real property and includes a condominium or townhome
60.14 association that owns common property located in a condominium building or townhome
60.15 building or an associated detached garage. Owner does not include any real estate developer
60.16 or any owner using, or intending to use, the property for a business purpose and not as
60.17 owner-occupied residential real estate.

60.18 Sec. 16. Minnesota Statutes 2016, section 326B.89, subdivision 5, is amended to read:

60.19 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the
60.20 fund to an owner or a lessee in an amount greater than \$75,000 per licensee. The
60.21 commissioner shall not pay compensation from the fund to owners and lessees in an amount
60.22 that totals more than \$150,000 \$300,000 per licensee. The commissioner shall only pay
60.23 compensation from the fund for a final judgment that is based on a contract directly between
60.24 the licensee and the homeowner or lessee that was entered into prior to the cause of action
60.25 and that requires licensure as a residential building contractor or residential remodeler.

60.26 Sec. 17. **REPEALER.**

60.27 Minnesota Statutes 2016, section 326B.89, subdivision 14, is repealed.

60.28 **ARTICLE 4**

60.29 **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

60.30 Section 1. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

61.1 **Subd. 7. Limitation.** (a) No grant awarded under this section may fund more than 50
61.2 percent of the total cost of a project in an underserved area.

61.3 (b) Grants awarded for projects in unserved areas require a 35 percent match.

61.4 (c) Grants awarded to a single project under this section must not exceed \$5,000,000
61.5 \$3,000,000.

61.6 Sec. 2. Minnesota Statutes 2016, section 116J.8731, subdivision 2, is amended to read:

61.7 **Subd. 2. Administration.** (a) Except as otherwise provided in this section, the
61.8 commissioner shall administer the fund as part of the Small Cities Development Block
61.9 Grant Program and funds shall be made available to local communities and recognized
61.10 Indian tribal governments in accordance with the rules adopted for economic development
61.11 grants in the small cities community development block grant program. All units of general
61.12 purpose local government are eligible applicants for Minnesota investment funds. The
61.13 commissioner may provide forgivable loans directly to a private enterprise and not require
61.14 a local community or recognized Indian tribal government application other than a resolution
61.15 supporting the assistance.

61.16 (b) Eligible applicants for the state-funded portion of the fund also include development
61.17 authorities as defined in section 116J.552, subdivision 4, provided that the governing body
61.18 of the municipality approves, by resolution, the application of the development authority.
61.19 A local government entity may receive more than one award in a fiscal year. The
61.20 commissioner may also make funds available within the department for eligible expenditures
61.21 under subdivision 3, clause (2).

61.22 (c) A home rule charter or statutory city, county, or town may loan or grant money
61.23 received from repayment of funds awarded under this section to a regional development
61.24 commission, other regional entity, or statewide community capital fund as determined by
61.25 the commissioner, to capitalize or to provide the local match required for capitalization of
61.26 a regional or statewide revolving loan fund.

61.27 Sec. 3. Minnesota Statutes 2016, section 116J.8731, is amended by adding a subdivision
61.28 to read:

61.29 Subd. 10. Transfer. The commissioner may transfer up to \$2,000,000 of a fiscal year's
61.30 appropriation between the Minnesota job creation fund program and Minnesota investment
61.31 fund to meet business demand.

62.1 Sec. 4. Minnesota Statutes 2016, section 116J.8748, subdivision 1, is amended to read:

62.2 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
62.3 the meanings given.

62.4 (b) "Agreement" or "business subsidy agreement" means a business subsidy agreement
62.5 under section 116J.994 that must include, but is not limited to: specification of the duration
62.6 of the agreement, job goals and a timeline for achieving those goals over the duration of
62.7 the agreement, construction and other investment goals and a timeline for achieving those
62.8 goals over the duration of the agreement, and the value of benefits the firm may receive
62.9 following achievement of capital investment and employment goals. The local government
62.10 and business must report to the commissioner on the business performance using the forms
62.11 developed by the commissioner.

62.12 (c) "Business" means an individual, corporation, partnership, limited liability company,
62.13 association, or other entity.

62.14 (d) "Capital investment" means money that is expended for the purpose of building or
62.15 improving real fixed property where employees under paragraphs (g) and (h) are or will be
62.16 employed and also includes construction materials, services, and supplies, and the purchase
62.17 and installation of equipment and machinery as provided under subdivision 4, paragraph
62.18 (b), clause (5).

62.19 (e) "Commissioner" means the commissioner of employment and economic development.

62.20 (f) "Minnesota job creation fund business" means a business that is designated by the
62.21 commissioner under subdivision 3.

62.22 (g) "Minority person" means a person belonging to a racial or ethnic minority as defined
62.23 in Code of Federal Regulations, title 49, section 23.5.

62.24 (g) (h) "New full-time employee" means an employee who:

62.25 (1) begins work at a Minnesota job creation fund business facility noted in a business
62.26 subsidy agreement and following the designation as a job creation fund business; and

62.27 (2) has expected work hours of at least 2,080 hours annually.

62.28 (i) "Persons with disabilities" means an individual with a disability, as defined under
62.29 the Americans with Disabilities Act, United States Code, title 42, section 12102.

62.30 (h) (j) "Retained job" means a full-time position:

62.31 (1) that existed at the facility prior to the designation as a job creation fund business;
62.32 and

63.1 (2) has expected work hours of at least 2,080 hours annually.

63.2 (k) "Veteran" means a veteran as defined in section 197.447.

63.3 (i) (l) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

63.4 Sec. 5. Minnesota Statutes 2016, section 116J.8748, subdivision 3, is amended to read:

63.5 **Subd. 3. Minnesota job creation fund business designation; requirements.** (a) To
63.6 receive designation as a Minnesota job creation fund business, a business must satisfy all
63.7 of the following conditions:

63.8 (1) the business is or will be engaged in, within Minnesota, one of the following as its
63.9 primary business activity:

63.10 (i) manufacturing;

63.11 (ii) warehousing;

63.12 (iii) distribution;

63.13 (iv) information technology;

63.14 (v) finance;

63.15 (vi) insurance; or

63.16 (vii) professional or technical services;

63.17 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;
63.18 professional sports; political consulting; leisure; hospitality; or professional services provided
63.19 by attorneys, accountants, business consultants, physicians, or health care consultants, or
63.20 primarily engaged in making retail sales to purchasers who are physically present at the
63.21 business's location;

63.22 (3) the business must enter into a binding construction and job creation business subsidy
63.23 agreement with the commissioner to expend directly, or ensure expenditure by or in
63.24 partnership with a third party constructing or managing the project, at least \$500,000 in
63.25 capital investment in a capital investment project that includes a new, expanded, or remodeled
63.26 facility within one year following designation as a Minnesota job creation fund business or
63.27 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
63.28 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
63.29 women, or persons with a disability; and:

63.30 (i) create at least ten new full-time employee positions within two years of the benefit
63.31 date following the designation as a Minnesota job creation fund business or five new full-time

64.1 employee positions within two years of the benefit date if the project is located outside the
64.2 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
64.3 is cumulatively owned by minorities, veterans, women, or persons with a disability; or

64.4 (ii) expend at least \$25,000,000, which may include the installation and purchase of
64.5 machinery and equipment, in capital investment and retain at least 200 employees for projects
64.6 located in the metropolitan area as defined in section 200.02, subdivision 24, and 75
64.7 employees for projects located outside the metropolitan area;

64.8 (4) positions or employees moved or relocated from another Minnesota location of the
64.9 Minnesota job creation fund business must not be included in any calculation or determination
64.10 of job creation or new positions under this paragraph; and

64.11 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce the
64.12 working hours of an employee for the purpose of hiring an individual to satisfy job creation
64.13 goals under this subdivision.

64.14 (b) Prior to approving the proposed designation of a business under this subdivision, the
64.15 commissioner shall consider the following:

64.16 (1) the economic outlook of the industry in which the business engages;

64.17 (2) the projected sales of the business that will be generated from outside the state of
64.18 Minnesota;

64.19 (3) how the business will build on existing regional, national, and international strengths
64.20 to diversify the state's economy;

64.21 (4) whether the business activity would occur without financial assistance;

64.22 (5) whether the business is unable to expand at an existing Minnesota operation due to
64.23 facility or land limitations;

64.24 (6) whether the business has viable location options outside Minnesota;

64.25 (7) the effect of financial assistance on industry competitors in Minnesota;

64.26 (8) financial contributions to the project made by local governments; and

64.27 (9) any other criteria the commissioner deems necessary.

64.28 (c) Upon receiving notification of local approval under subdivision 2, the commissioner
64.29 shall review the determination by the local government and consider the conditions listed
64.30 in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local
64.31 area to designate a business as a Minnesota job creation fund business.

65.1 (d) If the commissioner designates a business as a Minnesota job creation fund business,
65.2 the business subsidy agreement shall include the performance outcome commitments and
65.3 the expected financial value of any Minnesota job creation fund benefits.

65.4 (e) The commissioner may amend an agreement once, upon request of a local government
65.5 on behalf of a business, only if the performance is expected to exceed thresholds stated in
65.6 the original agreement.

65.7 (f) A business may apply to be designated as a Minnesota job creation fund business at
65.8 the same location more than once only if all goals under a previous Minnesota job creation
65.9 fund agreement have been met and the agreement is completed.

65.10 Sec. 6. Minnesota Statutes 2016, section 116J.8748, subdivision 4, is amended to read:

65.11 **Subd. 4. Certification; benefits.** (a) The commissioner may certify a Minnesota job
65.12 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)
65.13 and (c) when the business has achieved its job creation and capital investment goals noted
65.14 in its agreement under subdivision 3.

65.15 (b) A qualified Minnesota job creation fund business may be certified eligible for the
65.16 benefits in this paragraph for up to five years for projects located in the metropolitan area
65.17 as defined in section 200.02, subdivision 24, and seven years for projects located outside
65.18 the metropolitan area, as determined by the commissioner when considering the best interests
65.19 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
65.20 clause (3), or section 16B.98, subdivision 5, paragraph (b), grant agreements for projects
65.21 located outside the metropolitan area may be for up to seven years in length. The eligibility
65.22 for the following benefits begins the date the commissioner certifies the business as a
65.23 qualified Minnesota job creation fund business under this subdivision:

65.24 (1) up to five percent rebate for projects located in the metropolitan area as defined in
65.25 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
65.26 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
65.27 total rebate for a project not to exceed \$500,000;

65.28 (2) an award of up to \$500,000 based on full-time job creation and wages paid as provided
65.29 in subdivision 6 with the total award not to exceed \$500,000;

65.30 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards
65.31 are allowable for projects that have at least \$25,000,000 in capital investment and 200 new
65.32 employees in the metropolitan area as defined in section 200.02, subdivision 24, and 75
65.33 new employees for projects located outside the metropolitan area;

66.1 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that have
66.2 at least \$25,000,000 in capital investment and 200 retained employees for projects located
66.3 in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for
66.4 projects located outside the metropolitan area; and

66.5 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may
66.6 include the installation and purchases of machinery and equipment. These expenditures are
66.7 not eligible for the capital investment rebate provided under subdivision 5.

66.8 (c) The job creation award may be provided in multiple years as long as the qualified
66.9 Minnesota job creation fund business continues to meet the job creation goals provided for
66.10 in its agreement under subdivision 3 and the total award does not exceed \$500,000 except
66.11 as provided under paragraph (b), clauses (3) and (4).

66.12 (d) No rebates or award may be provided until the Minnesota job creation fund business
66.13 or a third party constructing or managing the project has at least \$500,000 in capital
66.14 investment in the project and at least ten full-time jobs have been created and maintained
66.15 for at least one year or the retained employees, as provided in paragraph (b), clause (4),
66.16 remain for at least one year. The agreement may require additional performance outcomes
66.17 that need to be achieved before rebates and awards are provided. If fewer retained jobs are
66.18 maintained, but still above the minimum under this subdivision, the capital investment
66.19 award shall be reduced on a proportionate basis.

66.20 (e) The forms needed to be submitted to document performance by the Minnesota job
66.21 creation fund business must be in the form and be made under the procedures specified by
66.22 the commissioner. The forms shall include documentation and certification by the business
66.23 that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66,
66.24 and other provisions as specified by the commissioner.

66.25 (f) Minnesota job creation fund businesses must pay each new full-time employee added
66.26 pursuant to the agreement total compensation, including benefits not mandated by law, that
66.27 on an annualized basis is equal to at least 110 percent of the federal poverty level for a
66.28 family of four.

66.29 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
66.30 its capital investment expenditures within six months following designation as a Minnesota
66.31 job creation fund business to ensure that the capital investment goal in the agreement under
66.32 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
66.33 for benefits under the submitted application and will need to work with the local government
66.34 unit to resubmit a new application and request to be a Minnesota job creation fund business.

67.1 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
67.2 be considered a default of the business subsidy agreement.

67.3 Sec. 7. Minnesota Statutes 2016, section 116J.8748, subdivision 6, is amended to read:

67.4 **Subd. 6. Job creation award.** (a) A qualified Minnesota job creation fund business is
67.5 eligible for an annual award for each new job created and maintained by the business using
67.6 the following schedule: \$1,000 for each job position paying annual wages at least \$26,000
67.7 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than
67.8 \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals
67.9 under the agreement provided under subdivision 1. These awards are increased by \$1,000
67.10 if the business is located outside the metropolitan area as defined in section 200.02,
67.11 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
67.12 women, or persons with a disability.

67.13 (b) The job creation award schedule must be adjusted annually using the percentage
67.14 increase in the federal poverty level for a family of four.

67.15 (c) Minnesota job creation fund businesses seeking an award credit provided under
67.16 subdivision 4 must submit forms and applications to the Department of Employment and
67.17 Economic Development as prescribed by the commissioner.

67.18 Sec. 8. Minnesota Statutes 2016, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

68.1 (3) has been terminated or has received a notice of termination of employment as a result

68.2 of a plant closing or a substantial layoff at a plant, facility, or enterprise;

68.3 (4) has been self-employed, including farmers and ranchers, and is unemployed as a

68.4 result of general economic conditions in the community in which the individual resides or

68.5 because of natural disasters;

68.6 ~~(5) MS 2011 Supp [Expired, 2011 c 84 art 3 s 1]~~

68.7 ~~(6)~~ (5) is a veteran as defined by section 197.447, has been discharged or released from

68.8 active duty under honorable conditions within the last 36 months, and (i) is unemployed or

68.9 (ii) is employed in a job verified to be below the skill level and earning capacity of the

68.10 veteran;

68.11 ~~(7)~~ (6) is an individual determined by the United States Department of Labor to be

68.12 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to

68.13 2331, as amended; or

68.14 ~~(8)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has

68.15 spent a substantial number of years in the home providing homemaking service and (i) has

68.16 been dependent upon the financial support of another; and now due to divorce, separation,

68.17 death, or disability of that person, must find employment to self support; or (ii) derived the

68.18 substantial share of support from public assistance on account of dependents in the home

68.19 and no longer receives such support. To be eligible under this clause, the support must have

68.20 ceased while the worker resided in Minnesota.

68.21 For the purposes of this section, "dislocated worker" does not include an individual who

68.22 was an employee, at the time employment ceased, of a political committee, political fund,

68.23 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an

68.24 organization required to file with the federal elections commission.

68.25 (d) "Eligible organization" means a state or local government unit, nonprofit organization,

68.26 community action agency, business organization or association, or labor organization.

68.27 (e) "Plant closing" means the announced or actual permanent shutdown of a single site

68.28 of employment, or one or more facilities or operating units within a single site of

68.29 employment.

68.30 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a

68.31 result of a plant closing, and which results in an employment loss at a single site of

68.32 employment during any 30-day period for at least 50 employees excluding those employees

68.33 that work less than 20 hours per week.

69.1 Sec. 9. Minnesota Statutes 2016, section 116L.665, is amended to read:

69.2 **116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.**

69.3 Subdivision 1. **Creation.** The governor's Workforce Development Council is created
69.4 under the authority of the Workforce Investment Act, United States Code, title 29, section
69.5 2801, et seq. Local workforce development councils are authorized under the Workforce
69.6 Investment Act. The governor's Workforce Development Council serves as Minnesota's
69.7 Workforce Investment Board for the purposes of the federal Workforce Investment Act.
69.8 Board serves as Minnesota's state workforce development board for the purposes of the
69.9 federal Workforce Innovation and Opportunity Act, United States Code, title 29, section
69.10 3111, and must perform the duties under that act.

69.11 Subd. 2. **Membership.** (a) The governor's Workforce Development Council Board is
69.12 composed of 31 members appointed by the governor. The members may be removed pursuant
69.13 to section 15.059. In selecting the representatives of the council board, the governor shall
69.14 ensure that 50 percent a majority of the members come from nominations provided by local
69.15 workforce councils. Local education representatives shall come from nominations provided
69.16 by local education to employment partnerships. The 31 members shall represent the following
69.17 sectors: the private sector, pursuant to United States Code, title 29, section 3111. For the
69.18 public members, membership terms, compensation of members, and removal of members
69.19 are governed by section 15.059, subdivisions 2, 3, and 4. To the extent practicable, the
69.20 membership should be balanced as to gender and ethnic diversity.

69.21 (a) State agencies: the following individuals shall serve on the council:

69.22 (1) commissioner of the Minnesota Department of Employment and Economic
69.23 Development;

69.24 (2) commissioner of the Minnesota Department of Education; and
69.25 (3) commissioner of the Minnesota Department of Human Services.

69.26 (b) Business and industry: six individuals shall represent the business and industry sectors
69.27 of Minnesota.

69.28 (c) Organized labor: six individuals shall represent labor organizations of Minnesota.

69.29 (d) Community based organizations: four individuals shall represent community based
69.30 organizations of Minnesota. Community based organizations are defined by the Workforce
69.31 Investment Act as private nonprofit organizations that are representative of communities
69.32 or significant segments of communities and that have demonstrated expertise and
69.33 effectiveness in the field of workforce investment and may include entities that provide job

70.1 ~~training services, serve youth, serve individuals with disabilities, serve displaced~~
70.2 ~~homemakers, union-related organizations, employer-related nonprofit organizations, and~~
70.3 ~~organizations serving nonreservation Indians and tribal governments.~~

70.4 ~~(e) Education: six individuals shall represent the education sector of Minnesota as follows:~~

70.5 ~~(1) one individual shall represent local public secondary education;~~
70.6 ~~(2) one individual shall have expertise in design and implementation of school-based~~
70.7 ~~service learning;~~

70.8 ~~(3) one individual shall represent leadership of the University of Minnesota;~~
70.9 ~~(4) one individual shall represent secondary/postsecondary vocational institutions;~~
70.10 ~~(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and~~
70.11 ~~Universities; and~~

70.12 ~~(6) one individual shall have expertise in agricultural education.~~

70.13 ~~(f) Other: two individuals shall represent other constituencies including:~~

70.14 ~~(1) units of local government; and~~
70.15 ~~(2) applicable state or local programs.~~

70.16 ~~The speaker and the minority leader of the house of representatives shall each appoint~~
70.17 ~~a representative to serve as an ex officio member of the council. The majority and minority~~
70.18 ~~leaders of the senate shall each appoint a senator to serve as an ex officio member of the~~
70.19 ~~council.~~

70.20 ~~The governor shall appoint one individual representing public libraries, one individual~~
70.21 ~~with expertise in assisting women in obtaining employment in high-wage, high-demand,~~
70.22 ~~nontraditional occupations, and one individual representing adult basic education programs~~
70.23 ~~to serve as nonvoting advisors to the council.~~

70.24 (b) No person shall serve as a member of more than one category described in paragraph
70.25 (a).

70.26 (c) Voting members shall consist of the following:

70.27 (1) the governor or the governor's designee;
70.28 (2) two members of the house of representatives, one appointed by the speaker of the
70.29 house and one appointed by the minority leader of the house of representatives;

71.1 (3) two members of the senate, one appointed by the senate majority leader and one
71.2 appointed by the senate minority leader;

71.3 (4) a majority of the members must be representatives of businesses in the state appointed
71.4 by the governor who:

71.5 (i) are owners of businesses, chief executives, or operating officers of businesses, or
71.6 other business executives or employers with optimum policy-making or hiring authority
71.7 and who, in addition, may be members of a local board under United States Code, title 29,
71.8 section 3122(b)(2)(A)(i);

71.9 (ii) represent businesses, including small businesses, or organizations representing
71.10 businesses that provide employment opportunities that, at a minimum, include high-quality,
71.11 work-relevant training and development in in-demand industry sectors or occupations in
71.12 the state; and

71.13 (iii) are appointed from individuals nominated by state business organizations and
71.14 business trade associations;

71.15 (5) six representatives of labor organizations appointed by the governor, including:

71.16 (i) representatives of labor organizations who have been nominated by state labor
71.17 federations; and

71.18 (ii) a member of a labor organization or a training director from a joint labor organization;

71.19 (6) commissioners of the state agencies with primary responsibility for core programs
71.20 identified within the state plan including:

71.21 (i) the Department of Employment and Economic Development;

71.22 (ii) the Department of Education; and

71.23 (iii) the Department of Human Services;

71.24 (7) two chief elected officials, appointed by the governor, collectively representing cities
71.25 and counties;

71.26 (8) two representatives who are people of color or people with disabilities, appointed
71.27 by the governor, of community-based organizations that have demonstrated experience and
71.28 expertise in addressing the employment, training, or education needs of individuals with
71.29 barriers to employment; and

72.1 (9) four officials responsible for education programs in the state, appointed by the
72.2 governor, including chief executive officers of community colleges and other institutions
72.3 of higher education, including:

72.4 (i) the chancellor of the Minnesota State Colleges and Universities;

72.5 (ii) the president of the University of Minnesota;

72.6 (iii) a president from a private postsecondary school; and

72.7 (iv) a representative of career and technical education.

72.8 (d) The nonvoting members of the board shall be appointed by the governor and consist
72.9 of one of each of the following:

72.10 (1) a representative of Adult Basic Education;

72.11 (2) a representative of public libraries;

72.12 (3) a person with expertise in women's economic security;

72.13 (4) the chair or executive director of the Minnesota Workforce Council Association;

72.14 (5) the commissioner of labor and industry;

72.15 (6) the commissioner of the Office of Higher Education;

72.16 (7) the commissioner of corrections;

72.17 (8) the commissioner of management and budget;

72.18 (9) two representatives of community-based organizations who are people of color or
72.19 people with disabilities who have demonstrated experience and expertise in addressing the
72.20 employment, training, and education needs of individuals with barriers to employment;

72.21 (10) a representative of secondary, postsecondary, or career-technical education;

72.22 (11) a representative of school-based service learning;

72.23 (12) a representative of the Council on Asian-Pacific Minnesotans;

72.24 (13) a representative of the Minnesota Council on Latino Affairs;

72.25 (14) a representative of the Council for Minnesotans of African Heritage;

72.26 (15) a representative of the Minnesota Indian Affairs Council;

72.27 (16) a representative of the Minnesota State Council on Disability; and

72.28 (17) a representative of the Office on the Economic Status of Women.

73.1 (g) Appointment: (e) Each member shall be appointed for a term of three years from the
73.2 first day of January or July immediately following their appointment. Elected officials shall
73.3 forfeit their appointment if they cease to serve in elected office.

73.4 (h) Members of the council are compensated as provided in section 15.059, subdivision
73.5 3.

73.6 Subd. 2a. Council Board meetings; chair. (a) If compliance with section 13D.02 is
73.7 impractical, the Governor's Workforce Development Council may conduct a meeting of its
73.8 members by telephone or other electronic means so long as the following conditions are
73.9 met:

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

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

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

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

73.19 (b) Each member of the council participating in a meeting by telephone or other electronic
73.20 means is considered present at the meeting for purposes of determining a quorum and
73.21 participating in all proceedings.

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

73.26 (d) If telephone or other electronic means is used to conduct a regular, special, or
73.27 emergency meeting, the council shall provide notice of the regular meeting location, of the
73.28 fact that some members may participate by telephone or other electronic means, and of the
73.29 provisions of paragraph (e). The timing and method of providing notice is governed by
73.30 section 13D.04.

73.31 (a) The board shall hold regular in-person meetings at least quarterly and as often as
73.32 necessary to perform the duties outlined in the statement of authority and the board's bylaws.

74.1 Meetings shall be called by the chair. Special meetings may be called as needed. Notices
74.2 of all meetings shall be made at least 48 hours before the meeting date.

74.3 (b) The governor shall designate a chair from among the appointed business representative
74.4 voting members. The chair shall approve an agenda for each meeting. Members shall submit
74.5 a written request for consideration of an agenda item no less than 24 hours in advance of
74.6 the meeting. Members of the public may submit a written request within 48 hours of a
74.7 meeting to be considered for inclusion in the agenda. Members of the public attending a
74.8 meeting of the board may address the board only with the approval or at the request of the
74.9 chair.

74.10 (c) All meeting notices must be posted on the board's Web site. All meetings of the board
74.11 and committees must be open to the public. The board must make available to the public,
74.12 on a regular basis through electronic means and open meetings, information regarding the
74.13 activities of the board, information regarding membership, and, on request, minutes of
74.14 formal meetings of the board.

74.15 (d) For the purpose of conducting business before the board at a duly called meeting, a
74.16 simple majority of the voting members, excluding any vacancies, constitutes a quorum.

74.17 Subd. 3. Purpose; duties. The governor's Workforce Development Council shall replace
74.18 the governor's Job Training Council and assume all of its requirements, duties, and
74.19 responsibilities under the Workforce Investment Act. Additionally, the Workforce
74.20 Development Council shall assume the following duties and responsibilities:

74.21 (a) Review the provision of services and the use of funds and resources under applicable
74.22 federal human resource programs and advise the governor on methods of coordinating the
74.23 provision of services and the use of funds and resources consistent with the laws and
74.24 regulations governing the programs. For purposes of this section, applicable federal and
74.25 state human resource programs mean the:

74.26 (1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;

74.27 (2) Carl D. Perkins Vocational and Applied Technology Education Act, United States
74.28 Code, title 20, section 2301, et seq.;

74.29 (3) Adult Education Act, United States Code, title 20, section 1201, et seq.;

74.30 (4) Wagner-Peyser Act, United States Code, title 29, section 49;

74.31 (5) Personal Responsibility and Work Opportunities Act of 1996 (TANF);

75.1 (6) ~~Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp~~
75.2 ~~Employment and Training Program, United States Code, title 7, section 2015(d)(4); and~~
75.3 (7) ~~programs defined in section 116L.19, subdivision 5.~~

75.4 ~~Additional federal and state programs and resources can be included within the scope~~
75.5 ~~of the council's duties if recommended by the governor after consultation with the council.~~

75.6 (b) ~~Review federal, state, and local education, postsecondary, job skills training, and~~
75.7 ~~youth employment programs, and make recommendations to the governor and the legislature~~
75.8 ~~for establishing an integrated seamless system for providing education and work skills~~
75.9 ~~development services to learners and workers of all ages.~~

75.10 (c) ~~Advise the governor on the development and implementation of statewide and local~~
75.11 ~~performance standards and measures relating to applicable federal human resource programs~~
75.12 ~~and the coordination of performance standards and measures among programs.~~

75.13 (d) ~~Promote education and employment transitions programs and knowledge and skills~~
75.14 ~~of entrepreneurship among employers, workers, youth, and educators, and encourage~~
75.15 ~~employers to provide meaningful work-based learning opportunities.~~

75.16 (e) ~~Evaluate and identify exemplary education and employment transitions programs~~
75.17 ~~and provide technical assistance to local partnerships to replicate the programs throughout~~
75.18 ~~the state.~~

75.19 (f) ~~Advise the governor on methods to evaluate applicable federal human resource~~
75.20 ~~programs.~~

75.21 (g) ~~Sponsor appropriate studies to identify human investment needs in Minnesota and~~
75.22 ~~recommend to the governor goals and methods for meeting those needs.~~

75.23 (h) ~~Recommend to the governor goals and methods for the development and coordination~~
75.24 ~~of a human resource system in Minnesota.~~

75.25 (i) ~~Examine federal and state laws, rules, and regulations to assess whether they present~~
75.26 ~~barriers to achieving the development of a coordinated human resource system.~~

75.27 (j) ~~Recommend to the governor and to the federal government changes in state or federal~~
75.28 ~~laws, rules, or regulations concerning employment and training programs that present barriers~~
75.29 ~~to achieving the development of a coordinated human resource system.~~

75.30 (k) ~~Recommend to the governor and to the federal government waivers of laws and~~
75.31 ~~regulations to promote coordinated service delivery.~~

76.1 (l) ~~Sponsor appropriate studies and prepare and recommend to the governor a strategic~~
76.2 ~~plan which details methods for meeting Minnesota's human investment needs and for~~
76.3 ~~developing and coordinating a state human resource system.~~

76.4 (m) ~~Provide the commissioner of employment and economic development and the~~
76.5 ~~committees of the legislature with responsibility for economic development with~~
76.6 ~~recommendations provided to the governor under this subdivision.~~

76.7 (n) ~~In consultation with local workforce councils and the Department of Employment~~
76.8 ~~and Economic Development, develop an ongoing process to identify and address local gaps~~
76.9 ~~in workforce services.~~

76.10 Subd. 4. **Executive committee duties.** The executive committee must, with advice and
76.11 input of local workforce ~~councils~~ boards and other stakeholders as appropriate, develop
76.12 performance standards for the state workforce centers. By January ~~15, 2002~~ 2019, and each
76.13 odd-numbered year thereafter, the executive committee shall submit a report to the senate
76.14 and house of representatives committees with jurisdiction over workforce development
76.15 programs regarding the performance and outcomes of the workforce centers. The report
76.16 must provide recommendations regarding workforce center funding levels and sources,
76.17 program changes, and administrative changes.

76.18 Subd. 5. **Subcommittees.** The chair of the ~~Workforce Development Council~~ Board may
76.19 establish subcommittees in order to carry out the duties and responsibilities of the ~~council~~
76.20 board.

76.21 Subd. 6. **Staffing.** The ~~Department of~~ commissioner of employment and economic
76.22 development must provide staff, ~~including but not limited to professional, technical, and~~
76.23 ~~clerical staff to the board~~ necessary to perform the duties assigned to the Minnesota
76.24 ~~Workforce Development Council. All staff report to the commissioner~~ carry out the duties
76.25 of the board. The council may ask for assistance from other units of ~~At the request of the~~
76.26 board, state government as ~~departments and agencies must provide the board with the~~
76.27 assistance it requires ~~in order~~ to fulfill its duties and responsibilities.

76.28 Subd. 7. **Expiration.** The ~~council~~ board expires if there is no federal funding for the
76.29 human resource programs within the scope of the ~~council's~~ board's duties.

76.30 Subd. 8. **Funding.** The commissioner shall ~~develop recommendations on a funding~~
76.31 ~~formula for allocating Workforce Investment Act funds to the council with a minimum~~
76.32 ~~allocation of~~ employment and economic development must provide at least \$350,000 per
76.33 each fiscal year. The commissioner shall report the funding formula recommendations to

77.1 ~~the legislature by January 15, 2011~~ from existing agency resources to the board for staffing
77.2 and administrative expenses.

77.3 Sec. 10. Minnesota Statutes 2016, section 116M.14, subdivision 4, is amended to read:

77.4 Subd. 4. **Low-income area.** "Low-income area" means:

77.5 (1) Minneapolis, St. Paul;

77.6 (2) those cities in the metropolitan area as defined in section 473.121, subdivision 2,
77.7 that have ~~an average income~~ a median income for a family of four that is below 80 percent
77.8 of the median income for a four-person family as of the latest report by the United States
77.9 Census Bureau; and

77.10 (3) the area outside the metropolitan area.

77.11 Sec. 11. Minnesota Statutes 2016, section 116M.17, subdivision 4, is amended to read:

77.12 Subd. 4. **Reports.** The ~~board~~ department shall submit an annual report to the legislature
77.13 of an accounting of loans made under section 116M.18, including information on loans
77.14 made, the number of jobs created by the program, the impact on low-income areas, and
77.15 recommendations concerning minority business development and jobs for persons in
77.16 low-income areas.

77.17 Sec. 12. Minnesota Statutes 2016, section 116M.18, subdivision 1a, is amended to read:

77.18 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall
77.19 be made so that an approximately equal dollar amount of loans are made to businesses in
77.20 the metropolitan area as in the nonmetropolitan area. After ~~September 30~~ March 31 of each
77.21 ~~calendar~~ fiscal year, the department may allow loans to be made anywhere in the state
77.22 without regard to geographic area.

77.23 Sec. 13. Minnesota Statutes 2016, section 116M.18, subdivision 4, is amended to read:

77.24 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made
77.25 by nonprofit corporations under the program.

77.26 (b) Loans must be made to businesses that are not likely to undertake a project for which
77.27 loans are sought without assistance from the program.

77.28 (c) A loan must be used to support a business owned by a minority or a low-income
77.29 person, woman, veteran, or a person with disabilities. Priority must be given for loans to
77.30 the lowest income areas.

78.1 (d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

78.2 (e) The state contribution must be matched by at least an equal amount of new private
78.3 investment.

78.4 (f) A loan may not be used for a retail development project.

78.5 (g) The business must agree to work with job referral networks that focus on minority
78.6 and low-income applicants.

78.7 (h) Up to ten percent of a loan's principal amount may be forgiven if the department
78.8 approves and the borrower has met lender criteria including being current with all payments.

78.9 Sec. 14. Minnesota Statutes 2016, section 116M.18, subdivision 4a, is amended to read:

78.10 Subd. 4a. **Microenterprise loan.** (a) Program grants may be used to make microenterprise
78.11 loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans
78.12 are subject to this section except that:

78.13 (1) they may also be made to qualified retail businesses;

78.14 (2) they may be made for a minimum of \$5,000 and a maximum of \$35,000;

78.15 (3) in a low-income area, they may be made for a minimum of \$5,000 and a maximum
78.16 of \$50,000; and

78.17 (4) they do not require a match.

78.18 (b) Up to ten percent of a loan's principal amount may be forgiven if the department
78.19 approves and the borrower has met lender criteria including being current with all payments.

78.20 Sec. 15. Minnesota Statutes 2016, section 116M.18, subdivision 8, is amended to read:

78.21 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a program
78.22 grant shall:

78.23 (1) submit an annual report to the ~~board and~~ department by ~~March 30~~ February 15 of
78.24 each year that includes a description of businesses supported by the grant program, an
78.25 account of loans made during the calendar year, the program's impact on minority business
78.26 enterprises and job creation for minority persons and low-income persons, the source and
78.27 amount of money collected and distributed by the program, the program's assets and
78.28 liabilities, and an explanation of administrative expenses; and

79.1 (2) provide for an independent annual audit to be performed in accordance with generally
79.2 accepted accounting practices and auditing standards and submit a copy of each annual
79.3 audit report to the department.

79.4 Sec. 16. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 6, is
79.5 amended to read:

79.6 Subd. 6. Vocational Rehabilitation

Appropriations by Fund

79.8 General 22,611,000 21,611,000

79.9	Workforce		
79.10	Development	7,830,000	7,830,000

79.11 (a) \$10,800,000 each year is from the general
79.12 fund for the state's vocational rehabilitation
79.13 program under Minnesota Statutes, chapter
79.14 268A.

79.15 (b) \$2,261,000 each year is from the general
79.16 fund for grants to centers for independent
79.17 living under Minnesota Statutes, section
79.18 268A.11.

79.19 (c) \$5,745,000 each year from the general fund
79.20 and \$6,830,000 each year from the workforce
79.21 development fund are for extended
79.22 employment services for persons with severe
79.23 disabilities under Minnesota Statutes, section
79.24 268A.15.

79.25 (d) \$250,000 in fiscal year 2016 and \$250,000
79.26 in fiscal year 2017 are for rate increases to
79.27 providers of extended employment services
79.28 for persons with severe disabilities under
79.29 Minnesota Statutes, section 268A.15. This
79.30 appropriation is added to the agency's base.

79.31 (e) \$2,555,000 each year is from the general
79.32 fund for grants to programs that provide
79.33 employment support services to persons with

80.1 mental illness under Minnesota Statutes,
80.2 sections 268A.13 and 268A.14.

80.3 (f) \$1,000,000 each year is from the workforce
80.4 development fund for grants under Minnesota
80.5 Statutes, section 268A.16, for employment
80.6 services for persons, including transition-aged
80.7 youth, who are deaf, deafblind, or
80.8 hard-of-hearing. If the amount in the first year
80.9 is insufficient, the amount in the second year
80.10 is available in the first year.

80.11 (g) \$1,000,000 in fiscal year 2016 is for a
80.12 grant to Assistive Technology of Minnesota,
80.13 a statewide nonprofit organization that is
80.14 exclusively dedicated to the issues of access
80.15 to and the acquisition of assistive technology.

80.16 ~~The purpose of the grant is to acquire assistive~~
80.17 ~~technology and to work in tandem with~~
80.18 ~~individuals using this technology to create~~
80.19 ~~career paths~~ Assistive Technology of
80.20 Minnesota must use the funds to provide
80.21 low-interest loans to individuals of all ages
80.22 and types of disabilities to purchase assistive
80.23 technology and employment-related
80.24 equipment. This is a onetime appropriation.

80.25 (h) For purposes of this subdivision,
80.26 Minnesota Diversified Industries, Inc. is an
80.27 eligible provider of services for persons with
80.28 severe disabilities under Minnesota Statutes,
80.29 section 268A.15.

80.30 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

80.31 Sec. 17. Laws 2016, chapter 189, article 7, section 2, subdivision 2, is amended to read:

80.32 **Subd. 2. Business and Community Development** -0- 8,021,000

80.33 Appropriations by Fund

80.34 General -0- 7,271,000

81.1 81.2 Workforce
81.2 Development -0- 750,000

81.3 (a) \$9,000,000 in fiscal year 2017 is a onetime
81.4 reduction in the general fund appropriation
81.5 for the Minnesota investment fund under
81.6 Minnesota Statutes, section 116J.8731. The
81.7 base funding for this purpose is \$11,000,000
81.8 in fiscal year 2018 and each fiscal year
81.9 thereafter.

81.10 (b) \$11,500,000 in fiscal year 2017 is a
81.11 onetime reduction in the general fund
81.12 appropriation for the Minnesota job creation
81.13 fund under Minnesota Statutes, section
81.14 116J.8748. The base funding for this program
81.15 is \$6,500,000 in fiscal year 2018 and each
81.16 fiscal year thereafter.

81.17 (c) \$2,000,000 in fiscal year 2017 is for the
81.18 redevelopment program under Minnesota
81.19 Statutes, section 116J.571. This is a onetime
81.20 appropriation.

81.21 (d) \$1,220,000 in fiscal year 2017 is for a
81.22 grant to the Duluth North Shore Sanitary
81.23 District to retire debt of the district in order to
81.24 bring the district's monthly wastewater rates
81.25 in line with those of similarly situated facilities
81.26 across the state. This is a onetime
81.27 appropriation.

81.28 (e) \$300,000 in fiscal year 2017 is from the
81.29 workforce development fund for expansion of
81.30 business assistance services provided by
81.31 business development specialists located in
81.32 the Northwest Region, Northeast Region, West
81.33 Central Region, Southwest Region, Southeast
81.34 Region, and Twin Cities Metro Region offices
81.35 established throughout the state. Funds under

82.1 this section may be used to provide services
82.2 including, but not limited to, business
82.3 start-ups; expansion; location or relocation;
82.4 finance; regulatory and permitting assistance;
82.5 and other services determined by the
82.6 commissioner. The commissioner may also
82.7 use funds under this section to increase the
82.8 number of business development specialists
82.9 in each region of the state, increase and expand
82.10 the services provided through each regional
82.11 office, and publicize the services available and
82.12 provide outreach to communities in each
82.13 region regarding services and assistance
82.14 available through the business development
82.15 specialist program. This is a onetime
82.16 appropriation.

82.17 (f) \$50,000 in fiscal year 2017 is from the
82.18 workforce development fund to enhance the
82.19 outreach and public awareness activities of
82.20 the Bureau of Small Business under Minnesota
82.21 Statutes, section 116J.68. This is a onetime
82.22 appropriation.

82.23 (g) \$100,000 in fiscal year 2017 is from the
82.24 general fund for an easy-to-understand manual
82.25 to instruct aspiring business owners in how to
82.26 start a child care business. The commissioner
82.27 shall work in consultation with relevant state
82.28 and local agencies and affected stakeholders
82.29 to produce the manual. The manual must be
82.30 made available electronically to interested
82.31 persons. This is a onetime appropriation and
82.32 is available until June 30, 2019.

82.33 (h) \$2,500,000 in fiscal year 2017 is for grants
82.34 to initiative foundations to provide financing
82.35 for business startups, expansions, and

83.1 maintenance; and for business ownership
83.2 transition and succession. This is a onetime
83.3 appropriation. Of the amount appropriated:
83.4 (1) \$357,000 is for a grant to the Southwest
83.5 Initiative Foundation;
83.6 (2) \$357,000 is for a grant to the West Central
83.7 Initiative Foundation;
83.8 (3) \$357,000 is for a grant to the Southern
83.9 Minnesota Initiative Foundation;
83.10 (4) \$357,000 is for a grant to the Northwest
83.11 Minnesota Foundation;
83.12 (5) \$357,000 is for a grant to the Initiative
83.13 Foundation;
83.14 (6) \$357,000 is for a grant to the Northland
83.15 Foundation; and
83.16 (7) \$357,000 is for a grant for the Minnesota
83.17 emerging entrepreneur program under
83.18 Minnesota Statutes, chapter 116M. Funds
83.19 available under this clause are for deposit in
83.20 the emerging entrepreneur program special
83.21 revenue fund account created under Minnesota
83.22 Statutes, chapter 116M, and are available until
83.23 spent and must be allocated as follows:
83.24 (i) 50 percent of the funds must be allocated
83.25 for projects in the counties of Dakota, Ramsey,
83.26 and Washington; and
83.27 (ii) 50 percent of the funds must be allocated
83.28 for projects in the counties of Anoka, Carver,
83.29 Hennepin, and Scott.
83.30 (i) \$600,000 in fiscal year 2017 is for a grant
83.31 to a city of the second class that is designated
83.32 as an economically depressed area by the
83.33 United States Department of Commerce for

84.1 economic development, redevelopment, and
84.2 job creation programs and projects. This is a
84.3 onetime appropriation and is available until
84.4 June 30, 2019.

84.5 (j) \$4,500,000 in fiscal year 2017 is for a grant
84.6 to the Minnesota Film and TV Board for the
84.7 film production jobs program under Minnesota
84.8 Statutes, section 116U.26. This appropriation
84.9 is in addition to the appropriation in Laws
84.10 2015, First Special Session chapter 1, article
84.11 1, section 2, subdivision 2. This is a onetime
84.12 appropriation.

84.13 (k) \$3,651,000 in fiscal year 2017 is from the
84.14 general fund for a grant to Mille Lacs County
84.15 to develop and operate the Lake Mille Lacs
84.16 area economic relief program established in
84.17 section 45. This is a onetime appropriation.

84.18 (l) \$500,000 in fiscal year 2017 is from the
84.19 general fund for grants to local communities
84.20 outside of the metropolitan area as defined
84.21 under Minnesota Statutes, section 473.121,
84.22 subdivision 2, to increase the supply of quality
84.23 child care providers in order to support
84.24 regional economic development. Grant
84.25 recipients must match state funds on a
84.26 dollar-for-dollar basis. Grant funds available
84.27 under this section must be used to implement
84.28 solutions to reduce the child care shortage in
84.29 the state, including but not limited to funding
84.30 for child care business start-up or expansion,
84.31 training, facility modifications or
84.32 improvements required for licensing, and
84.33 assistance with licensing and other regulatory
84.34 requirements. In awarding grants, the
84.35 commissioner must give priority to

85.1 communities in greater Minnesota that have
85.2 documented a shortage of child care providers
85.3 in the area. This is a onetime appropriation
85.4 and is available until June 30, 2019.

85.5 By September 30, 2017, grant recipients must
85.6 report to the commissioner on the outcomes
85.7 of the grant program, including but not limited
85.8 to the number of new providers, the number
85.9 of additional child care provider jobs created,
85.10 the number of additional child care slots, and
85.11 the amount of local funds invested.

85.12 By January 1, 2018, the commissioner must
85.13 report to the standing committees of the
85.14 legislature having jurisdiction over child care
85.15 and economic development on the outcomes
85.16 of the program to date.

85.17 (m) \$100,000 in fiscal year 2017 is from the
85.18 general fund for a grant to the city of Madelia
85.19 to provide match funding for a federal
85.20 Economic Development Agency technical
85.21 assistance grant. This is a onetime
85.22 appropriation.

85.23 (n) \$10,000,000 in fiscal year 2017 is for
85.24 deposit in the Minnesota 21st century fund.
85.25 This is a onetime appropriation.

85.26 (o) \$400,000 in fiscal year 2017 is from the
85.27 workforce development fund for grants to
85.28 small business development centers under
85.29 Minnesota Statutes, section 116J.68. Funds
85.30 made available under this section may be used
85.31 to match funds under the federal Small
85.32 Business Development Center (SBDC)
85.33 program under United States Code, title 15,
85.34 section 648, provide consulting and technical

86.1 services, or to build additional SBDC network
86.2 capacity to serve entrepreneurs and small
86.3 businesses. The commissioner shall allocate
86.4 funds equally among the nine regional centers
86.5 and lead center. This is a onetime
86.6 appropriation.

86.7 (p) \$2,600,000 in fiscal year 2017 is for a
86.8 transfer to the Board of Regents of the
86.9 University of Minnesota for academic and
86.10 applied research through MnDRIVE at the
86.11 Natural Resources Research Institute to
86.12 develop new technologies that enhance the
86.13 long-term viability of the Minnesota mining
86.14 industry. The research must be done in
86.15 consultation with the Mineral Coordinating
86.16 Committee established by Minnesota Statutes,
86.17 section 93.0015. This is a onetime transfer.

86.18 (q) Of the amount appropriated in fiscal year
86.19 2017 for the Minnesota Investment Fund in
86.20 Laws 2015, First Special Session chapter 1,
86.21 article 1, section 2, subdivision 2, paragraph
86.22 (a), \$450,000 is for a grant to the Lake
86.23 Superior-Poplar River Water District to
86.24 acquire interests in real property, engineer,
86.25 design, permit, and construct infrastructure to
86.26 transport and treat water from Lake Superior
86.27 through the Poplar River Valley to serve
86.28 domestic, irrigation, commercial, stock
86.29 watering, and industrial water users. This grant
86.30 does not require a local match. This is a
86.31 onetime appropriation. This amount is
86.32 available until June 30, 2019.

86.33 (r) \$500,000 is for the Minnesota emerging
86.34 entrepreneur program under Minnesota
86.35 Statutes, section 116M.18. Of this amount, up

87.1 to five percent is for administration and
87.2 monitoring of the program. For fiscal year
87.3 2018 and thereafter, the base amount is
87.4 \$750,000 per year. Funds available under this
87.5 paragraph are for deposit in the emerging
87.6 entrepreneur program special revenue fund
87.7 account created under Minnesota Statutes,
87.8 chapter 116M, and are available until spent.

87.9 **EFFECTIVE DATE.** This section is effective retroactively to July 1, 2016.

87.10 Sec. 18. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
87.11 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

87.12 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
87.13 statutory city, county, or town that has uncommitted money received from repayment of
87.14 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
87.15 percent of the balance of that money to the state general fund before June 30, 2018. Any
87.16 local entity that does so may then use the remaining 80 percent of the uncommitted money
87.17 as a general purpose aid for any lawful expenditure.

87.18 (b) By February 15, 2019, a home rule charter or statutory city, county, or town that
87.19 exercises the option under paragraph (a) shall submit to the chairs of the legislative
87.20 committees with jurisdiction over economic development policy and finance an accounting
87.21 and explanation of the use and distribution of the funds.

87.22 Sec. 19. **GETTING TO WORK GRANT PROGRAM.**

87.23 Subdivision 1. **Creation.** The commissioner of employment and economic development
87.24 shall make grants to nonprofit organizations to establish and operate programs under this
87.25 section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain
87.26 or maintain employment.

87.27 Subd. 2. **Qualified grantee.** A grantee must:

87.28 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and
87.29 (2) at the time of application offer, or have the demonstrated capacity to offer, a motor
87.30 vehicle program that provides the services required under subdivision 3.

87.31 Subd. 3. **Program requirements.** (a) A program must offer one or more of the following
87.32 services:

88.1 (1) provision of new or used motor vehicles by gift, sale, or lease;

88.2 (2) motor vehicle repair and maintenance services; or

88.3 (3) motor vehicle loans.

88.4 (b) In addition to the requirements of paragraph (a), a program must offer one or more

88.5 of the following services:

88.6 (1) financial literacy education;

88.7 (2) education on budgeting for vehicle ownership;

88.8 (3) car maintenance and repair instruction;

88.9 (4) credit counseling; or

88.10 (5) job training related to motor vehicle maintenance and repair.

88.11 Subd. 4. **Application.** Applications for a grant must be on a form provided by the

88.12 commissioner and on a schedule set by the commissioner. Applications must, in addition

88.13 to any other information required by the commissioner, include the following:

88.14 (1) a detailed description of all services to be offered;

88.15 (2) the area to be served;

88.16 (3) the estimated number of program participants to be served by the grant; and

88.17 (4) a plan for leveraging resources from partners that may include, but are not limited

88.18 to:

88.19 (i) automobile dealers;

88.20 (ii) automobile parts dealers;

88.21 (iii) independent local mechanics and automobile repair facilities;

88.22 (iv) banks and credit unions;

88.23 (v) employers;

88.24 (vi) employment and training agencies;

88.25 (vii) insurance companies and agents;

88.26 (viii) local workforce centers; and

88.27 (ix) educational institutions including vocational institutions and jobs or skills training

88.28 programs.

89.1 Subd. 5. Participant eligibility. (a) To be eligible to receive program services, a person

89.2 must:

89.3 (1) have a household income at or below 200 percent of the federal poverty level;

89.4 (2) be at least 22 years of age;

89.5 (3) have a valid driver's license;

89.6 (4) provide the grantee with proof of motor vehicle insurance; and

89.7 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain

89.8 or maintain employment.

89.9 (b) This subdivision does not preclude a grantee from imposing additional requirements,

89.10 not inconsistent with paragraph (a), for the receipt of program services.

89.11 Subd. 6. Report to legislature. By February 15, 2019, the commissioner shall submit

89.12 a report to the chairs of the house of representatives and senate committees with jurisdiction

89.13 over workforce and economic development on program outcomes. At a minimum, the report

89.14 must include:

89.15 (1) the total number of program participants;

89.16 (2) the number of program participants who received each of the following:

89.17 (i) provision of a motor vehicle;

89.18 (ii) motor vehicle repair services; and

89.19 (iii) motor vehicle loans;

89.20 (3) the number of program participants who report that they or their children were able

89.21 to increase their participation in community activities such as after school programs, other

89.22 youth programs, church or civic groups, or library services as a result of participation in the

89.23 program; and

89.24 (4) an analysis of the impact of the getting to work grant program on the employment

89.25 rate and wages of program participants.

89.26 Sec. 20. **REPEALER.**

89.27 Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; and 4355.0500,

89.28 are repealed.

APPENDIX
Article locations in S1937-3

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.30
ARTICLE 2	COMMERCE	Page.Ln 31.20
ARTICLE 3	LABOR AND INDUSTRY	Page.Ln 45.3
ARTICLE 4	EMPLOYMENT AND ECONOMIC DEVELOPMENT	Page.Ln 60.28

46.131 ASSESSMENTS AND FEES FOR FINANCIAL INSTITUTIONS.

Subd. 5. **Application and adjustment of fees.** If the income from the fees provided for herein during any fiscal year shall be more than 103 percent of such expenditures for that year, any excess above such sum of 103 percent may be carried over to succeeding years in order to cover any deficit below 103 percent which may occur in such succeeding years. If the income from the fees provided for herein during any fiscal year shall produce less than the expenditures for that year, the Department of Commerce in adjusting its schedule of fees for use in the next fiscal year shall fix the fees so as to produce income in the amount of the expenditures for the latter year plus the amount of the difference between the expenditures for the first year referred to herein and the total income from such fees during the year and plus three percent of the total expenditures for both the latter and the first year referred to herein.

326B.89 CONTRACTOR RECOVERY FUND.

Subd. 14. **Accelerated compensation.** (a) Payments made from the fund to compensate owners and lessees that do not exceed the jurisdiction limits for conciliation court matters as specified in section 491A.01 may be paid on an accelerated basis if all of the following requirements in paragraphs (b) and (c) have been satisfied.

(b) The owner or the lessee has served upon the commissioner a verified application for compensation that complies with the requirements set out in subdivision 6 and the commissioner determines based on review of the application that compensation should be paid from the fund. The commissioner shall calculate the actual and direct out-of-pocket loss in the transaction, minus attorney fees, litigation costs or fees, interest on the loss and on the judgment obtained as a result of the loss, and any satisfaction of the judgment, and make payment to the owner or the lessee up to the conciliation court jurisdiction limits within 45 days after the owner or lessee serves the verified application.

(c) The commissioner may pay compensation to owners or lessees that totals not more than \$50,000 per licensee per fiscal year under this accelerated process. The commissioner may prorate the amount of compensation paid to owners or lessees under this subdivision if applications submitted by owners and lessees seek compensation in excess of \$50,000 against a licensee. Any unpaid portion of a verified application that has been prorated under this subdivision shall be satisfied in the manner set forth in subdivision 9.

APPENDIX
Repealed Minnesota Rule: S1937-3

4355.0100 PURPOSE.

The purpose of this chapter is to establish:

- A. procedures for use of the revolving loan fund under Minnesota Statutes, section 116M.18;
- B. procedures for the Minnesota emerging entrepreneur program to certify and enter into agreements with nonprofit corporations; and
- C. procedures for nonprofit corporations to make loans to eligible businesses.

4355.0200 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter the terms in this part and in Minnesota Statutes, section 116M.14, have the meanings given.

Subp. 2. **Grant agreements.** "Grant agreements" means an agreement between the state and a nonprofit corporation through which the state provides funds to carry out specified programs, services, or activities.

Subp. 3. **Nonprofit corporation.** "Nonprofit corporation" means a not-for-profit organization operating in one or more eligible cities and certified by the board to receive grants and disburse these funds in the nature of loans to qualifying businesses.

Subp. 4. **Nonprofit revolving loan fund.** "Nonprofit revolving loan fund" means a board-certified revolving loan fund established by a nonprofit corporation to provide loans to new and expanding businesses in low-income areas.

Subp. 5. **Urban revolving loan fund.** "Urban revolving loan fund" means a fund established by the board to make grants to nonprofit corporations.

4355.0300 BUSINESS LOANS BY NONPROFIT CORPORATIONS.

Subpart 1. **Generally.** The board shall make available funds from the urban revolving loan fund for nonprofit corporations. The money awarded to each corporation shall be appropriated to its nonprofit revolving loan fund to be used to make loans to businesses in low-income areas. The funds are to be awarded on a project-by-project basis and must be matched by the corporation with an equal amount of money from sources other than government appropriations.

Subp. 2. **Grant agreement required.** A grant agreement must be established with each nonprofit corporation certified for funding by the board. Grant agreements shall be valid for a period of one year from the time they are fully executed. Agreements may be renewed by the board based on an evaluation of the corporation's lending activities, a finding that the corporation has complied with all the provisions of the agreement, and has made substantive progress in achieving the goals described in its application.

In the event that a grant agreement is not renewed, the corporation must continue to administer all loans it may have made under the provisions of the grant agreement and Minnesota Statutes, section 116M.18.

Subp. 3. **Application by nonprofit corporation.** Any nonprofit corporation wishing to be certified as a participant in the urban challenge grant program must apply in a form prescribed by the board. The application must include:

- A. an assurance signed by the nonprofit corporation's chair that the applicant will comply with all applicable state and federal laws and requirements;
- B. a resolution passed by the applicant's board of directors approving the submission of an application and authorizing execution of the grant agreement if funds are made available;
- C. a plan demonstrating the applicant's eligibility pursuant to Minnesota Statutes, section 116M.18, the manner in which minority business enterprises will be assisted, the outcomes expected to result from the corporation's participation in the program; and
- D. any additional information that the board finds is necessary to clarify the applicant's ability to achieve the program's objectives.

Subp. 4. **Board review.** The board shall certify the corporation if it has demonstrated that it fully meets the eligibility standards in Minnesota Statutes, section 116M.18, subdivision 2.

Subp. 5. **Disapproval of applications.** In cases where the corporation fails to demonstrate that it has met the requirements in Minnesota Statutes, section 116M.18, subdivision 2, the board must disapprove the application. The commissioner shall inform the corporation of the board's decision, in writing, stating the reasons for the denial.

APPENDIX
Repealed Minnesota Rule: S1937-3

Subp. 6. Contents of grant agreement. If certified, the board must enter into a grant agreement with the nonprofit corporation. The grant agreement must include provisions that:

- A. the corporation has established or will establish a board-certified revolving loan fund to provide loans to new and expanding businesses in low-income areas;
- B. the grant recipient will comply with all applicable state and federal laws, including the requirements of Minnesota Statutes, section 116M.18; and
- C. no grant funds shall be used to finance activities not approved in either the grant agreement or each loan agreement.

Subp. 7. Other grant requirements. The following provisions apply to grants awarded:

- A. if it is determined that an improper use of the funds has occurred, the board shall take whatever action is necessary to recover improperly spent funds;
- B. grant recipients must return funds that are improperly expended;
- C. the board shall suspend payment of funds to recipients that are not in compliance with applicable state and federal laws, rules, and regulations;
- D. amendments to the grant agreement must be in writing; and
- E. the grant agreement may authorize the nonprofit corporation to be paid for administrative expenses out of the interest earned on loans it originates.

Subp. 8. Corporation to make business loans. Any business may make an application to the nonprofit corporation for an urban challenge grant loan. The application must be in a form approved by the corporation and the board. The corporation must review the application and may give preliminary approval for the loan based on Minnesota Statutes, section 116M.18. The loan application must then be forwarded to the board for final approval.

4355.0400 BUSINESS LOANS BY THE BOARD.

If the board receives a grant, gift, or loan, authorizing or requiring it to make business loans directly to qualifying businesses, and the board determines that businesses do not have access through a certified corporation, the board may receive applications for an urban challenge grant loan on the forms it prescribes. The board shall review applications and, based on the provisions of Minnesota Statutes, section 116M.18, and the business loan criteria in part 4355.0500, may approve them. If an application is denied, the commissioner shall inform the applicant as to the reasons for the denial.

4355.0500 BUSINESS LOAN CRITERIA.

Subpart 1. Terms and conditions.

- A. The interest rate on a loan shall be established by the corporation, but may be no less than two percent per annum, nor more than ten percent per annum or one percent per annum above the prime rate, as published in the Wall Street Journal at the time the loan is closed, whichever is greater.
- B. The corporation may only charge the business all out-of-pocket administrative expenses connected with originating the loan at the time of closing.
- C. The loan funds may be used for normal business expenses including, but not limited to, site acquisition, new construction, renovation, machinery and equipment, and working capital. Loans may not be used to refinance a business or personal existing debt.

Subp. 2. Loan repayment. For loans made by the board, all loan repayments must be deposited in the urban revolving loan fund for further distribution to businesses or nonprofit corporations pursuant to Minnesota Statutes, section 116M.18.

For loans made by a nonprofit corporation, amounts equal to one-half of the principal and interest must be deposited in the urban revolving loan fund. The principal payments shall be made available to the corporation originating the loan in order to make additional loans, as long as the corporation remains certified and the grant agreement with the board is in effect. The board may return interest payments to the corporation in order to pay for the corporation's administrative expenses.

The remaining amount of the loan repayment may be deposited in the nonprofit revolving loan fund created by the corporation which originated the loan for further distribution by the nonprofit corporation, or for other uses as may be determined by the corporation.