

**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
	2178	Second reading
03/29/2017	2603a	Special Order: Amended
	2611	Third reading Passed
04/18/2017	3160	Returned from House with amendment
	3160	Senate not concur, conference committee of 5 requested
	3170	Senate conferees Miller; Dahms; Osmek; Anderson, P.; Champion
04/20/2017	3186	House conferees Garofalo; Newberger; Hoppe; O'Neill; Mahoney
05/15/2017		Conference committee report, delete everything Senate adopted CC report and repassed bill Third reading House adopted SCC report and repassed bill

1.1 A bill for an act

1.2 relating to state government; appropriating money for jobs and economic

1.3 development; appropriating money for the Department of Employment and

1.4 Economic Development, Housing Finance Agency, Department of Labor and

1.5 Industry, Bureau of Mediation Services, Workers' Compensation Court of Appeals,

1.6 Department of Commerce, Public Utilities Commission, and Public Facilities

1.7 Authority; making policy and housekeeping changes to labor and industry

1.8 provisions; making policy changes to employment, economic development, and

1.9 workforce development provisions; making policy changes to the Department of

1.10 Iron Range Resources and Rehabilitation; making policy, housekeeping, and

1.11 technical changes regarding unemployment insurance; making changes to

1.12 commerce, telecommunications, and energy policy; making other housing and

1.13 miscellaneous policy changes; modifying fees; modifying rulemaking procedures;

1.14 modifying criminal penalties; requiring reports; amending Minnesota Statutes

1.15 2016, sections 3.732, subdivision 1; 3.736, subdivision 3; 3.8851, subdivision 1;

1.16 15.01; 15.38, subdivision 7; 15A.0815, subdivision 3; 16B.323; 43A.02, subdivision

1.17 22; 45.0135, subdivision 6; 65B.84, subdivision 1; 85.0146, subdivision 1; 116.03,

1.18 by adding a subdivision; 116C.779, subdivision 1, by adding a subdivision;

1.19 116C.7792; 116D.04, subdivision 1a; 116J.423, subdivision 2; 116J.424; 116J.8731,

1.20 subdivision 2, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116J.994,

1.21 subdivisions 3, 5, 7; 116L.17, subdivision 1; 116L.665; 116M.14, subdivision 4;

1.22 116M.17, subdivision 4; 116M.18, subdivisions 1a, 4, 4a, 8; 175.45; 216B.03;

1.23 216B.16, subdivisions 1a, 6; 216B.161, subdivision 1; 216B.164, subdivisions 5,

1.24 9, by adding a subdivision; 216B.1691, subdivision 2f; 216B.1694, subdivisions

1.25 1, 3; 216B.241, subdivisions 1b, 1c, 2, 5, 5d, 7; 216B.2422, subdivisions 2, 3, 4;

1.26 216B.2424, by adding a subdivision; 216B.243, subdivision 8; 216C.05, subdivision

1.27 2; 216C.41, subdivisions 2, 5a; 216C.435, by adding a subdivision; 216E.03,

1.28 subdivisions 3, 9; 216E.04, subdivision 7; 216F.01, subdivision 2; 216F.011;

1.29 216F.04; 216H.03, subdivisions 3, 4, 7; 237.01, by adding subdivisions; 268.031,

1.30 subdivision 1; 268.035, subdivisions 15, 20, 21d, 23, 30; 268.042, subdivision 1;

1.31 268.046, subdivision 3; 268.051, subdivisions 1, 9; 268.065, subdivision 2; 268.07,

1.32 subdivisions 2, 3a, 3b; 268.085, subdivisions 1, 6, 7, 12, 13, 13a; 268.0865,

1.33 subdivision 5; 268.095, subdivisions 1, 2, 5; 268.101, subdivision 2; 268.105,

1.34 subdivision 2; 268.131; 268.18, subdivisions 2, 2b, 5; 268.182; 268.184; 268.194,

1.35 subdivisions 1, 4; 276A.01, subdivisions 8, 17; 276A.06, subdivision 8; 282.38,

1.36 subdivisions 1, 3; 297I.11, subdivision 2; 298.001, subdivision 8, by adding a

1.37 subdivision; 298.018, subdivision 1; 298.17; 298.22, subdivisions 1, 1a, 5a, 6, 10,

1.38 11, by adding subdivisions; 298.221; 298.2211, subdivisions 3, 6; 298.2212;

1.39 298.223, subdivisions 1, 2; 298.227; 298.27; 298.28, subdivisions 7, 7a, 9c, 9d,

2.1 11; 298.292, subdivision 2; 298.296; 298.2961; 298.297; 298.46, subdivisions 2,
 2.2 5, 6; 299F.01, by adding a subdivision; 325J.06; 326B.092, subdivision 7;
 2.3 326B.153, subdivision 1; 326B.37, by adding subdivisions; 326B.435, subdivision
 2.4 2; 326B.50, subdivision 3, by adding subdivisions; 326B.55, subdivisions 2, 4;
 2.5 326B.805, subdivision 3; 326B.89, subdivisions 1, 5; 327C.01, by adding a
 2.6 subdivision; 345.42, by adding a subdivision; 345.49; 462.355, subdivision 4;
 2.7 462A.2035; 466.03, subdivision 6c; 469.310, subdivision 9; 474A.02, subdivision
 2.8 21; Laws 2010, chapter 389, article 5, section 7; Laws 2014, chapter 211, section
 2.9 13, as amended; Laws 2014, chapter 312, article 2, section 14, as amended; Laws
 2.10 2015, First Special Session chapter 1, article 1, sections 2, subdivision 6; 5,
 2.11 subdivision 2; Laws 2016, chapter 189, article 7, section 46; proposing coding for
 2.12 new law in Minnesota Statutes, chapters 14; 116J; 175; 216B; 216C; 216G; 237;
 2.13 239; 326B; 327C; 462A; 462C; 471; repealing Minnesota Statutes 2016, sections
 2.14 3.8852; 116C.779, subdivision 3; 116J.549; 174.187; 216B.8109; 216B.811;
 2.15 216B.812; 216B.813; 216B.815; 216C.29; 216C.411; 216C.412; 216C.413;
 2.16 216C.414; 216C.415; 216C.416; 298.22, subdivision 8; 298.2213; 298.298;
 2.17 326B.89, subdivision 14; Laws 2005, chapter 112, article 1, section 14; Laws 2013,
 2.18 chapter 85, article 6, section 11; Minnesota Rules, parts 4355.0100; 4355.0200;
 2.19 4355.0300; 4355.0400; 4355.0500.

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

2.21 **ARTICLE 1**

2.22 **APPROPRIATIONS**

2.23 Section 1. **JOBS AND ECONOMIC DEVELOPMENT.**

2.24 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
 2.25 agencies and for the purposes specified in this article. The appropriations are from the
 2.26 general fund, or another named fund, and are available for the fiscal years indicated for
 2.27 each purpose. The figures "2018" and "2019" used in this article mean that the appropriations
 2.28 listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019,
 2.29 respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The
 2.30 biennium" is fiscal years 2018 and 2019.

2.31 (b) If an appropriation in this article is enacted more than once in the 2017 legislative
 2.32 session, the appropriation must be given effect only once.

2.33 **APPROPRIATIONS**

2.34 **Available for the Year**

2.35 **Ending June 30**

2.36 **2018** **2019**

2.37 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
 2.38 **AND ECONOMIC DEVELOPMENT**

2.39 **Subdivision 1. Total Appropriation** **\$** **132,032,000** **\$** **113,011,000**

2.40 **Appropriations by Fund**

	<u>2018</u>	<u>2019</u>
3.1		
3.2	<u>\$96,365,000</u>	<u>\$78,311,000</u>
3.3	<u>\$700,000</u>	<u>\$700,000</u>
3.4		
3.5	<u>\$34,967,000</u>	<u>\$34,000,000</u>

3.6 (a) The amounts that may be spent for each
 3.7 purpose are specified in the following
 3.8 subdivisions.

3.9 (b) Notwithstanding Minnesota Statutes,
 3.10 section 16A.285, the commissioner of
 3.11 employment and economic development must
 3.12 not allow transfers of money appropriated in
 3.13 this section between divisions or programs of
 3.14 the Department of Employment and Economic
 3.15 Development.

3.16 (c) Notwithstanding Minnesota Statutes,
 3.17 section 16B.37, subdivision 4, the
 3.18 commissioner of employment and economic
 3.19 development must not allow billing between
 3.20 divisions or programs within the Department
 3.21 of Employment and Economic Development,
 3.22 or otherwise use any "Internal Billing
 3.23 Expenditures."

3.24 (d) Notwithstanding Minnesota Statutes,
 3.25 sections 16B.37, subdivision 4, and 471.59,
 3.26 except for work performed by MN.IT under
 3.27 Minnesota Statutes, chapter 16E, the
 3.28 commissioner of employment and economic
 3.29 development must not allow billing or
 3.30 transfers between other executive branch
 3.31 agencies or departments and the Department
 3.32 of Employment and Economic Development.

3.33 Subd. 2. **Business and Community Development** \$ 42,536,000 \$ 39,435,000

3.34 Appropriations by Fund
 3.35 General \$39,975,000 \$36,924,000

4.1 Remediation \$700,000 \$700,000

4.2 Workforce
4.3 Development \$1,861,000 \$1,811,000

4.4 (a) \$4,195,000 each year is for the Minnesota
4.5 job skills partnership program under
4.6 Minnesota Statutes, sections 116L.01 to
4.7 116L.17. If the appropriation for either year
4.8 is insufficient, the appropriation for the other
4.9 year is available. This appropriation is
4.10 available until spent.

4.11 (b) \$750,000 each year is for grants to the
4.12 Neighborhood Development Center for small
4.13 business programs:

4.14 (1) training, lending, and business services;

4.15 (2) model outreach and training in greater
4.16 Minnesota; and

4.17 (3) development of new business incubators.

4.18 This is a onetime appropriation.

4.19 (c) \$1,175,000 each year is for a grant to the
4.20 Metropolitan Economic Development
4.21 Association (MEDA) for statewide business
4.22 development and assistance services, including
4.23 services to entrepreneurs with businesses that
4.24 have the potential to create job opportunities
4.25 for unemployed and underemployed people,
4.26 with an emphasis on minority-owned
4.27 businesses. This is a onetime appropriation.

4.28 (d) \$125,000 each year is for a grant to the
4.29 White Earth Nation for the White Earth Nation
4.30 Integrated Business Development System to
4.31 provide business assistance with workforce
4.32 development, outreach, technical assistance,
4.33 infrastructure and operational support,

5.1 financing, and other business development
5.2 activities. This is a onetime appropriation.

5.3 (e)(1) \$12,000,000 each year is for the
5.4 Minnesota investment fund under Minnesota
5.5 Statutes, section 116J.8731. Of this amount,
5.6 the commissioner of employment and
5.7 economic development may use up to three
5.8 percent for administration and monitoring of
5.9 the program. This appropriation is available
5.10 until spent. In fiscal year 2020 and beyond,
5.11 the base amount is \$12,500,000.

5.12 (2) Of the amount appropriated in fiscal year
5.13 2018, \$4,000,000 is for a loan to construct and
5.14 equip a wholesale electronic component
5.15 distribution center investing a minimum of
5.16 \$200,000,000 and constructing a facility at
5.17 least 700,000 square feet in size. Loan funds
5.18 may be used for purchases of materials,
5.19 supplies, and equipment for the construction
5.20 of the facility and are available from July 1,
5.21 2017, to June 30, 2021. The commissioner of
5.22 employment and economic development shall
5.23 forgive the loan after verification that the
5.24 project has satisfied performance goals and
5.25 contractual obligations as required under
5.26 Minnesota Statutes, section 116J.8731.

5.27 (3) Of the amount appropriated in fiscal year
5.28 2018, \$700,000 is for a loan to extend an
5.29 effluent pipe that will deliver reclaimed water
5.30 to an innovative waste-to-biofuel project
5.31 investing a minimum of \$150,000,000 and
5.32 constructing a facility that is designed to
5.33 process approximately 400,000 tons of waste
5.34 annually. Loan funds are available until June
5.35 30, 2021.

6.1 (f) \$7,500,000 each year is for the Minnesota
6.2 job creation fund under Minnesota Statutes,
6.3 section 116J.8748. Of this amount, the
6.4 commissioner of employment and economic
6.5 development may use up to three percent for
6.6 administrative expenses. This appropriation
6.7 is available until June 30, 2021. In fiscal year
6.8 2018 and beyond, the base amount is
6.9 \$8,000,000.

6.10 (g) \$1,647,000 each year is for contaminated
6.11 site cleanup and development grants under
6.12 Minnesota Statutes, sections 116J.551 to
6.13 116J.558. This appropriation is available until
6.14 spent. In fiscal year 2020 and beyond, the base
6.15 amount is \$1,772,000.

6.16 (h) \$12,000 each year is for a grant to the
6.17 Upper Minnesota Film Office.

6.18 (i) \$163,000 each year is for the Minnesota
6.19 Film and TV Board. The appropriation in each
6.20 year is available only upon receipt by the
6.21 board of \$1 in matching contributions of
6.22 money or in-kind contributions from nonstate
6.23 sources for every \$3 provided by this
6.24 appropriation, except that each year up to
6.25 \$50,000 is available on July 1 even if the
6.26 required matching contribution has not been
6.27 received by that date.

6.28 (j) \$500,000 each year is from the general fund
6.29 for a grant to the Minnesota Film and TV
6.30 Board for the film production jobs program
6.31 under Minnesota Statutes, section 116U.26.
6.32 This appropriation is available until June 30,
6.33 2021.

7.1 (k) \$139,000 each year is for a grant to the
7.2 Rural Policy and Development Center under
7.3 Minnesota Statutes, section 116J.421.

7.4 (l)(1) \$1,300,000 each year is for the greater
7.5 Minnesota business development public
7.6 infrastructure grant program under Minnesota
7.7 Statutes, section 116J.431. This appropriation
7.8 is available until spent. If the appropriation
7.9 for either year is insufficient, the appropriation
7.10 for the other year is available. In fiscal year
7.11 2020 and beyond, the base amount is
7.12 \$2,545,000. Funds available under this
7.13 paragraph may be used for site preparation of
7.14 property owned and to be used by private
7.15 entities.

7.16 (2) Of the amounts appropriated, \$1,600,000
7.17 in fiscal year 2018 is for a grant to the city of
7.18 Thief River Falls to support utility extensions,
7.19 roads, and other public improvements related
7.20 to the construction of a wholesale electronic
7.21 component distribution center at least 700,000
7.22 square feet in size and investing a minimum
7.23 of \$200,000,000. Notwithstanding Minnesota
7.24 Statutes, section 116J.431, a local match is
7.25 not required. Grant funds are available from
7.26 July 1, 2017, to June 30, 2021.

7.27 (m) \$876,000 the first year and \$500,000 the
7.28 second year are for the Minnesota emerging
7.29 entrepreneur loan program under Minnesota
7.30 Statutes, section 116M.18. Funds available
7.31 under this paragraph are for transfer into the
7.32 emerging entrepreneur program special
7.33 revenue fund account created under Minnesota
7.34 Statutes, chapter 116M, and are available until
7.35 spent. Of this amount, up to four percent is for

8.1 administration and monitoring of the program.
8.2 In fiscal year 2020 and beyond, the base
8.3 amount is \$1,000,000.

8.4 (n) \$875,000 each year is for a grant to
8.5 Enterprise Minnesota, Inc. for the small
8.6 business growth acceleration program under
8.7 Minnesota Statutes, section 116O.115. This
8.8 is a onetime appropriation.

8.9 (o) \$250,000 in fiscal year 2018 is for a grant
8.10 to the Minnesota Design Center at the
8.11 University of Minnesota for the greater
8.12 Minnesota community design pilot project.

8.13 (p) \$275,000 in fiscal year 2018 is from the
8.14 general fund to the commissioner of
8.15 employment and economic development for
8.16 a grant to Community and Economic
8.17 Development Associates (CEDA) for an
8.18 economic development study and analysis of
8.19 the effects of current and projected economic
8.20 growth in southeast Minnesota. CEDA shall
8.21 report on the findings and recommendations
8.22 of the study to the committees of the house of
8.23 representatives and senate with jurisdiction
8.24 over economic development and workforce
8.25 issues by February 15, 2019. All results and
8.26 information gathered from the study shall be
8.27 made available for use by cities in southeast
8.28 Minnesota by March 15, 2019. This
8.29 appropriation is available until June 30, 2020.

8.30 (q) \$2,000,000 in fiscal year 2018 is for a
8.31 grant to Pillsbury United Communities for
8.32 construction and renovation of a building in
8.33 north Minneapolis for use as the "North
8.34 Market" grocery store and wellness center,
8.35 focused on offering healthy food, increasing

9.1 health care access, and providing job creation
9.2 and economic opportunities in one place for
9.3 children and families living in the area. To the
9.4 extent possible, Pillsbury United Communities
9.5 shall employ individuals who reside within a
9.6 five mile radius of the grocery store and
9.7 wellness center. This appropriation is not
9.8 available until at least an equal amount of
9.9 money is committed from nonstate sources.
9.10 This appropriation is available until the project
9.11 is completed or abandoned, subject to
9.12 Minnesota Statutes, section 16A.642.

9.13 (r) \$1,425,000 each year is for the business
9.14 development competitive grant program. Of
9.15 this amount, up to five percent is for
9.16 administration and monitoring of the business
9.17 development competitive grant program. All
9.18 grant awards shall be for two consecutive
9.19 years. Grants shall be awarded in the first year.

9.20 (s) \$150,000 in fiscal year 2018 is for a grant
9.21 to Mille Lacs County for the Lake Mille Lacs
9.22 area economic relief program under Laws
9.23 2016, chapter 189, article 7, section 46.

9.24 (t) \$875,000 each year is for the host
9.25 community economic development grant
9.26 program established in Minnesota Statutes,
9.27 section 116J.548.

9.28 (u) \$700,000 each year is from the remediation
9.29 fund for contaminated site cleanup and
9.30 development grants under Minnesota Statutes,
9.31 sections 116J.551 to 116J.558. This
9.32 appropriation is available until spent.

9.33 (v) \$161,000 each year is from the workforce
9.34 development fund for transfer to the rural

10.1 policy and development center fund account
 10.2 in the special revenue fund under Minnesota
 10.3 Statutes, section 116J.4221. This is a onetime
 10.4 transfer.

10.5 (w) \$300,000 each year is from the workforce
 10.6 development fund for a grant to Enterprise
 10.7 Minnesota, Inc. This is a onetime
 10.8 appropriation.

10.9 (x) \$50,000 in fiscal year 2018 is from the
 10.10 workforce development fund for a grant to
 10.11 Fighting Chance for behavioral intervention
 10.12 programs for at-risk youth.

10.13 (y) \$1,350,000 each year is from the
 10.14 workforce development fund for job training
 10.15 grants under Minnesota Statutes, section
 10.16 116L.42.

10.17 **Subd. 3. Workforce Development** \$ 31,148,000 \$ 30,228,000

10.18	<u>Appropriations by Fund</u>		
10.19	<u>General</u>	<u>\$5,889,000</u>	<u>\$5,886,000</u>
10.20	<u>Workforce</u>		
10.21	<u>Development</u>	<u>\$25,259,000</u>	<u>\$24,342,000</u>

10.22 (a) \$500,000 each year is for the
 10.23 youth-at-work competitive grant program
 10.24 under Minnesota Statutes, section 116L.562.
 10.25 Of this amount, up to five percent is for
 10.26 administration and monitoring of the youth
 10.27 workforce development competitive grant
 10.28 program. All grant awards shall be for two
 10.29 consecutive years. Grants shall be awarded in
 10.30 the first year. In fiscal year 2020 and beyond,
 10.31 the base amount is \$750,000.

10.32 (b) \$250,000 each year is for pilot programs
 10.33 in the workforce service areas to combine
 10.34 career and higher education advising.

- 11.1 (c) \$500,000 each year is for rural career
11.2 counseling coordinator positions in the
11.3 workforce service areas and for the purposes
11.4 specified in Minnesota Statutes, section
11.5 116L.667. The commissioner of employment
11.6 and economic development, in consultation
11.7 with local workforce investment boards and
11.8 local elected officials in each of the service
11.9 areas receiving funds, shall develop a method
11.10 of distributing funds to provide equitable
11.11 services across workforce service areas.
- 11.12 (d) \$1,000,000 each year is for a grant to the
11.13 Construction Careers Foundation for the
11.14 construction career pathway initiative to
11.15 provide year-round educational and
11.16 experiential learning opportunities for teens
11.17 and young adults under the age of 21 that lead
11.18 to careers in the construction industry. This is
11.19 a onetime appropriation. Grant funds must be
11.20 used to:
- 11.21 (1) increase construction industry exposure
11.22 activities for middle school and high school
11.23 youth, parents, and counselors to reach a more
11.24 diverse demographic and broader statewide
11.25 audience. This requirement includes, but is
11.26 not limited to, an expansion of programs to
11.27 provide experience in different crafts to youth
11.28 and young adults throughout the state;
- 11.29 (2) increase the number of high schools in
11.30 Minnesota offering construction classes during
11.31 the academic year that utilize a multicraft
11.32 curriculum;
- 11.33 (3) increase the number of summer internship
11.34 opportunities;

- 12.1 (4) enhance activities to support graduating
12.2 seniors in their efforts to obtain employment
12.3 in the construction industry;
- 12.4 (5) increase the number of young adults
12.5 employed in the construction industry and
12.6 ensure that they reflect Minnesota's diverse
12.7 workforce; and
- 12.8 (6) enhance an industrywide marketing
12.9 campaign targeted to youth and young adults
12.10 about the depth and breadth of careers within
12.11 the construction industry.
- 12.12 Programs and services supported by grant
12.13 funds must give priority to individuals and
12.14 groups that are economically disadvantaged
12.15 or historically underrepresented in the
12.16 construction industry, including but not limited
12.17 to women, veterans, and members of minority
12.18 and immigrant groups.
- 12.19 (e) \$500,000 each year is from the general
12.20 fund for the Pathways to Prosperity adult
12.21 workforce development competitive grant
12.22 program. Of this amount, up to four percent
12.23 is for administration and monitoring of the
12.24 program. When awarding grants under this
12.25 paragraph, the commissioner of employment
12.26 and economic development may give
12.27 preference to any previous grantee with
12.28 demonstrated success in job training and
12.29 placement for hard-to-train individuals. In
12.30 fiscal year 2020 and beyond, the base amount
12.31 for this program is \$3,500,000.
- 12.32 (f) \$750,000 each year is for a competitive
12.33 grant program to provide grants to
12.34 organizations that provide support services for

13.1 individuals, such as job training, employment
13.2 preparation, internships, job assistance to
13.3 fathers, financial literacy, academic and
13.4 behavioral interventions for low-performing
13.5 students, and youth intervention. Grants made
13.6 under this section must focus on low-income
13.7 communities, young adults from families with
13.8 a history of intergenerational poverty, and
13.9 communities of color. Of this amount, up to
13.10 four percent is for administration and
13.11 monitoring of the program. The base amount
13.12 for this program is \$1,000,000 in fiscal year
13.13 2020 and \$1,000,000 in fiscal year 2021.

13.14 (g) \$500,000 each year is for the women and
13.15 high-wage, high-demand, nontraditional jobs
13.16 grant program under Minnesota Statutes,
13.17 section 116L.99. Of this amount, up to five
13.18 percent is for administration and monitoring
13.19 of the program. In fiscal year 2020 and
13.20 beyond, the base amount is \$750,000.

13.21 (h) \$500,000 each year is for a competitive
13.22 grant program for grants to organizations
13.23 providing services to relieve economic
13.24 disparities in the Southeast Asian community
13.25 through workforce recruitment, development,
13.26 job creation, assistance of smaller
13.27 organizations to increase capacity, and
13.28 outreach. Of this amount, up to five percent
13.29 is for administration and monitoring of the
13.30 program. In fiscal year 2020 and beyond, the
13.31 base amount is \$1,000,000.

13.32 (i) \$250,000 each year is for a grant to the
13.33 American Indian Opportunities and
13.34 Industrialization Center, in collaboration with
13.35 the Northwest Indian Community

- 14.1 Development Center, to reduce academic
14.2 disparities for American Indian students and
14.3 adults. This is a onetime appropriation. The
14.4 grant funds may be used to provide:
- 14.5 (1) student tutoring and testing support
14.6 services;
- 14.7 (2) training in information technology;
- 14.8 (3) assistance in obtaining a GED;
- 14.9 (4) remedial training leading to enrollment in
14.10 a postsecondary higher education institution;
- 14.11 (5) real-time work experience in information
14.12 technology fields; and
- 14.13 (6) contextualized adult basic education.
- 14.14 After notification to the legislature, the
14.15 commissioner may transfer this appropriation
14.16 to the commissioner of education.
- 14.17 (j) \$1,039,000 in the first year and \$1,036,000
14.18 in the second year are for the adult workforce
14.19 development competitive grant program. Of
14.20 this amount, up to four percent is for
14.21 administration and monitoring of the program.
- 14.22 All grant awards shall be for two consecutive
14.23 years. Grants shall be awarded in the first year.
- 14.24 In fiscal year 2020 and beyond, the base
14.25 amount is \$1,039,000.
- 14.26 (k) \$100,000 each year is for the getting to
14.27 work grant program. This is a onetime
14.28 appropriation and is available until June 30,
14.29 2021.
- 14.30 (l) \$525,000 each year is from the workforce
14.31 development fund for a grant to the YWCA
14.32 of Minneapolis to provide economically
14.33 challenged individuals the job skills training,

- 15.1 career counseling, and job placement
- 15.2 assistance necessary to secure a child
- 15.3 development associate credential and to have
- 15.4 a career path in early childhood education.
- 15.5 This is a onetime appropriation.
- 15.6 (m) \$1,500,000 each year is from the
- 15.7 workforce development fund for a grant to the
- 15.8 FastTRAC-Minnesota Adult Careers Pathways
- 15.9 program. Up to ten percent of this
- 15.10 appropriation may be used to provide
- 15.11 leadership, oversight, and technical assistance
- 15.12 services for low-skilled, low-income adults.
- 15.13 (n) \$3,104,000 each year is for the adult
- 15.14 workforce development competitive grant
- 15.15 program. Of this amount, up to four percent
- 15.16 is for administration and monitoring of the
- 15.17 program. All grant awards shall be for two
- 15.18 consecutive years. Grants shall be awarded in
- 15.19 the first year.
- 15.20 (o) \$1,350,000 each year is from the
- 15.21 workforce development fund for a grant to the
- 15.22 Minnesota High Tech Association to support
- 15.23 SciTechsperience, a program that supports
- 15.24 science, technology, engineering, and math
- 15.25 (STEM) internship opportunities for two- and
- 15.26 four-year college students and graduate
- 15.27 students in their field of study. The internship
- 15.28 opportunities must match students with paid
- 15.29 internships within STEM disciplines at small,
- 15.30 for-profit companies located in Minnesota,
- 15.31 having fewer than 250 employees worldwide.
- 15.32 At least 300 students must be matched in the
- 15.33 first year and at least 350 students must be
- 15.34 matched in the second year. No more than 15
- 15.35 percent of the hires may be graduate students.

16.1 Selected hiring companies shall receive from
16.2 the grant 50 percent of the wages paid to the
16.3 intern, capped at \$2,500 per intern. The
16.4 program must work toward increasing the
16.5 participation of women or other underserved
16.6 populations. This is a onetime appropriation.

16.7 (p) \$450,000 each year is from the workforce
16.8 development fund for grants to Minnesota
16.9 Diversified Industries, Inc. to provide
16.10 progressive development and employment
16.11 opportunities for people with disabilities. This
16.12 is a onetime appropriation.

16.13 (q) \$500,000 each year is from the workforce
16.14 development fund for a grant to Resource, Inc.
16.15 to provide low-income individuals career
16.16 education and job skills training that are fully
16.17 integrated with chemical and mental health
16.18 services. This is a onetime appropriation.

16.19 (r) \$750,000 each year is from the workforce
16.20 development fund for a grant to the Minnesota
16.21 Alliance of Boys and Girls Clubs to administer
16.22 a statewide project of youth job skills and
16.23 career development. This project, which may
16.24 have career guidance components including
16.25 health and life skills, is designed to encourage,
16.26 train, and assist youth in early access to
16.27 education and job-seeking skills, work-based
16.28 learning experience including career pathways
16.29 in STEM learning, career exploration and
16.30 matching, and first job placement through
16.31 local community partnerships and on-site job
16.32 opportunities. This grant requires a 25 percent
16.33 match from nonstate resources. This is a
16.34 onetime appropriation.

- 17.1 (s) \$215,000 each year is from the workforce
17.2 development fund for grants to Big Brothers,
17.3 Big Sisters of the Greater Twin Cities for
17.4 workforce readiness, employment exploration,
17.5 and skills development for youth ages 12 to
17.6 21. The grant must serve youth in the Twin
17.7 Cities, Central Minnesota, and Southern
17.8 Minnesota Big Brothers, Big Sisters chapters.
17.9 This is a onetime appropriation.
- 17.10 (t) \$250,000 each year is from the workforce
17.11 development fund for a grant to YWCA St.
17.12 Paul to provide job training services and
17.13 workforce development programs and
17.14 services, including job skills training and
17.15 counseling. This is a onetime appropriation.
- 17.16 (u) \$1,000,000 each year is from the
17.17 workforce development fund for a grant to
17.18 EMERGE Community Development, in
17.19 collaboration with community partners, for
17.20 services targeting Minnesota communities
17.21 with the highest concentrations of African and
17.22 African-American joblessness, based on the
17.23 most recent census tract data, to provide
17.24 employment readiness training, credentialed
17.25 training placement, job placement and
17.26 retention services, supportive services for
17.27 hard-to-employ individuals, and a general
17.28 education development fast track and adult
17.29 diploma program. This is a onetime
17.30 appropriation.
- 17.31 (v) \$1,000,000 each year is from the
17.32 workforce development fund for a grant to the
17.33 Minneapolis Foundation for a strategic
17.34 intervention program designed to target and
17.35 connect program participants to meaningful,

18.1 sustainable living-wage employment. This is
18.2 a onetime appropriation.

18.3 (w) \$750,000 each year is from the workforce
18.4 development fund for a grant to Latino
18.5 Communities United in Service (CLUES) to
18.6 expand culturally tailored programs that
18.7 address employment and education skill gaps
18.8 for working parents and underserved youth by
18.9 providing new job skills training to stimulate
18.10 higher wages for low-income people, family
18.11 support systems designed to reduce
18.12 intergenerational poverty, and youth
18.13 programming to promote educational
18.14 advancement and career pathways. At least
18.15 50 percent of this amount must be used for
18.16 programming targeted at greater Minnesota.
18.17 This is a onetime appropriation.

18.18 (x) \$600,000 each year is from the workforce
18.19 development fund for a grant to Ujamaa Place
18.20 for job training, employment preparation,
18.21 internships, education, training in the
18.22 construction trades, housing, and
18.23 organizational capacity building. This is a
18.24 onetime appropriation.

18.25 (y) \$1,297,000 in the first year and \$800,000
18.26 in the second year are from the workforce
18.27 development fund for performance grants
18.28 under Minnesota Statutes, section 116J.8747,
18.29 to Twin Cities R!SE to provide training to
18.30 hard-to-train individuals. Of the amounts
18.31 appropriated, \$497,000 in fiscal year 2018 is
18.32 for a grant to Twin Cities R!SE, in
18.33 collaboration with Metro Transit and Hennepin
18.34 Technical College for the Metro Transit
18.35 technician training program. This is a onetime

19.1 appropriation and funds are available until
19.2 June 30, 2020.

19.3 (z) \$230,000 in fiscal year 2018 is from the
19.4 workforce development fund for a grant to the
19.5 Bois Forte Tribal Employment Rights Office
19.6 (TERO) for an American Indian workforce
19.7 development training pilot project.

19.8 (aa) \$40,000 in fiscal year 2018 is from the
19.9 workforce development fund for a grant to the
19.10 Cook County Higher Education Board to
19.11 provide educational programming and
19.12 academic support services to remote regions
19.13 in northeastern Minnesota. This appropriation
19.14 is in addition to other funds previously
19.15 appropriated to the board.

19.16 (bb) \$250,000 each year is from the workforce
19.17 development fund for a grant to Bridges to
19.18 Healthcare to provide career education,
19.19 wraparound support services, and job skills
19.20 training in high-demand health care fields to
19.21 low-income parents, nonnative speakers of
19.22 English, and other hard-to-train individuals,
19.23 helping families build secure pathways out of
19.24 poverty while also addressing worker
19.25 shortages in one of Minnesota's most
19.26 innovative industries. Funds may be used for
19.27 program expenses, including, but not limited
19.28 to, hiring instructors and navigators; space
19.29 rental; and supportive services to help
19.30 participants attend classes, including assistance
19.31 with course fees, child care, transportation,
19.32 and safe and stable housing. In addition, up to
19.33 five percent of grant funds may be used for
19.34 Bridges to Healthcare's administrative costs.

20.1 This is a onetime appropriation and is
20.2 available until June 30, 2020.

20.3 (cc) \$500,000 each year is from the workforce
20.4 development fund for a grant to the Nonprofits
20.5 Assistance Fund to provide capacity-building
20.6 grants to small, culturally specific
20.7 organizations that primarily serve historically
20.8 underserved cultural communities. Grants may
20.9 only be awarded to nonprofit organizations
20.10 that have an annual organizational budget of
20.11 less than \$500,000 and are culturally specific
20.12 organizations that primarily serve historically
20.13 underserved cultural communities. Grant funds
20.14 awarded must be used for:

20.15 (1) organizational infrastructure improvement,
20.16 including developing database management
20.17 systems and financial systems, or other
20.18 administrative needs that increase the
20.19 organization's ability to access new funding
20.20 sources;

20.21 (2) organizational workforce development,
20.22 including hiring culturally competent staff,
20.23 training and skills development, and other
20.24 methods of increasing staff capacity; or

20.25 (3) creation or expansion of partnerships with
20.26 existing organizations that have specialized
20.27 expertise in order to increase the capacity of
20.28 the grantee organization to improve services
20.29 for the community. Of this amount, up to five
20.30 percent may be used by the Nonprofits
20.31 Assistance Fund for administration costs and
20.32 providing technical assistance to potential
20.33 grantees. This is a onetime appropriation.

- 21.1 (dd) \$4,050,000 each year is from the
21.2 workforce development fund for the
21.3 Minnesota youth program under Minnesota
21.4 Statutes, sections 116L.56 and 116L.561.
- 21.5 (ee) \$1,000,000 each year is from the
21.6 workforce development fund for the
21.7 youthbuild program under Minnesota Statutes,
21.8 sections 116L.361 to 116L.366.
- 21.9 (ff) \$3,348,000 each year is from the
21.10 workforce development fund for the "Youth
21.11 at Work" youth workforce development
21.12 competitive grant program. Of this amount,
21.13 up to five percent is for administration and
21.14 monitoring of the youth workforce
21.15 development competitive grant program. All
21.16 grant awards shall be for two consecutive
21.17 years. Grants shall be awarded in the first year.
- 21.18 (gg) \$500,000 each year is from the workforce
21.19 development fund for the Opportunities
21.20 Industrialization Center programs.
- 21.21 (hh) \$750,000 each year is from the workforce
21.22 development fund for a grant to Summit
21.23 Academy OIC to expand its contextualized
21.24 GED and employment placement program.
21.25 This is a onetime appropriation.
- 21.26 (ii) \$500,000 each year is from the workforce
21.27 development fund for a grant to
21.28 Goodwill-Easter Seals Minnesota and its
21.29 partners. The grant shall be used to continue
21.30 the FATHER Project in Rochester, Park
21.31 Rapids, St. Cloud, Minneapolis, and the
21.32 surrounding areas to assist fathers in
21.33 overcoming barriers that prevent fathers from

22.1 supporting their children economically and
22.2 emotionally. This is a onetime appropriation.

22.3 (jj) \$150,000 each year is from the workforce
22.4 development fund for displaced homemaker
22.5 programs under Minnesota Statutes, section
22.6 116L.96. The commissioner, through the adult
22.7 career pathways program, shall distribute the
22.8 funds to existing nonprofit and state displaced
22.9 homemaker programs. This is a onetime
22.10 appropriation.

22.11 (kk)(1) \$150,000 in fiscal year 2018 is from
22.12 the workforce development fund for a grant
22.13 to Anoka County to develop and implement
22.14 a pilot program to increase competitive
22.15 employment opportunities for transition-age
22.16 youth ages 18 to 21.

22.17 (2) The competitive employment for
22.18 transition-age youth pilot program shall
22.19 include career guidance components, including
22.20 health and life skills, to encourage, train, and
22.21 assist transition-age youth in job-seeking
22.22 skills, workplace orientation, and job site
22.23 knowledge.

22.24 (3) In operating the pilot program, Anoka
22.25 County shall collaborate with schools,
22.26 disability providers, jobs and training
22.27 organizations, vocational rehabilitation
22.28 providers, and employers to build upon
22.29 opportunities and services, to prepare
22.30 transition-age youth for competitive
22.31 employment, and to enhance employer
22.32 connections that lead to employment for the
22.33 individuals served.

23.1 (4) Grant funds may be used to create an
 23.2 on-the-job training incentive to encourage
 23.3 employers to hire and train qualifying
 23.4 individuals. A participating employer may
 23.5 receive up to 50 percent of the wages paid to
 23.6 the employee as a cost reimbursement for
 23.7 on-the-job training provided.

23.8 (ll) \$500,000 each year is from the workforce
 23.9 development fund for rural career counseling
 23.10 coordinator positions in the workforce service
 23.11 areas and for the purposes specified in
 23.12 Minnesota Statutes, section 116L.667. The
 23.13 commissioner of employment and economic
 23.14 development, in consultation with local
 23.15 workforce investment boards and local elected
 23.16 officials in each of the service areas receiving
 23.17 funds, shall develop a method of distributing
 23.18 funds to provide equitable services across
 23.19 workforce service areas.

23.20 **Subd. 4. General Support Services** \$ 3,190,000 \$ 3,190,000

23.21	<u>Appropriations by Fund</u>		
23.22	<u>General Fund</u>	<u>\$3,173,000</u>	<u>\$3,173,000</u>
23.23	<u>Workforce</u>		
23.24	<u>Development</u>	<u>\$17,000</u>	<u>\$17,000</u>

23.25 (a) \$1,269,000 each year is for transfer to the
 23.26 Minnesota Housing Finance Agency for
 23.27 operating the Olmstead Compliance Office.

23.28 (b) \$500,000 each year is for a statewide
 23.29 capacity-building grant program. The
 23.30 commissioner of employment and economic
 23.31 development shall, through a request for
 23.32 proposal process, select a nonprofit
 23.33 organization to administer the
 23.34 capacity-building grant program. The selected
 23.35 organization must have demonstrated

24.1 experience in providing financial and technical
 24.2 assistance to nonprofit organizations statewide.
 24.3 The selected organization shall provide
 24.4 financial assistance in the form of subgrants
 24.5 and technical assistance to small to
 24.6 medium-sized nonprofit organizations
 24.7 offering, or seeking to offer, workforce or
 24.8 economic development programming that
 24.9 addresses economic disparities in underserved
 24.10 cultural communities. This assistance can be
 24.11 provided in-house or in partnership with other
 24.12 organizations depending on need. The
 24.13 nonprofit organization selected to administer
 24.14 the grant program shall report to the
 24.15 commissioner by February 1 each year
 24.16 regarding assistance provided, including the
 24.17 demographic and geographic distribution of
 24.18 the grant awards, services, and outcomes. By
 24.19 April 1 each year, the commissioner shall
 24.20 report the information submitted by the
 24.21 nonprofit to the legislative committees having
 24.22 jurisdiction over economic development
 24.23 issues. Of this amount, one percent is for the
 24.24 commissioner to conduct the request for
 24.25 proposal process and monitor the selected
 24.26 organization. The nonprofit selected to
 24.27 administer the grant program may use up to
 24.28 five percent of the grant funds for
 24.29 administration costs and providing technical
 24.30 assistance to potential subgrantees.
 24.31 **Subd. 5. Minnesota Trade Office**
 24.32 (a) \$300,000 each year is for the STEP grants
 24.33 in Minnesota Statutes, section 116J.979.

\$ 2,292,000 \$ 2,292,000

25.1 (b) \$180,000 each year is for the Invest
 25.2 Minnesota marketing initiative in Minnesota
 25.3 Statutes, section 116J.9781.

25.4 (c) \$270,000 each year is for the Minnesota
 25.5 Trade Offices under Minnesota Statutes,
 25.6 section 116J.978.

25.7 (d) \$50,000 each year is for the Trade Policy
 25.8 Advisory Council under Minnesota Statutes,
 25.9 section 116J.9661.

25.10	<u>Subd. 6. Vocational Rehabilitation</u>	<u>\$</u>	<u>31,191,000</u>	<u>\$</u>	<u>31,191,000</u>
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25.11	<u>Appropriations by Fund</u>				
25.12	<u>General</u>	<u>\$23,361,000</u>	<u>\$23,361,000</u>		
25.13	<u>Workforce</u>				
25.14	<u>Development</u>	<u>\$7,830,000</u>	<u>\$7,830,000</u>		

25.15 (a) \$10,800,000 each year is for the state's
 25.16 vocational rehabilitation program under
 25.17 Minnesota Statutes, chapter 268A.

25.18 (b) \$3,011,000 each year is for grants to
 25.19 centers for independent living under
 25.20 Minnesota Statutes, section 268A.11.

25.21 (c) \$6,995,000 each year is from the general
 25.22 fund and \$6,830,000 each year is from the
 25.23 workforce development fund for extended
 25.24 employment services for persons with severe
 25.25 disabilities under Minnesota Statutes, section
 25.26 268A.15. Of the general fund amount
 25.27 appropriated, \$500,000 each year is for rate
 25.28 increases to providers of extended employment
 25.29 services for persons with severe disabilities
 25.30 under Minnesota Statutes, section 268A.15.
 25.31 In fiscal year 2020 and beyond, the general
 25.32 fund base amount is \$8,995,000. Of the base
 25.33 amounts in fiscal years 2020 and 2021,
 25.34 \$1,625,000 in fiscal year 2020 and \$1,625,000
 25.35 in fiscal year 2021 are for rate increases to

26.1 providers of extended employment services
 26.2 for persons with severe disabilities under
 26.3 Minnesota Statutes, section 268A.15.

26.4 (d) \$2,555,000 each year is for grants to
 26.5 programs that provide employment support
 26.6 services to persons with mental illness under
 26.7 Minnesota Statutes, sections 268A.13 and
 26.8 268A.14.

26.9 (e) \$1,000,000 each year is from the workforce
 26.10 development fund for grants under Minnesota
 26.11 Statutes, section 268A.16, for employment
 26.12 services for persons, including transition-age
 26.13 youth, who are deaf, deafblind, or
 26.14 hard-of-hearing. If the amount in the first year
 26.15 is insufficient, the amount in the second year
 26.16 is available in the first year.

26.17 **Subd. 7. Services for the Blind** \$ 6,425,000 \$ 6,425,000

26.18 **Subd. 8. Broadband Development** \$ 15,250,000 \$ 250,000

26.19 (a) \$15,000,000 in fiscal year 2018 is for
 26.20 deposit in the border-to-border broadband fund
 26.21 account in the special revenue fund established
 26.22 under Minnesota Statutes, section 116J.396.

26.23 (b) \$250,000 each year is for the Broadband
 26.24 Development Office.

26.25 **Subd. 9. Reporting**

26.26 (a) An entity receiving a direct appropriation
 26.27 in this article that received a direct
 26.28 appropriation in Laws 2016, chapter 189,
 26.29 article 12, is subject to the requirements for
 26.30 grants to individually specified recipients
 26.31 under Laws 2016, chapter 189, article 12,
 26.32 section 11.

26.33 (b) Any recipient of a direct appropriation
 26.34 from the workforce development fund for

27.1 adult workforce-related programs under
27.2 subdivision 3 not subject to the requirements
27.3 of paragraph (a) is subject to the reporting
27.4 requirements under Minnesota Statutes,
27.5 section 116L.98.

27.6 **Subd. 10. Competitive Grant Limitations**

27.7 An organization that receives a direct
27.8 appropriation under this section is not eligible
27.9 to participate in competitive grant programs
27.10 funded under this section, either directly or by
27.11 receiving funds from a third party that received
27.12 a competitive grant under this section, during
27.13 the fiscal years in which the direct
27.14 appropriations are received.

27.15 **Sec. 3. HOUSING FINANCE AGENCY**

27.16 **Subdivision 1. Total Appropriation** **\$ 52,798,000 \$ 52,798,000**

27.17 The amounts that may be spent for each
27.18 purpose are specified in the following
27.19 subdivisions.

27.20 Unless otherwise specified, this appropriation
27.21 is for transfer to the housing development fund
27.22 for the programs specified in this section.

27.23 Except as otherwise indicated, this transfer is
27.24 part of the agency's permanent budget base.

27.25 **Subd. 2. Challenge Program** **14,925,000** **14,925,000**

27.26 (a)(1) This appropriation is for the economic
27.27 development and housing challenge program
27.28 under Minnesota Statutes, section 462A.33.

27.29 The agency must continue to strengthen its
27.30 efforts to address the disparity rate between
27.31 white households and indigenous American
27.32 Indians and communities of color. Of this
27.33 amount, \$1,208,000 each year shall be made

28.1 available during the first 11 months of the
 28.2 fiscal year exclusively for housing projects
 28.3 for American Indians. Any funds not
 28.4 committed to housing projects for American
 28.5 Indians in the first 11 months of each fiscal
 28.6 year shall be available for any eligible activity
 28.7 under Minnesota Statutes, section 462A.33.

28.8 (2) The appropriation may be used to finance
 28.9 the construction or replacement of real
 28.10 property that is located in Melrose affected by
 28.11 the fire on September 8, 2016.

28.12 (3) The commissioner may allocate a portion
 28.13 of the appropriation for the economic
 28.14 development and housing challenge program
 28.15 for assistance in the area included in DR-4290,
 28.16 as provided in Minnesota Statutes, section
 28.17 12A.09. The maximum loan amount per
 28.18 housing structure is \$20,000. Within the limits
 28.19 of available appropriations, the agency may
 28.20 increase the maximum amount if the cost of
 28.21 repair or replacement of the residential
 28.22 property exceeds the total of the maximum
 28.23 loan amount and any assistance available from
 28.24 FEMA, other federal government agencies,
 28.25 including the Small Business Administration,
 28.26 and private insurance and flood insurance
 28.27 benefits.

28.28 (b) \$2,000,000 each year is for the purposes
 28.29 of the workforce housing development
 28.30 program under Minnesota Statutes, section
 28.31 462A.39. Notwithstanding article 11, section
 28.32 9, the commissioner of housing finance may
 28.33 hire staff sufficient for the purposes of this
 28.34 paragraph.

28.35 Subd. 3. **Housing Trust Fund**

11,646,000

11,646,000

29.1	<u>This appropriation is for deposit in the housing</u>		
29.2	<u>fund account created under Minnesota</u>		
29.3	<u>Statutes, section 462A.201, and may be used</u>		
29.4	<u>for the purposes provided in that section.</u>		
29.5	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>4,088,000</u>	<u>4,088,000</u>
29.6	<u>This appropriation is for the rental housing</u>		
29.7	<u>assistance program for persons with a mental</u>		
29.8	<u>illness or families with an adult member with</u>		
29.9	<u>a mental illness, under Minnesota Statutes,</u>		
29.10	<u>section 462A.2097. Among comparable</u>		
29.11	<u>proposals, the agency shall prioritize those</u>		
29.12	<u>proposals that target, in part, eligible persons</u>		
29.13	<u>who desire to move to more integrated,</u>		
29.14	<u>community-based settings.</u>		
29.15	<u>Subd. 5. Family Homeless Prevention</u>	<u>8,519,000</u>	<u>8,519,000</u>
29.16	<u>This appropriation is for the family homeless</u>		
29.17	<u>prevention and assistance programs under</u>		
29.18	<u>Minnesota Statutes, section 462A.204.</u>		
29.19	<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
29.20	<u>This appropriation is for the home ownership</u>		
29.21	<u>assistance program under Minnesota Statutes,</u>		
29.22	<u>section 462A.21, subdivision 8. The agency</u>		
29.23	<u>shall continue to strengthen its efforts to</u>		
29.24	<u>address the disparity gap in the</u>		
29.25	<u>homeownership rate between white</u>		
29.26	<u>households and indigenous American Indians</u>		
29.27	<u>and communities of color.</u>		
29.28	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
29.29	<u>(a) This appropriation is for the affordable</u>		
29.30	<u>rental investment fund program under</u>		
29.31	<u>Minnesota Statutes, section 462A.21,</u>		
29.32	<u>subdivision 8b, to finance the acquisition,</u>		
29.33	<u>rehabilitation, and debt restructuring of</u>		
29.34	<u>federally assisted rental property and for</u>		

30.1 making equity take-out loans under Minnesota
30.2 Statutes, section 462A.05, subdivision 39.

30.3 (b) The owner of federally assisted rental
30.4 property must agree to participate in the
30.5 applicable federally assisted housing program
30.6 and to extend any existing low-income
30.7 affordability restrictions on the housing for
30.8 the maximum term permitted. The owner must
30.9 also enter into an agreement that gives local
30.10 units of government, housing and
30.11 redevelopment authorities, and nonprofit
30.12 housing organizations the right of first refusal
30.13 if the rental property is offered for sale.

30.14 Priority must be given among comparable
30.15 federally assisted rental properties to
30.16 properties with the longest remaining term
30.17 under an agreement for federal assistance.

30.18 Priority must also be given among comparable
30.19 rental housing developments to developments
30.20 that are or will be owned by local government
30.21 units, a housing and redevelopment authority,
30.22 or a nonprofit housing organization.

30.23 (c) The appropriation also may be used to
30.24 finance the acquisition, rehabilitation, and debt
30.25 restructuring of existing supportive housing
30.26 properties. For purposes of this subdivision,
30.27 "supportive housing" means affordable rental
30.28 housing with links to services necessary for
30.29 individuals, youth, and families with children
30.30 to maintain housing stability.

30.31 Subd. 8. **Housing Rehabilitation** 6,515,000 6,515,000

30.32 This appropriation is for the housing
30.33 rehabilitation program under Minnesota
30.34 Statutes, section 462A.05, subdivision 14. Of
30.35 this amount, \$2,772,000 each year is for the

31.1	<u>rehabilitation of owner-occupied housing,</u>		
31.2	<u>\$3,743,000 each year is for the rehabilitation</u>		
31.3	<u>of eligible rental housing. In administering a</u>		
31.4	<u>rehabilitation program for rental housing, the</u>		
31.5	<u>agency may apply the processes and priorities</u>		
31.6	<u>adopted for administration of the economic</u>		
31.7	<u>development and housing challenge program</u>		
31.8	<u>under Minnesota Statutes, section 462A.33.</u>		
31.9	<u>Subd. 9. Homeownership Education, Counseling,</u>		
31.10	<u>and Training</u>	<u>857,000</u>	<u>857,000</u>
31.11	<u>This appropriation is for the homeownership</u>		
31.12	<u>education, counseling, and training program</u>		
31.13	<u>under Minnesota Statutes, section 462A.209.</u>		
31.14	<u>Priority may be given to funding programs</u>		
31.15	<u>that are aimed at culturally specific groups</u>		
31.16	<u>who are providing services to members of their</u>		
31.17	<u>communities.</u>		
31.18	<u>Subd. 10. Capacity Building Grants</u>	<u>645,000</u>	<u>645,000</u>
31.19	<u>This appropriation is for nonprofit capacity</u>		
31.20	<u>building grants under Minnesota Statutes,</u>		
31.21	<u>section 462A.21, subdivision 3b. Of this</u>		
31.22	<u>amount, \$125,000 each year is for support of</u>		
31.23	<u>the Homeless Management Information</u>		
31.24	<u>System (HMIS).</u>		
31.25	<u>Subd. 11. Build Wealth MN</u>	<u>500,000</u>	<u>500,000</u>
31.26	<u>This appropriation is for grants to Build</u>		
31.27	<u>Wealth MN to provide a family stabilization</u>		
31.28	<u>plan program including program outreach,</u>		
31.29	<u>financial literacy education, and budget and</u>		
31.30	<u>debt counseling.</u>		
31.31	<u>Sec. 4. DEPARTMENT OF LABOR AND</u>		
31.32	<u>INDUSTRY</u>		
31.33	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 28,309,000</u>	<u>\$ 28,609,000</u>
31.34	<u>Appropriations by Fund</u>		

32.1	<u>2018</u>	<u>2019</u>		
32.2	<u>1,327,000</u>	<u>1,327,000</u>		
32.3				
32.4	<u>24,975,000</u>	<u>24,975,000</u>		
32.5				
32.6	<u>2,007,000</u>	<u>2,307,000</u>		
32.7				
32.8				
32.9				
32.10				
32.11				
32.12				
32.13				
32.14				
32.15				
32.16				
32.17				
32.18				
32.19				
32.20				
32.21				
32.22				
32.23				
32.24				
32.25				
32.26				
32.27				
32.28				
32.29				
32.30				
32.31				
32.32			<u>14,782,000</u>	<u>14,782,000</u>
32.33				
32.34				

33.1 (b)(1) \$3,000,000 each year is for workers'
 33.2 compensation system upgrades. This amount
 33.3 is available until June 30, 2021. This is a
 33.4 onetime appropriation.

33.5 (2) This appropriation includes funds for
 33.6 information technology project services and
 33.7 support subject to the provisions of Minnesota
 33.8 Statutes, section 16E.0466. Any ongoing
 33.9 information technology costs must be
 33.10 incorporated into the service level agreement
 33.11 and must be paid to the Office of MN.IT
 33.12 Services by the commissioner of labor and
 33.13 industry under the rates and mechanism
 33.14 specified in that agreement.

33.15 <u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>3,134,000</u>	<u>3,134,000</u>
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33.16 <u>Appropriations by Fund</u>		
33.17 <u>General</u>	<u>1,327,000</u>	<u>1,327,000</u>
33.18 <u>Workforce</u>		
33.19 <u>Development</u>	<u>1,807,000</u>	<u>1,807,000</u>

33.20 (a) \$125,000 each year is from the general
 33.21 fund for wage theft prevention under the
 33.22 division of labor standards.

33.23 (b) \$100,000 each year is from the workforce
 33.24 development fund for labor education and
 33.25 advancement program grants under Minnesota
 33.26 Statutes, section 178.11, to expand and
 33.27 promote registered apprenticeship training for
 33.28 minorities and women.

33.29 (c) \$300,000 each year is from the workforce
 33.30 development fund for the PIPELINE program.

33.31 (d) \$200,000 each year is from the workforce
 33.32 development fund for grants to the
 33.33 Construction Careers Foundation for the
 33.34 Helmets to Hardhats Minnesota initiative.
 33.35 Grant funds must be used to recruit, retain,

34.1 assist, and support National Guard, reserve,
 34.2 and active duty military members' and
 34.3 veterans' participation into apprenticeship
 34.4 programs registered with the Department of
 34.5 Labor and Industry and connect them with
 34.6 career training and employment in the building
 34.7 and construction industry. The recruitment,
 34.8 selection, employment, and training must be
 34.9 without discrimination due to race, color,
 34.10 creed, religion, national origin, sex, sexual
 34.11 orientation, marital status, physical or mental
 34.12 disability, receipt of public assistance, or age.
 34.13 This is a onetime appropriation.

34.14 (e) \$1,029,000 each year is from the workforce
 34.15 development fund for the apprenticeship
 34.16 program under Minnesota Statutes, chapter
 34.17 178.

34.18 (f) \$150,000 each year is from the workforce
 34.19 development fund for prevailing wage
 34.20 enforcement.

34.21 **Subd. 4. Workplace Safety** 4,154,000 4,154,000

34.22 This appropriation is from the workers'
 34.23 compensation fund.

34.24 **Subd. 5. General Support** 6,239,000 6,539,000

34.25 Appropriations by Fund

34.26 <u>Workforce</u>		
34.27 <u>Development Fund</u>	<u>200,000</u>	<u>500,000</u>
34.28 <u>Workers'</u>		
34.29 <u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>

34.30 (a) Except as provided in paragraphs (b) and
 34.31 (c), this appropriation is from the workers'
 34.32 compensation fund.

34.33 (b) \$200,000 in fiscal year 2018 is from the
 34.34 workforce development fund for the
 34.35 commissioner of labor and industry to convene

35.1 and collaborate with stakeholders as provided
 35.2 under Minnesota Statutes, section 175.46,
 35.3 subdivision 3, and to develop youth skills
 35.4 training competencies for approved
 35.5 occupations. This is a onetime appropriation.
 35.6 (c) \$500,000 in fiscal year 2019 is from the
 35.7 workforce development fund to administer the
 35.8 youth skills training program under Minnesota
 35.9 Statutes, section 175.46. The commissioner
 35.10 shall award up to five grants each year to local
 35.11 partnerships located throughout the state, not
 35.12 to exceed \$100,000 per local partnership grant.
 35.13 The commissioner may use a portion of this
 35.14 appropriation for administration of the grant
 35.15 program. The base amount for this program
 35.16 is \$500,000 each year beginning in fiscal year
 35.17 2020.

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

35.19 (a) Notwithstanding Minnesota Statutes,
 35.20 section 16A.285, the commissioner of
 35.21 mediation services must not allow transfers
 35.22 of money appropriated in this section between
 35.23 divisions or programs of the Bureau of
 35.24 Mediation Services.

35.25 (b) Notwithstanding Minnesota Statutes,
 35.26 section 16B.37, subdivision 4, the
 35.27 commissioner of mediation services must not
 35.28 allow billing between divisions or programs
 35.29 within the Bureau of Mediation Services, or
 35.30 otherwise use any "Internal Billing
 35.31 Expenditures."

35.32 (c) Notwithstanding Minnesota Statutes,
 35.33 section 16B.37, subdivision 4, and Minnesota
 35.34 Statutes, section 471.59, except for work

36.1 performed by MN.IT under Minnesota
 36.2 Statutes, chapter 16E, the commissioner of
 36.3 mediation services must not allow billing or
 36.4 transfers between other executive branch
 36.5 agencies or departments and the Bureau of
 36.6 Mediation Services.

36.7 (d) \$394,000 each year is for the Office of
 36.8 Collaboration and Dispute Resolution under
 36.9 Minnesota Statutes, section 179.90.

36.10 (e) \$68,000 each year is from the general fund
 36.11 for grants to area labor management
 36.12 committees. Grants may be awarded for a
 36.13 12-month period beginning July 1 each year.
 36.14 Any unencumbered balance remaining at the
 36.15 end of the first year does not cancel but is
 36.16 available for the second year.

36.17 **Sec. 6. WORKERS' COMPENSATION COURT**
 36.18 **OF APPEALS** \$ **1,913,000** \$ **1,913,000**

36.19 This appropriation is from the workers'
 36.20 compensation fund.

36.21 **Sec. 7. DEPARTMENT OF COMMERCE**

36.22 **Subdivision 1. Total Appropriation** \$ **31,173,000** \$ **30,684,000**

36.23 Appropriations by Fund

36.24 General 27,160,000 26,671,000

36.25 Special Revenue 2,210,000 2,210,000

36.26 Petroleum Tank 1,052,000 1,052,000

36.27 Workers'
 36.28 Compensation 751,000 751,000

36.29 (a) The amounts that may be spent for each
 36.30 purpose are specified in the following
 36.31 subdivisions.

36.32 (b) Notwithstanding Minnesota Statutes,
 36.33 section 16A.285, the commissioner of

37.1 commerce must not allow transfers of money
 37.2 appropriated in this section between divisions
 37.3 or programs of the Department of Commerce.

37.4 (c) Notwithstanding Minnesota Statutes,
 37.5 section 16B.37, subdivision 4, the
 37.6 commissioner of commerce must not allow
 37.7 billing between divisions or programs within
 37.8 the Department of Commerce, or otherwise
 37.9 use any "Internal Billing Expenditures."

37.10 (d) Notwithstanding Minnesota Statutes,
 37.11 section 16B.37, subdivision 4, and Minnesota
 37.12 Statutes, section 471.59, except for work
 37.13 performed by MN.IT under Minnesota
 37.14 Statutes, chapter 16E, the commissioner of
 37.15 commerce must not allow billing or transfers
 37.16 between other executive branch agencies or
 37.17 departments and the Department of
 37.18 Commerce.

37.19 **Subd. 2. Financial Institutions** 5,285,000 5,285,000

37.20 (a) \$400,000 each year is for grants to Prepare
 37.21 and Prosper for purposes of developing,
 37.22 marketing, evaluating, and distributing a
 37.23 financial services inclusion program that will
 37.24 assist low-income and financially underserved
 37.25 populations build savings, strengthen credit,
 37.26 and provide services to assist them in being
 37.27 more financially stable and secure. Grants in
 37.28 fiscal year 2018 must be matched by nonstate
 37.29 contributions. Money remaining after the first
 37.30 year is available for the second year.

37.31 **Subd. 3. Petroleum Tank Release Compensation**
 37.32 **Board** 1,052,000 1,052,000

37.33 This appropriation is from the petroleum tank
 37.34 fund.

37.35 **Subd. 4. Administrative Services** 7,203,000 7,203,000

38.1 (a) \$375,000 each year is to fund Minnesota
 38.2 Statutes, section 345.42, subdivision 1a.

38.3 (b) \$100,000 each year is for the support of
 38.4 broadband development.

38.5 (c) \$33,000 each year is for rulemaking and
 38.6 administration under Minnesota Statutes,
 38.7 section 80A.461.

38.8 **Subd. 5. Telecommunications** 2,619,000 2,330,000

38.9 Appropriations by Fund

38.10 General 1,009,000 720,000

38.11 Special Revenue 1,610,000 1,610,000

38.12 (a) For the general fund appropriations under
 38.13 this subdivision, the base amount in fiscal year
 38.14 2020 is \$576,000, and the base amount in
 38.15 fiscal year 2021 is \$461,000.

38.16 (b) \$1,610,000 each year is from the
 38.17 telecommunication access Minnesota fund
 38.18 account in the special revenue fund for the
 38.19 following transfers. This appropriation is
 38.20 added to the department's base.

38.21 (1) \$1,170,000 each year is to the
 38.22 commissioner of human services to
 38.23 supplement the ongoing operational expenses
 38.24 of the Commission of Deaf, DeafBlind, and
 38.25 Hard-of-Hearing Minnesotans;

38.26 (2) \$290,000 each year is to the chief
 38.27 information officer for the purpose of
 38.28 coordinating technology accessibility and
 38.29 usability;

38.30 (3) \$100,000 each year is to the Legislative
 38.31 Coordinating Commission for captioning of
 38.32 legislative coverage. This transfer is subject
 38.33 to Minnesota Statutes, section 16A.281; and

39.1 (4) \$50,000 each year is to the Office of
 39.2 MN.IT Services for a consolidated access fund
 39.3 to provide grants to other state agencies related
 39.4 to accessibility of their Web-based services.

39.5 **Subd. 6. Enforcement** 5,299,000 5,099,000

39.6	<u>Appropriations by Fund</u>		
39.7	<u>General</u>	<u>5,101,000</u>	<u>4,901,000</u>
39.8	<u>Workers'</u>		
39.9	<u>Compensation</u>	<u>198,000</u>	<u>198,000</u>

39.10 (a) \$279,000 each year is for health care
 39.11 enforcement.

39.12 (b)(1) \$200,000 in fiscal year 2018 is to create
 39.13 and execute a statewide education and
 39.14 outreach campaign to protect seniors, meaning
 39.15 those 60 years of age or older, vulnerable
 39.16 adults, as defined in Minnesota Statutes,
 39.17 section 626.5572, subdivision 21, and their
 39.18 caregivers from financial fraud and
 39.19 exploitation.

39.20 (2) The education and outreach campaign must
 39.21 be statewide, and must include, but is not
 39.22 limited to, the dissemination of information
 39.23 through television, print, or other media,
 39.24 training and outreach to senior living facilities,
 39.25 and the creation of a senior fraud toolkit.

39.26 (3) The commissioner of commerce shall
 39.27 report by January 15, 2018, to the chairs and
 39.28 ranking minority members of the committees
 39.29 of the house of representatives and senate
 39.30 having jurisdiction over commerce issues
 39.31 regarding the results of the statewide education
 39.32 and outreach campaign, and recommendations
 39.33 for supporting ongoing efforts to prevent
 39.34 financial fraud from occurring to, and the

40.1 financial exploitation of, seniors, vulnerable
 40.2 adults, and their caregivers.

40.3 (c) The revenue transferred in Minnesota
 40.4 Statutes, section 297I.11, subdivision 2, to the
 40.5 insurance fraud prevention account must be
 40.6 used in part for compensation for two new
 40.7 employees in the Commerce Fraud Bureau to
 40.8 perform analytical duties. The new employees
 40.9 must not be peace officers.

40.10 Subd. 7. Energy Resources 4,847,000 4,847,000

40.11	<u>Appropriations by Fund</u>		
40.12	<u>General</u>	<u>4,247,000</u>	<u>4,247,000</u>
40.13	<u>Special Revenue</u>	<u>600,000</u>	<u>600,000</u>

40.14 (a) \$150,000 each year is to remediate
 40.15 vermiculate insulation from households that
 40.16 are eligible for weatherization assistance under
 40.17 Minnesota's weatherization assistance program
 40.18 state plan under Minnesota Statutes, section
 40.19 216C.264. Remediation must be done in
 40.20 conjunction with federal weatherization
 40.21 assistance program services.

40.22 (b) \$832,000 each year is for energy regulation
 40.23 and planning unit staff.

40.24 (c) \$100,000 each year is from the clean
 40.25 energy advancement fund (C-LEAF) account
 40.26 in the special revenue fund established in
 40.27 Minnesota Statutes, section 116C.779,
 40.28 subdivision 1, to administer the "Made in
 40.29 Minnesota" solar energy production incentive
 40.30 program in Minnesota Statutes, section
 40.31 216C.417. Any remaining unspent funds
 40.32 cancel back to the C-LEAF account at the end
 40.33 of the biennium.

41.1 (d) \$500,000 each year is from the clean
 41.2 energy advancement fund (C-LEAF) account
 41.3 in the special revenue fund established in
 41.4 Minnesota Statutes, section 116C.779,
 41.5 subdivision 1, for costs associated with any
 41.6 third-party expert evaluation of a proposal
 41.7 submitted in response to a request for proposal
 41.8 to the C-LEAF advisory group under
 41.9 Minnesota Statutes, section 116C.779,
 41.10 subdivision 1, paragraph (k). No portion of
 41.11 this appropriation may be expended or retained
 41.12 by the commissioner of commerce. Any funds
 41.13 appropriated under this paragraph that are
 41.14 unexpended at the end of a fiscal year cancel
 41.15 to the C-LEAF account

41.16 **Subd. 8. Insurance** 4,868,000 4,868,000

41.17	<u>Appropriations by Fund</u>		
41.18	<u>General</u>	<u>4,315,000</u>	<u>4,315,000</u>
41.19	<u>Workers'</u>		
41.20	<u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

41.21 (a) \$642,000 each year is for health insurance
 41.22 rate review staffing.

41.23 (b) \$412,000 each year is for actuarial work
 41.24 to prepare for implementation of
 41.25 principle-based reserves.

41.26 **Sec. 8. PUBLIC UTILITIES COMMISSION** \$ 7,242,000 \$ 6,930,000

41.27 (a) For the general fund appropriations under
 41.28 this section, the base amount in fiscal year
 41.29 2020 is \$6,774,000, and the base amount in
 41.30 fiscal year 2021 is \$6,649,000.

41.31 (b) Notwithstanding Minnesota Statutes,
 41.32 section 16A.285, the Public Utilities
 41.33 Commission and its members must not allow
 41.34 transfers of money appropriated in this section

42.1 between divisions or programs of the Public
 42.2 Utilities Commission.

42.3 (c) Notwithstanding Minnesota Statutes,
 42.4 section 16B.37, subdivision 4, the Public
 42.5 Utilities Commission and its members must
 42.6 not allow billing between divisions or
 42.7 programs within the Public Utilities
 42.8 Commission, or otherwise use any "Internal
 42.9 Billing Expenditures."

42.10 (d) Notwithstanding Minnesota Statutes,
 42.11 section 16B.37, subdivision 4, and section
 42.12 471.59, or any other law to the contrary,
 42.13 except for work performed by MN.IT, under
 42.14 Minnesota Statutes, chapter 16E, the Public
 42.15 Utilities Commission and its members must
 42.16 not allow billing or transfers between other
 42.17 executive branch agencies or departments and
 42.18 the Public Utilities Commission.

42.19 (e) \$21,000 each year is for the purposes of
 42.20 Minnesota Statutes, section 237.045.

42.21 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ 900,000 \$ 0**

42.22 (a) \$300,000 in fiscal year 2018 is for a grant
 42.23 to the city of New Trier to replace water
 42.24 infrastructure under Hogan Avenue, including
 42.25 related road reconstruction, and to acquire land
 42.26 for predesign, design, and construction of a
 42.27 storm water pond that will be colocated with
 42.28 the pond of the new subdivision. This
 42.29 appropriation does not require a nonstate
 42.30 contribution.

42.31 (b) \$600,000 in fiscal year 2018 is for a grant
 42.32 to the Ramsey/Washington Recycling and
 42.33 Energy Board to design, construct, and equip
 42.34 capital improvements to the

43.1 Ramsey/Washington Recycling and Energy
 43.2 Center in Newport.

43.3 **ARTICLE 2**

43.4 **LABOR AND INDUSTRY**

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

43.6 **175.45 ~~COMPETENCY STANDARDS FOR DUAL TRAINING.~~**

43.7 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene
 43.8 industry representatives, identify occupational competency standards for dual training, and
 43.9 provide technical assistance to develop dual-training programs. ~~The goal of dual training~~
 43.10 ~~is to provide employees of an employer with training to acquire competencies that the~~
 43.11 ~~employer requires.~~ The competency standards shall be identified for employment in
 43.12 occupations in advanced manufacturing, health care services, information technology, and
 43.13 agriculture. Competency standards are not rules and are exempt from the rulemaking
 43.14 provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do
 43.15 not apply.

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

43.18 (1) "competency standards" means the specific knowledge and skills necessary for a
 43.19 particular occupation-; and

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

43.23 Subd. 3. **Competency standards identification process.** In identifying competency
 43.24 standards, the commissioner shall consult with the commissioner of the Office of Higher
 43.25 Education and the commissioner of employment and economic development and convene
 43.26 recognized industry experts, representative employers, higher education institutions,
 43.27 representatives of the disabled community, and representatives of labor to assist in identifying
 43.28 credible competency standards. Competency standards must be consistent with, to the extent
 43.29 available and practical, recognized international and national standards.

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

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

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

44.2 ~~(2)~~ (3) verify the competency standards and skill levels and their transferability by subject
44.3 matter expert representatives of each respective industry;

44.4 ~~(3)~~ (4) develop models for Minnesota educational institutions to engage in providing
44.5 education and training to meet the competency standards established;

44.6 ~~(4)~~ (5) encourage participation by employers and labor in the competency standard
44.7 identification process for occupations in their industry; ~~and~~

44.8 ~~(5)~~ (6) align ~~dual-training competency standards~~ dual-training programs with other
44.9 workforce initiatives; and

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

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

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

44.17 Subdivision 1. **Program established; grants authorized.** The commissioner shall
44.18 approve youth skills training programs established for the purpose of providing work-based
44.19 skills training for student learners ages 16 and older. The commissioner shall award grants
44.20 to local partnerships for the implementation and coordination of local youth skills training
44.21 programs as provided in this section.

44.22 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
44.23 the meanings given.

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

44.25 (c) "Local partnership" means a school district, nonpublic school, intermediate school
44.26 district, or postsecondary institution, in partnership with other school districts, nonpublic
44.27 schools, intermediate school districts, postsecondary institutions, workforce development
44.28 authorities, economic development authorities, nonprofit organizations, labor unions, or
44.29 individuals who have an agreement with one or more local employers to be responsible for
44.30 implementing and coordinating a local youth skills training program.

44.31 (d) "Student learner" means a student who is both enrolled in a course of study at a public
44.32 or nonpublic school to obtain related instruction for academic credit and is employed under

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

45.3 (e) "Commissioner" means the commissioner of labor and industry.

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

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

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

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

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

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

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

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

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

45.19 (3) issue requests for proposals for grants;

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

45.22 (5) develop model program guides;

45.23 (6) monitor youth skills training programs;

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

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

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

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

46.1 programs, and identifying and approving occupations and competencies for youth skills
46.2 training programs.

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

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

46.13 (1) all provisions of subdivision 3 have not been met in the previous year; or

46.14 (2) reasonable precautions have not been observed for the safety of minors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47.24 (2) recruiting students to participate in the local youth skills training program, monitoring
 47.25 the progress of student learners participating in the program, and monitoring program
 47.26 outcomes;

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

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

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

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

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

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

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

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

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

48.18 (1) the number of student learners who commenced the training program and the number
48.19 who completed the training program; and

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

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

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

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

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

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

49.4	License Classification	License Duration	
49.5		1 year	2 years
49.6	Entry level	\$10	\$20
49.7	Journeyworker	\$20	\$40
49.8	Master	\$40	\$80
49.9	Business		\$180

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

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

49.18 (f) If the application is for the renewal of a license issued under sections 326B.802 to
 49.19 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision
 49.20 3, and any additional assessment required under section 326B.89, subdivision 16, must be
 49.21 included in the license renewal fee.

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

49.24	License Classification	License Duration	
49.25		1 year	2 years
49.26	Entry level	\$10	\$20
49.27			\$35
49.28	Journeyworker	\$15	<u>\$30</u>
49.29			\$75
49.30	Master	\$30	<u>\$60</u>
49.31			\$160
49.32	Business		<u>\$120</u>

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

50.1 Sec. 4. [326B.108] PLACES OF PUBLIC ACCOMMODATION SUBJECT TO
 50.2 CODE.

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

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

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

50.13 Subd. 4. Fire protection systems. If fire protection systems regulated by chapter 299M
 50.14 are required in a place of public accommodation, then those plan reviews and inspections
 50.15 shall be conducted by the state fire marshal.

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

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

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

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

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

50.23 (1) \$1 to \$500, ~~\$29.50~~ \$21;

50.24 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
 50.25 or fraction thereof, to and including \$2,000;

50.26 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
 50.27 additional \$1,000 or fraction thereof, to and including \$25,000;

50.28 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
 50.29 additional \$1,000 or fraction thereof, to and including \$50,000;

50.30 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
 50.31 each additional \$1,000 or fraction thereof, to and including \$100,000;

51.1 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
 51.2 each additional \$1,000 or fraction thereof, to and including \$500,000;

51.3 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
 51.4 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

51.5 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
 51.6 for each additional \$1,000 or fraction thereof.

51.7 (c) Other inspections and fees are:

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

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

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

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

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

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

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

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

51.24 (1) zero watts to and including 100,000 watts, \$80;

51.25 (2) 100,001 watts to and including 500,000 watts, \$105;

51.26 (3) 500,001 watts to and including 1,000,000 watts, \$120;

51.27 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

51.28 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

51.29 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

51.30 (7) 3,000,001 watts and larger, \$160.

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

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

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

52.7 (1) zero watts to and including 5,000 watts, \$60;

52.8 (2) 5,001 watts to and including 10,000 watts, \$100;

52.9 (3) 10,001 watts to and including 20,000 watts, \$150;

52.10 (4) 20,001 watts to and including 30,000 watts, \$200;

52.11 (5) 30,001 watts to and including 40,000 watts, \$250;

52.12 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional
 52.13 10,000 watts over 40,000 watts;

52.14 (7) 1,000,001 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts
 52.15 over 1,000,000 watts; and

52.16 (8) 5,000,001 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over
 52.17 5,000,000 watts.

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

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

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

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

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

52.27 (3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code
 52.28 amendments thereto. The Plumbing Code shall include the minimum standards described
 52.29 in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the

53.1 Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in
53.2 subdivision 6, paragraphs (b), (c), and (d);

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

53.5 (5) adopt rules that regulate the licensure, certification, or registration of plumbing
53.6 contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers,
53.7 restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and
53.8 testers, water conditioning contractors, and water conditioning installers, and other persons
53.9 engaged in the design, installation, and alteration of plumbing systems or engaged in or
53.10 working at the business of water conditioning installation or service, or engaged in or
53.11 working at the business of medical gas system installation, maintenance, or repair, except
53.12 for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall
53.13 adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e)
53.14 and (f);

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

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

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

53.27 (9) approve license reciprocity agreements;

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

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

53.31 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the
53.32 Board of High Pressure Piping Systems, the commissioner of labor and industry shall

54.1 administer and enforce the provisions of this chapter and any rules promulgated pursuant
54.2 thereto.

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

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

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

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

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

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

54.22 (i) a valve that allows isolation of the water conditioning installation;

54.23 (ii) piping greater than two-inch nominal pipe size; or

54.24 (iii) a direct connection without an air gap to a soil or waste pipe.

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

54.27 Subd. 5. **Direct supervision.** "Direct supervision," with respect to direct supervision of
54.28 a registered unlicensed individual, means that:

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

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

55.3 (3) any form of electronic supervision does not meet the requirement of being physically
 55.4 present;

55.5 (4) the direct supervisor reviews the water conditioning installation work performed by
 55.6 the registered unlicensed individual before the water conditioning installation is operated;
 55.7 and

55.8 (5) the direct supervisor determines that all water conditioning installation work
 55.9 performed by the registered unlicensed individual is performed in compliance with sections
 55.10 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,
 55.11 and all orders issued under section 326B.082.

55.12 Sec. 11. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision
 55.13 to read:

55.14 Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman
 55.15 plumber, restricted master plumber, restricted journeyman plumber, water conditioning
 55.16 master, or water conditioning journeyman responsible for providing direct supervision of
 55.17 a registered unlicensed individual.

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

55.19 Subd. 2. **Qualifications for licensing.** (a) A water conditioning master license shall be
 55.20 issued only to an individual who has demonstrated skill in planning, superintending, ~~and~~
 55.21 servicing, and installing water conditioning installations, and has successfully passed the
 55.22 examination for water conditioning masters. A water conditioning journeyman license shall
 55.23 only be issued to an individual other than a water conditioning master who has demonstrated
 55.24 practical knowledge of water conditioning installation, and has successfully passed the
 55.25 examination for water conditioning journeymen. A water conditioning journeyman must
 55.26 successfully pass the examination for water conditioning masters before being licensed as
 55.27 a water conditioning master.

55.28 (b) Each water conditioning contractor must designate a responsible licensed master
 55.29 plumber or a responsible licensed water conditioning master, who shall be responsible for
 55.30 the performance of all water conditioning installation and servicing in accordance with the
 55.31 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to
 55.32 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If

56.1 the water conditioning contractor is an individual or sole proprietorship, the responsible
56.2 licensed master must be the individual, proprietor, or managing employee. If the water
56.3 conditioning contractor is a partnership, the responsible licensed master must be a general
56.4 partner or managing employee. If the water conditioning contractor is a limited liability
56.5 company, the responsible licensed master must be a chief manager or managing employee.
56.6 If the water conditioning contractor is a corporation, the responsible licensed master must
56.7 be an officer or managing employee. If the responsible licensed master is a managing
56.8 employee, the responsible licensed master must be actively engaged in performing water
56.9 conditioning work on behalf of the water conditioning contractor and cannot be employed
56.10 in any capacity as a water conditioning master or water conditioning journeyman for any
56.11 other water conditioning contractor. An individual must not be the responsible licensed
56.12 master for more than one water conditioning contractor.

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

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

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

56.19 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under
56.20 section 326B.47 is authorized to assist in water conditioning installation and water
56.21 conditioning servicing only while under the direct supervision of a master plumber,
56.22 journeyman plumber, restricted master plumber, restricted journeyman plumber, water
56.23 conditioning master, or water conditioning journeyman. The master or journeyman is
56.24 responsible for ensuring that all water conditioning work performed by the plumber's
56.25 apprentice complies with the plumbing code and rules adopted under sections 326B.50 to
56.26 326B.59. The supervising master or journeyman must be licensed and must be employed
56.27 by the same employer as the plumber's apprentice. Licensed individuals shall not permit
56.28 plumber's apprentices to perform water conditioning work except under the direct supervision
56.29 of an individual actually licensed to perform such work. Plumber's apprentices shall not
56.30 supervise the performance of plumbing work or make assignments of plumbing work to
56.31 unlicensed individuals.

56.32 (b) Water conditioning contractors employing plumber's apprentices to perform water
56.33 conditioning work shall maintain records establishing compliance with this subdivision that

57.1 shall identify all plumber's apprentices performing water conditioning work, and shall permit
57.2 the department to examine and copy all such records.

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

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

57.6 (b) A registered unlicensed individual is authorized to assist in water conditioning
57.7 installations in a single family residential unit only when a master plumber, journeyman
57.8 plumber, restricted master plumber, restricted journeyman plumber, water conditioning
57.9 master, or water conditioning journeyman is available and responsible for ensuring that all
57.10 water conditioning installation work performed by the unlicensed individual complies with
57.11 the applicable provisions of the plumbing and water conditioning codes and rules adopted
57.12 pursuant to such codes. For all other water conditioning installation work, the registered
57.13 unlicensed individual must be under the direct supervision of a responsible licensed water
57.14 conditioning master.

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

57.19 **Subd. 2. Journeyman exam.** A registered unlicensed individual who has completed
57.20 875 hours of practical water conditioning installation, servicing, and training is eligible to
57.21 take the water conditioning journeyman examination. Up to 100 hours of practical water
57.22 conditioning installation and servicing experience prior to becoming a registered unlicensed
57.23 individual may be applied to the practical experience requirement. However, none of this
57.24 practical experience may be applied if the unlicensed individual did not have any practical
57.25 experience in the 12-month period immediately prior to becoming a registered unlicensed
57.26 individual.

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

58.1 Sec. 15. Minnesota Statutes 2016, section 326B.805, subdivision 3, is amended to read:

58.2 Subd. 3. **Prohibition.** Except as provided in subdivision 6, no persons required to be
58.3 licensed by subdivision 1 may act or hold themselves out as a residential building contractor,
58.4 residential remodeler, residential roofer, or manufactured home installer for compensation
58.5 without a license issued by the commissioner. A person who conducts unlicensed residential
58.6 building contractor activity, residential remodeler activity, or residential roofer activity is
58.7 guilty of a gross misdemeanor.

58.8 Sec. 16. Minnesota Statutes 2016, section 326B.89, subdivision 1, is amended to read:

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

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

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

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

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

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

58.25 Sec. 17. Minnesota Statutes 2016, section 326B.89, subdivision 5, is amended to read:

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

59.1 Sec. 18. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is
59.2 amended to read:

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

59.4 This appropriation is from the workers'
59.5 compensation fund.

59.6 \$4,000,000 in fiscal year 2016 and \$6,000,000
59.7 in fiscal year 2017 are for workers'
59.8 compensation system upgrades and are
59.9 available through June 30, 2021. The base
59.10 appropriation for this purpose is \$3,000,000
59.11 in fiscal year 2018 and \$3,000,000 in fiscal
59.12 year 2019. The base appropriation for fiscal
59.13 year 2020 and beyond is zero.

59.14 This appropriation includes funds for
59.15 information technology project services and
59.16 support subject to the provisions of Minnesota
59.17 Statutes, section 16E.0466. Any ongoing
59.18 information technology costs will be
59.19 incorporated into the service level agreement
59.20 and will be paid to the Office of MN.IT
59.21 Services by the commissioner of labor and
59.22 industry under the rates and mechanism
59.23 specified in that agreement.

59.24 Sec. 19. **REPEALER.**

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

59.26 **ARTICLE 3**

59.27 **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

59.28 Section 1. **[116J.4221] RURAL POLICY AND DEVELOPMENT CENTER FUND.**

59.29 (a) A rural policy and development center fund is established as an account in the special
59.30 revenue fund in the state treasury. The commissioner of management and budget shall credit
59.31 to the account the amounts authorized under this section and appropriations and transfers
59.32 to the account. The State Board of Investment shall ensure that account money is invested

60.1 under section 11A.24. All money earned by the account must be credited to the account.
 60.2 The principal of the account and any unexpended earnings must be invested and reinvested
 60.3 by the State Board of Investment.

60.4 (b) Gifts and donations, including land or interests in land, may be made to the account.
 60.5 Noncash gifts and donations must be disposed of for cash as soon as the board prudently
 60.6 can maximize the value of the gift or donation. Gifts and donations of marketable securities
 60.7 may be held or be disposed of for cash at the option of the board. The cash receipts of gifts
 60.8 and donations of cash or capital assets and marketable securities disposed of for cash must
 60.9 be credited immediately to the principal of the account. The value of marketable securities
 60.10 at the time the gift or donation is made must be credited to the principal of the account and
 60.11 any earnings from the marketable securities are earnings of the account. The earnings in
 60.12 the account are annually appropriated to the board of the Center for Rural Policy and
 60.13 Development to carry out the duties of the center.

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

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

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

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

60.31 (c) A home rule charter or statutory city, county, or town may loan or grant money
 60.32 received from repayment of funds awarded under this section to a regional development
 60.33 commission, other regional entity, or statewide community capital fund as determined by

61.1 the commissioner, to capitalize or to provide the local match required for capitalization of
61.2 a regional or statewide revolving loan fund.

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

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

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

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

61.11 (b) "Agreement" or "business subsidy agreement" means a business subsidy agreement
61.12 under section 116J.994 that must include, but is not limited to: specification of the duration
61.13 of the agreement, job goals and a timeline for achieving those goals over the duration of
61.14 the agreement, construction and other investment goals and a timeline for achieving those
61.15 goals over the duration of the agreement, and the value of benefits the firm may receive
61.16 following achievement of capital investment and employment goals. The local government
61.17 and business must report to the commissioner on the business performance using the forms
61.18 developed by the commissioner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

62.18 (i) manufacturing;

62.19 (ii) warehousing;

62.20 (iii) distribution;

62.21 (iv) information technology;

62.22 (v) finance;

62.23 (vi) insurance; or

62.24 (vii) professional or technical services;

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

63.1 (3) the business must enter into a binding construction and job creation business subsidy
63.2 agreement with the commissioner to expend directly, or ensure expenditure by or in
63.3 partnership with a third party constructing or managing the project, at least \$500,000 in
63.4 capital investment in a capital investment project that includes a new, expanded, or remodeled
63.5 facility within one year following designation as a Minnesota job creation fund business or
63.6 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
63.7 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
63.8 women, or persons with a disability; and:

63.9 (i) create at least ten new full-time employee positions within two years of the benefit
63.10 date following the designation as a Minnesota job creation fund business or five new full-time
63.11 employee positions within two years of the benefit date if the project is located outside the
63.12 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
63.13 is cumulatively owned by minorities, veterans, women, or persons with a disability; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

64.23 (b) A qualified Minnesota job creation fund business may be certified eligible for the
64.24 benefits in this paragraph for up to five years for projects located in the metropolitan area
64.25 as defined in section 200.02, subdivision 24, and seven years for projects located outside
64.26 the metropolitan area, as determined by the commissioner when considering the best interests
64.27 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
64.28 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
64.29 outside the metropolitan area may be for up to seven years in length. The eligibility for the
64.30 following benefits begins the date the commissioner certifies the business as a qualified
64.31 Minnesota job creation fund business under this subdivision:

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

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

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

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

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

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

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

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

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

66.5 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
66.6 ~~its~~ capital investment expenditures within six months following designation as a Minnesota
66.7 job creation fund business to ensure that the capital investment goal in the agreement under
66.8 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
66.9 for benefits under the submitted application and will need to work with the local government
66.10 unit to resubmit a new application and request to be a Minnesota job creation fund business.
66.11 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
66.12 be considered a default of the business subsidy agreement.

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

66.14 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
66.15 eligible for an annual award for each new job created and maintained by the business using
66.16 the following schedule: \$1,000 for each job position paying annual wages at least \$26,000
66.17 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than
66.18 \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals
66.19 under the agreement provided under subdivision 1. These awards are increased by \$1,000
66.20 if the business is located outside the metropolitan area as defined in section 200.02,
66.21 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
66.22 women, or persons with a disability.

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

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

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

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

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

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

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

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

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

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

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

67.16 ~~(6)~~ (5) is a veteran as defined by section 197.447, has been discharged or released from
67.17 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
67.18 (ii) is employed in a job verified to be below the skill level and earning capacity of the
67.19 veteran;

67.20 ~~(7)~~ (6) is an individual determined by the United States Department of Labor to be
67.21 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to
67.22 2331, as amended; or

67.23 ~~(8)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has
67.24 spent a substantial number of years in the home providing homemaking service and (i) has
67.25 been dependent upon the financial support of another; and now due to divorce, separation,
67.26 death, or disability of that person, must find employment to self support; or (ii) derived the
67.27 substantial share of support from public assistance on account of dependents in the home
67.28 and no longer receives such support. To be eligible under this clause, the support must have
67.29 ceased while the worker resided in Minnesota.

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

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

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

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

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

68.11 **116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.**

68.12 Subdivision 1. **Creation.** The governor's Workforce Development Council is created
68.13 ~~under the authority of the Workforce Investment Act, United States Code, title 29, section~~
68.14 ~~2801, et seq. Local workforce development councils are authorized under the Workforce~~
68.15 ~~Investment Act. The governor's Workforce Development Council serves as Minnesota's~~
68.16 ~~Workforce Investment Board for the purposes of the federal Workforce Investment Act.~~
68.17 Board serves as Minnesota's state workforce development board for the purposes of the
68.18 federal Workforce Innovation and Opportunity Act, United States Code, title 29, section
68.19 3111, and must perform the duties under that act.

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

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

68.31 ~~(1) commissioner of the Minnesota Department of Employment and Economic~~
68.32 ~~Development;~~

68.33 ~~(2) commissioner of the Minnesota Department of Education; and~~

69.1 ~~(3) commissioner of the Minnesota Department of Human Services.~~

69.2 ~~(b) Business and industry: six individuals shall represent the business and industry sectors~~
69.3 ~~of Minnesota.~~

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

69.5 ~~(d) Community-based organizations: four individuals shall represent community-based~~
69.6 ~~organizations of Minnesota. Community-based organizations are defined by the Workforce~~
69.7 ~~Investment Act as private nonprofit organizations that are representative of communities~~
69.8 ~~or significant segments of communities and that have demonstrated expertise and~~
69.9 ~~effectiveness in the field of workforce investment and may include entities that provide job~~
69.10 ~~training services, serve youth, serve individuals with disabilities, serve displaced~~
69.11 ~~homemakers, union-related organizations, employer-related nonprofit organizations, and~~
69.12 ~~organizations serving nonreservation Indians and tribal governments.~~

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

69.14 ~~(1) one individual shall represent local public secondary education;~~

69.15 ~~(2) one individual shall have expertise in design and implementation of school-based~~
69.16 ~~service-learning;~~

69.17 ~~(3) one individual shall represent leadership of the University of Minnesota;~~

69.18 ~~(4) one individual shall represent secondary/postsecondary vocational institutions;~~

69.19 ~~(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and~~
69.20 ~~Universities; and~~

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

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

69.23 ~~(1) units of local government; and~~

69.24 ~~(2) applicable state or local programs.~~

69.25 ~~The speaker and the minority leader of the house of representatives shall each appoint~~
69.26 ~~a representative to serve as an ex officio member of the council. The majority and minority~~
69.27 ~~leaders of the senate shall each appoint a senator to serve as an ex officio member of the~~
69.28 ~~council.~~

69.29 ~~The governor shall appoint one individual representing public libraries, one individual~~
69.30 ~~with expertise in assisting women in obtaining employment in high-wage, high-demand,~~

70.1 ~~nontraditional occupations, and one individual representing adult basic education programs~~
70.2 ~~to serve as nonvoting advisors to the council.~~

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

70.4 (c).

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

70.6 (1) the governor or the governor's designee;

70.7 (2) two members of the house of representatives, one appointed by the speaker of the
70.8 house and one appointed by the minority leader of the house of representatives;

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

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

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

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

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

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

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

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

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

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

70.30 (ii) the Department of Education; and

70.31 (iii) the Department of Human Services;

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

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

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

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

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

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

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

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

71.16 (1) a representative of Adult Basic Education;

71.17 (2) a representative of public libraries;

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

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

71.20 (5) the commissioner of labor and industry;

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

71.22 (7) the commissioner of corrections;

71.23 (8) the commissioner of management and budget;

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

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

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

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

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

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

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

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

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

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

72.9 ~~(h) Members of the council are compensated as provided in section 15.059, subdivision~~
72.10 ~~3.~~

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

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

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

72.20 ~~(3) at least one member of the council is physically present at the regular meeting location;~~
72.21 ~~and~~

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

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

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

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

73.6 (a) The board shall hold regular in-person meetings at least quarterly and as often as
 73.7 necessary to perform the duties outlined in the statement of authority and the board's bylaws.
 73.8 Meetings shall be called by the chair. Special meetings may be called as needed. Notices
 73.9 of all meetings shall be made at least 48 hours before the meeting date.

73.10 (b) The governor shall designate a chair from among the appointed business representative
 73.11 voting members. The chair shall approve an agenda for each meeting. Members shall submit
 73.12 a written request for consideration of an agenda item no less than 24 hours in advance of
 73.13 the meeting. Members of the public may submit a written request within 48 hours of a
 73.14 meeting to be considered for inclusion in the agenda. Members of the public attending a
 73.15 meeting of the board may address the board only with the approval or at the request of the
 73.16 chair.

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

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

73.24 ~~Subd. 3. **Purpose; duties.** The governor's Workforce Development Council shall replace~~
 73.25 ~~the governor's Job Training Council and assume all of its requirements, duties, and~~
 73.26 ~~responsibilities under the Workforce Investment Act. Additionally, the Workforce~~
 73.27 ~~Development Council shall assume the following duties and responsibilities:~~

73.28 ~~(a) Review the provision of services and the use of funds and resources under applicable~~
 73.29 ~~federal human resource programs and advise the governor on methods of coordinating the~~
 73.30 ~~provision of services and the use of funds and resources consistent with the laws and~~
 73.31 ~~regulations governing the programs. For purposes of this section, applicable federal and~~
 73.32 ~~state human resource programs mean the:~~

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

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

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

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

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

74.6 ~~(6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp~~
 74.7 ~~Employment and Training Program, United States Code, title 7, section 2015(d)(4); and~~

74.8 ~~(7) programs defined in section 116L.19, subdivision 5.~~

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

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

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

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

74.21 ~~(e) Evaluate and identify exemplary education and employment transitions programs~~
 74.22 ~~and provide technical assistance to local partnerships to replicate the programs throughout~~
 74.23 ~~the state.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

76.3 Subd. 8. **Funding.** The commissioner ~~shall develop recommendations on a funding~~
76.4 ~~formula for allocating Workforce Investment Act funds to the council with a minimum~~
76.5 ~~allocation of employment and economic development must provide at least \$350,000 per~~
76.6 ~~each fiscal year. The commissioner shall report the funding formula recommendations to~~
76.7 ~~the legislature by January 15, 2011~~ from existing agency resources to the board for staffing
76.8 and administrative expenses.

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

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

76.11 (1) Minneapolis, St. Paul;

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

76.16 (3) the area outside the metropolitan area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

77.25 (4) they do not require a match.

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

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

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

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

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

78.13 Sec. 16. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter
78.14 189, article 7, section 8, is amended to read:

78.15 Sec. 14. **ASSIGNED RISK TRANSFER.**

78.16 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of an
78.17 audit that there is an excess surplus in the assigned risk plan created under Minnesota
78.18 Statutes, section 79.252, the commissioner of management and budget shall transfer the
78.19 amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This transfer
78.20 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
78.21 paragraph (a), clause (1). This is a onetime transfer.

78.22 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce
78.23 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
78.24 created under Minnesota Statutes, section 79.252, the commissioner of management and
78.25 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each year,
78.26 to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423.
78.27 This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251,
78.28 subdivision 1, paragraph (a), clause (1), but after the ~~transfer~~ transfers authorized in ~~paragraph~~
78.29 paragraphs (a) and (f). The total amount authorized for all transfers under this paragraph
78.30 must not exceed \$24,100,000. This paragraph expires the day following the transfer in which
78.31 the total amount transferred under this paragraph to the Minnesota minerals 21st century
78.32 fund equals \$24,100,000.

79.1 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of an
79.2 audit that there is an excess surplus in the assigned risk plan created under Minnesota
79.3 Statutes, section 79.252, the commissioner of management and budget shall transfer the
79.4 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
79.5 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
79.6 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If a
79.7 transfer occurs under this paragraph, the amount transferred is appropriated from the general
79.8 fund in fiscal year 2015 to the commissioner of labor and industry for the purposes of section
79.9 15. Both the transfer and appropriation under this paragraph are onetime.

79.10 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of an
79.11 audit that there is an excess surplus in the assigned risk plan created under Minnesota
79.12 Statutes, section 79.252, the commissioner of management and budget shall transfer the
79.13 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
79.14 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
79.15 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If a
79.16 transfer occurs under this paragraph, the amount transferred is appropriated from the general
79.17 fund in fiscal year 2016 to the commissioner of labor and industry for the purposes of section
79.18 15. Both the transfer and appropriation under this paragraph are onetime.

79.19 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of
79.20 management and budget shall transfer to the general fund, any unencumbered or unexpended
79.21 balance of the appropriations under paragraphs (c) and (d) remaining on June 30, 2016, or
79.22 the date the commissioner of commerce determines that an excess surplus in the assigned
79.23 risk plan does not exist, whichever occurs earlier.

79.24 (f) By June 30, 2017, and each year thereafter, if the commissioner of commerce
79.25 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
79.26 created under Minnesota Statutes, section 79.252, the commissioner of management and
79.27 budget shall transfer the amount of the excess surplus, not to exceed \$2,000,000 each year,
79.28 to the rural policy and development center fund under Minnesota Statutes, section 116J.4221.
79.29 This transfer occurs prior to any transfer under paragraph (b) or under Minnesota Statutes,
79.30 section 79.251, subdivision 1, paragraph (a), clause (1). The total amount authorized for all
79.31 transfers under this paragraph must not exceed \$2,000,000. This paragraph expires the day
79.32 following the transfer in which the total amount transferred under this paragraph to the rural
79.33 policy and development center fund equals \$2,000,000.

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

80.1 Sec. 17. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 6, is
 80.2 amended to read:

80.3 **Subd. 6. Vocational Rehabilitation**

80.4 Appropriations by Fund

80.5	General	22,611,000	21,611,000
80.6	Workforce		
80.7	Development	7,830,000	7,830,000

80.8 (a) \$10,800,000 each year is from the general
 80.9 fund for the state's vocational rehabilitation
 80.10 program under Minnesota Statutes, chapter
 80.11 268A.

80.12 (b) \$2,261,000 each year is from the general
 80.13 fund for grants to centers for independent
 80.14 living under Minnesota Statutes, section
 80.15 268A.11.

80.16 (c) \$5,745,000 each year from the general fund
 80.17 and \$6,830,000 each year from the workforce
 80.18 development fund are for extended
 80.19 employment services for persons with severe
 80.20 disabilities under Minnesota Statutes, section
 80.21 268A.15.

80.22 (d) \$250,000 in fiscal year 2016 and \$250,000
 80.23 in fiscal year 2017 are for rate increases to
 80.24 providers of extended employment services
 80.25 for persons with severe disabilities under
 80.26 Minnesota Statutes, section 268A.15. This
 80.27 appropriation is added to the agency's base.

80.28 (e) \$2,555,000 each year is from the general
 80.29 fund for grants to programs that provide
 80.30 employment support services to persons with
 80.31 mental illness under Minnesota Statutes,
 80.32 sections 268A.13 and 268A.14.

80.33 (f) \$1,000,000 each year is from the workforce
 80.34 development fund for grants under Minnesota

81.1 Statutes, section 268A.16, for employment
 81.2 services for persons, including transition-aged
 81.3 youth, who are deaf, deafblind, or
 81.4 hard-of-hearing. If the amount in the first year
 81.5 is insufficient, the amount in the second year
 81.6 is available in the first year.

81.7 (g) \$1,000,000 in fiscal year 2016 is for a
 81.8 grant to Assistive Technology of Minnesota,
 81.9 a statewide nonprofit organization that is
 81.10 exclusively dedicated to the issues of access
 81.11 to and the acquisition of assistive technology.
 81.12 ~~The purpose of the grant is to acquire assistive~~
 81.13 ~~technology and to work in tandem with~~
 81.14 ~~individuals using this technology to create~~
 81.15 ~~career paths~~ Assistive Technology of
 81.16 Minnesota must use the funds to provide
 81.17 low-interest loans to individuals of all ages
 81.18 and types of disabilities to purchase assistive
 81.19 technology and employment-related
 81.20 equipment. This is a onetime appropriation.

81.21 (h) For purposes of this subdivision,
 81.22 Minnesota Diversified Industries, Inc. is an
 81.23 eligible provider of services for persons with
 81.24 severe disabilities under Minnesota Statutes,
 81.25 section 268A.15.

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

81.27 Sec. 18. Laws 2016, chapter 189, article 7, section 46, subdivision 3, is amended to read:

81.28 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
 81.29 business must:

81.30 (1) be located within one of the following municipalities surrounding Lake Mille Lacs:

81.31 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township of
 81.32 Roosevelt;

82.1 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township of
82.2 Malmo, or township of Lakeside; or

82.3 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township of
82.4 East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

82.5 (2) document a reduction of at least ~~ten~~ five percent in gross receipts in any two-year
82.6 period since 2010; and

82.7 (3) be a business in one of the following industries, as defined within the North American
82.8 Industry Classification System: accommodation, restaurants, bars, amusement and recreation,
82.9 food and beverages retail, sporting goods, miscellaneous retail, general retail, museums,
82.10 historical sites, health and personal care, gas station, general merchandise, business and
82.11 professional membership, movies, or nonstore retailer, as determined by Mille Lacs County
82.12 in consultation with the commissioner of employment and economic development.

82.13 Sec. 19. Laws 2016, chapter 189, article 7, section 46, the effective date, is amended to
82.14 read:

82.15 **EFFECTIVE DATE.** This section, except for subdivision 4, is effective July 1, 2016,
82.16 and expires June 30, ~~2017~~ 2018. Subdivision 4 is effective July 1, 2016, and expires on the
82.17 date the last loan is repaid or forgiven as provided under this section.

82.18 Sec. 20. **EMERGING ENTREPRENEUR PROGRAM APPROPRIATIONS**
82.19 **CANCELLATIONS.**

82.20 All unspent funds, estimated to be \$376,000, appropriated in Laws 2016, chapter 189,
82.21 article 7, section 2, subdivision 2, paragraph (h), clause (7), and Laws 2016, chapter 189,
82.22 article 12, section 2, subdivision 2, paragraph (p), are canceled to the general fund.

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

82.24 Sec. 21. **GREATER MINNESOTA COMMUNITY DESIGN PILOT PROJECT.**

82.25 Subdivision 1. **Creation.** The Minnesota Design Center at the University of Minnesota
82.26 shall partner with relevant organizations in selected communities within greater Minnesota
82.27 to establish a pilot project for community design. The pilot project shall identify current
82.28 and future opportunities for rural development, create designs, seek funding from existing
82.29 sources, and assist with the implementation of economically, environmentally, and culturally
82.30 sensitive projects that respond to current community conditions, needs, capabilities, and
82.31 aspirations in support of the selected communities. For the purposes of this section, "greater

83.1 Minnesota" is limited to the following counties: Blue Earth, Brown, Dodge, Faribault,
 83.2 Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Olmsted, Rice, Sibley,
 83.3 Steele, Wabasha, Waseca, Watonwan, and Winona.

83.4 Subd. 2. **Community selection.** In order to be considered for inclusion in the pilot
 83.5 project, communities with fewer than 12,000 residents within the counties listed in
 83.6 subdivision 1 must submit a letter of interest to the Minnesota Design Center. The Minnesota
 83.7 Design Center may choose up to ten communities for participation in the pilot project.

83.8 Subd. 3. **Pilot project activities.** Among other activities, the Minnesota Design Center,
 83.9 in partnership with relevant organizations within the selected communities, shall:

83.10 (1) assess community capacity to engage in design, development, and implementation;

83.11 (2) create community and project designs that respond to a community's culture and
 83.12 needs, reinforce its identity as a special place, and support its future aspirations;

83.13 (3) create an implementation strategy; and

83.14 (4) build capacity to implement design work by identifying potential funding strategies
 83.15 and sources and assisting in grant writing to secure funding.

83.16 Sec. 22. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT;**
 83.17 **MANDATED REPORT HOLIDAY.**

83.18 (a) Notwithstanding any law to the contrary, any report required by state law from the
 83.19 Department of Employment and Economic Development that is due in fiscal year 2018 or
 83.20 2019 is optional. The commissioner of employment and economic development may produce
 83.21 any reports at the commissioner's discretion or as may be required by federal law.

83.22 (b) This section does not apply to workforce programs outcomes reporting under
 83.23 Minnesota Statutes, section 116L.98, or the agency activity and expenditure report under
 83.24 article 12, section 3.

83.25 Sec. 23. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
 83.26 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

83.27 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
 83.28 statutory city, county, or town that has uncommitted money received from repayment of
 83.29 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
 83.30 percent of the balance of that money to the state general fund before June 30, 2018. Any

84.1 local entity that does so may then use the remaining 80 percent of the uncommitted money
84.2 as a general purpose aid for any lawful expenditure.

84.3 (b) By February 15, 2019, a home rule charter or statutory city, county, or town that
84.4 exercises the option under paragraph (a) shall submit to the chairs of the legislative
84.5 committees with jurisdiction over economic development policy and finance an accounting
84.6 and explanation of the use and distribution of the funds.

84.7 **Sec. 24. GETTING TO WORK GRANT PROGRAM.**

84.8 Subdivision 1. **Creation.** The commissioner of employment and economic development
84.9 shall make grants to nonprofit organizations to establish and operate programs under this
84.10 section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain
84.11 or maintain employment.

84.12 Subd. 2. **Qualified grantee.** A grantee must:

84.13 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

84.14 (2) at the time of application offer, or have the demonstrated capacity to offer, a motor
84.15 vehicle program that provides the services required under subdivision 3.

84.16 Subd. 3. **Program requirements.** (a) A program must offer one or more of the following
84.17 services:

84.18 (1) provision of new or used motor vehicles by gift, sale, or lease;

84.19 (2) motor vehicle repair and maintenance services; or

84.20 (3) motor vehicle loans.

84.21 (b) In addition to the requirements of paragraph (a), a program must offer one or more
84.22 of the following services:

84.23 (1) financial literacy education;

84.24 (2) education on budgeting for vehicle ownership;

84.25 (3) car maintenance and repair instruction;

84.26 (4) credit counseling; or

84.27 (5) job training related to motor vehicle maintenance and repair.

84.28 Subd. 4. **Application.** Applications for a grant must be on a form provided by the
84.29 commissioner and on a schedule set by the commissioner. Applications must, in addition
84.30 to any other information required by the commissioner, include the following:

- 85.1 (1) a detailed description of all services to be offered;
- 85.2 (2) the area to be served;
- 85.3 (3) the estimated number of program participants to be served by the grant; and
- 85.4 (4) a plan for leveraging resources from partners that may include, but are not limited
- 85.5 to:
- 85.6 (i) automobile dealers;
- 85.7 (ii) automobile parts dealers;
- 85.8 (iii) independent local mechanics and automobile repair facilities;
- 85.9 (iv) banks and credit unions;
- 85.10 (v) employers;
- 85.11 (vi) employment and training agencies;
- 85.12 (vii) insurance companies and agents;
- 85.13 (viii) local workforce centers; and
- 85.14 (ix) educational institutions including vocational institutions and jobs or skills training
- 85.15 programs.
- 85.16 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person
- 85.17 must:
- 85.18 (1) have a household income at or below 200 percent of the federal poverty level;
- 85.19 (2) be at least 22 years of age;
- 85.20 (3) have a valid driver's license;
- 85.21 (4) provide the grantee with proof of motor vehicle insurance; and
- 85.22 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain
- 85.23 or maintain employment.
- 85.24 (b) This subdivision does not preclude a grantee from imposing additional requirements,
- 85.25 not inconsistent with paragraph (a), for the receipt of program services.
- 85.26 Subd. 6. **Report to legislature.** By February 15, 2019, the commissioner shall submit
- 85.27 a report to the chairs of the house of representatives and senate committees with jurisdiction
- 85.28 over workforce and economic development on program outcomes. At a minimum, the report
- 85.29 must include:

- 86.1 (1) the total number of program participants;
- 86.2 (2) the number of program participants who received each of the following:
- 86.3 (i) provision of a motor vehicle;
- 86.4 (ii) motor vehicle repair services; and
- 86.5 (iii) motor vehicle loans;
- 86.6 (3) the number of program participants who report that they or their children were able
- 86.7 to increase their participation in community activities such as after school programs, other
- 86.8 youth programs, church or civic groups, or library services as a result of participation in the
- 86.9 program; and
- 86.10 (4) an analysis of the impact of the getting to work grant program on the employment
- 86.11 rate and wages of program participants.

86.12 Sec. 25. **REPEALER.**

86.13 Minnesota Statutes 2016, section 116J.549, and Minnesota Rules, parts 4355.0100;

86.14 4355.0200; 4355.0300; 4355.0400; and 4355.0500, are repealed.

86.15 **ARTICLE 4**

86.16 **IRON RANGE RESOURCES AND REHABILITATION POLICY**

86.17 Section 1. Minnesota Statutes 2016, section 3.732, subdivision 1, is amended to read:

86.18 Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined

86.19 in this section have the meanings given them.

86.20 (1) "State" includes each of the departments, boards, agencies, commissions, courts, and

86.21 officers in the executive, legislative, and judicial branches of the state of Minnesota and

86.22 includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher

86.23 Education, the Higher Education Facilities Authority, the Health Technology Advisory

86.24 Committee, the Armory Building Commission, the Zoological Board, the Department of

86.25 Iron Range Resources and Rehabilitation Board, the Minnesota Historical Society, the State

86.26 Agricultural Society, the University of Minnesota, the Minnesota State Colleges and

86.27 Universities, state hospitals, and state penal institutions. It does not include a city, town,

86.28 county, school district, or other local governmental body corporate and politic.

86.29 (2) "Employee of the state" means all present or former officers, members, directors, or

86.30 employees of the state, members of the Minnesota National Guard, members of a bomb

86.31 disposal unit approved by the commissioner of public safety and employed by a municipality

87.1 defined in section 466.01 when engaged in the disposal or neutralization of bombs or other
87.2 similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the
87.3 municipality but within the state, or persons acting on behalf of the state in an official
87.4 capacity, temporarily or permanently, with or without compensation. It does not include
87.5 either an independent contractor except, for purposes of this section and section 3.736 only,
87.6 a guardian ad litem acting under court appointment, or members of the Minnesota National
87.7 Guard while engaged in training or duty under United States Code, title 10, or title 32,
87.8 section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding
87.9 sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee
87.10 of the state" includes a district public defender or assistant district public defender in the
87.11 Second or Fourth Judicial District, a member of the Health Technology Advisory Committee,
87.12 and any officer, agent, or employee of the state of Wisconsin performing work for the state
87.13 of Minnesota pursuant to a joint state initiative.

87.14 (3) "Scope of office or employment" means that the employee was acting on behalf of
87.15 the state in the performance of duties or tasks lawfully assigned by competent authority.

87.16 (4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

87.17 Sec. 2. Minnesota Statutes 2016, section 3.736, subdivision 3, is amended to read:

87.18 Subd. 3. **Exclusions.** Without intent to preclude the courts from finding additional cases
87.19 where the state and its employees should not, in equity and good conscience, pay
87.20 compensation for personal injuries or property losses, the legislature declares that the state
87.21 and its employees are not liable for the following losses:

87.22 (a) a loss caused by an act or omission of a state employee exercising due care in the
87.23 execution of a valid or invalid statute or rule;

87.24 (b) a loss caused by the performance or failure to perform a discretionary duty, whether
87.25 or not the discretion is abused;

87.26 (c) a loss in connection with the assessment and collection of taxes;

87.27 (d) a loss caused by snow or ice conditions on a highway or public sidewalk that does
87.28 not abut a publicly owned building or a publicly owned parking lot, except when the condition
87.29 is affirmatively caused by the negligent acts of a state employee;

87.30 (e) a loss caused by wild animals in their natural state, except as provided in section
87.31 3.7371;

87.32 (f) a loss other than injury to or loss of property or personal injury or death;

88.1 (g) a loss caused by the condition of unimproved real property owned by the state, which
88.2 means land that the state has not improved, state land that contains idled or abandoned mine
88.3 pits or shafts, and appurtenances, fixtures, and attachments to land that the state has neither
88.4 affixed nor improved;

88.5 (h) a loss involving or arising out of the use or operation of a recreational motor vehicle,
88.6 as defined in section 84.90, subdivision 1, within the right-of-way of a trunk highway, as
88.7 defined in section 160.02, except that the state is liable for conduct that would entitle a
88.8 trespasser to damages against a private person;

88.9 (i) a loss incurred by a user arising from the construction, operation, or maintenance of
88.10 the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the
88.11 construction, operation, maintenance, or administration of grants-in-aid trails as defined in
88.12 section 85.018, or for a loss arising from the construction, operation, or maintenance of a
88.13 water access site created by the Department of Iron Range Resources and Rehabilitation
88.14 ~~Board~~, except that the state is liable for conduct that would entitle a trespasser to damages
88.15 against a private person. For the purposes of this clause, a water access site, as defined in
88.16 section 86A.04 or created by the commissioner of Iron Range resources and rehabilitation
88.17 ~~Board~~, that provides access to an idled, water filled mine pit, also includes the entire water
88.18 filled area of the pit and, further, includes losses caused by the caving or slumping of the
88.19 mine pit walls;

88.20 (j) a loss of benefits or compensation due under a program of public assistance or public
88.21 welfare, except if state compensation for loss is expressly required by federal law in order
88.22 for the state to receive federal grants-in-aid;

88.23 (k) a loss based on the failure of a person to meet the standards needed for a license,
88.24 permit, or other authorization issued by the state or its agents;

88.25 (l) a loss based on the usual care and treatment, or lack of care and treatment, of a person
88.26 at a state hospital or state corrections facility where reasonable use of available appropriations
88.27 has been made to provide care;

88.28 (m) loss, damage, or destruction of property of a patient or inmate of a state institution
88.29 except as provided under section 3.7381;

88.30 (n) a loss for which recovery is prohibited by section 169A.48, subdivision 2;

88.31 (o) a loss caused by an aeration, bubbler, water circulation, or similar system used to
88.32 increase dissolved oxygen or maintain open water on the ice of public waters, that is operated
88.33 under a permit issued by the commissioner of natural resources;

89.1 (p) a loss incurred by a visitor to the Minnesota Zoological Garden, except that the state
89.2 is liable for conduct that would entitle a trespasser to damages against a private person;

89.3 (q) a loss arising out of a person's use of a logging road on public land that is maintained
89.4 exclusively to provide access to timber on that land by harvesters of the timber, and is not
89.5 signed or otherwise held out to the public as a public highway; and

89.6 (r) a loss incurred by a user of property owned, leased, or otherwise controlled by the
89.7 Minnesota National Guard or the Department of Military Affairs, except that the state is
89.8 liable for conduct that would entitle a trespasser to damages against a private person.

89.9 The state will not pay punitive damages.

89.10 Sec. 3. Minnesota Statutes 2016, section 15.01, is amended to read:

89.11 **15.01 DEPARTMENTS OF THE STATE.**

89.12 The following agencies are designated as the departments of the state government: the
89.13 Department of Administration; the Department of Agriculture; the Department of Commerce;
89.14 the Department of Corrections; the Department of Education; the Department of Employment
89.15 and Economic Development; the Department of Health; the Department of Human Rights;
89.16 the Department of Iron Range Resources and Rehabilitation; the Department of Labor and
89.17 Industry; the Department of Management and Budget; the Department of Military Affairs;
89.18 the Department of Natural Resources; the Department of Public Safety; the Department of
89.19 Human Services; the Department of Revenue; the Department of Transportation; the
89.20 Department of Veterans Affairs; and their successor departments.

89.21 Sec. 4. Minnesota Statutes 2016, section 15.38, subdivision 7, is amended to read:

89.22 Subd. 7. **Department of Iron Range Resources and Rehabilitation Board.** After
89.23 seeking a recommendation from the Iron Range Resources and Rehabilitation Board, the
89.24 commissioner of Iron Range resources and rehabilitation Board may purchase insurance ~~it~~
89.25 ~~considers~~ the commissioner deems necessary and appropriate to insure facilities operated
89.26 by the ~~board~~ commissioner.

89.27 Sec. 5. Minnesota Statutes 2016, section 15A.0815, subdivision 3, is amended to read:

89.28 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall
89.29 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually
89.30 on January 1. The new limit must equal the limit for the prior year increased by the percentage
89.31 increase, if any, in the Consumer Price Index for all urban consumers from October of the

90.1 second prior year to October of the immediately prior year. The commissioner of management
 90.2 and budget must publish the limit on the department's Web site. This subdivision applies
 90.3 to the following positions:

90.4 Executive director of Gambling Control Board;

90.5 Commissioner, of Iron Range resources and rehabilitation ~~Board~~;

90.6 Commissioner, Bureau of Mediation Services;

90.7 Ombudsman for Mental Health and Developmental Disabilities;

90.8 Chair, Metropolitan Council;

90.9 School trust lands director;

90.10 Executive director of pari-mutuel racing; and

90.11 Commissioner, Public Utilities Commission.

90.12 Sec. 6. Minnesota Statutes 2016, section 43A.02, subdivision 22, is amended to read:

90.13 Subd. 22. **Executive branch.** "Executive branch" means heads of all agencies of state
 90.14 government, elective or appointive, established by statute or Constitution and all employees
 90.15 of those agency heads who have within their particular field of responsibility statewide
 90.16 jurisdiction and who are not within the legislative or judicial branches of government. The
 90.17 executive branch also includes employees of the Department of Iron Range Resources and
 90.18 Rehabilitation Board. The executive branch does not include agencies with jurisdiction in
 90.19 specifically defined geographical areas, such as regions, counties, cities, towns,
 90.20 municipalities, or school districts, the University of Minnesota, the Public Employees
 90.21 Retirement Association, the Minnesota State Retirement System, the Teachers Retirement
 90.22 Association, the Minnesota Historical Society, and all of their employees, and any other
 90.23 entity which is incorporated, even though it receives state funds.

90.24 Sec. 7. Minnesota Statutes 2016, section 85.0146, subdivision 1, is amended to read:

90.25 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area
 90.26 Citizens Advisory Council is established. Membership on the advisory council shall include:

90.27 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;

90.28 (2) a representative of the Croft Mine Historical Park Joint Powers Board;

90.29 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked
 90.30 as a miner in the local area;

- 91.1 (4) a representative of the Crow Wing County Board;
- 91.2 (5) an elected state official;
- 91.3 (6) a representative of the Grand Rapids regional office of the Department of Natural
91.4 Resources;
- 91.5 (7) a designee of the commissioner of Iron Range resources and rehabilitation Board;
- 91.6 (8) a designee of the local business community selected by the area chambers of
91.7 commerce;
- 91.8 (9) a designee of the local environmental community selected by the Crow Wing County
91.9 District 5 commissioner;
- 91.10 (10) a designee of a local education organization selected by the Crosby-Ironton School
91.11 Board;
- 91.12 (11) a designee of one of the recreation area user groups selected by the Cuyuna Range
91.13 Chamber of Commerce; and
- 91.14 (12) a member of the Cuyuna Country Heritage Preservation Society.

91.15 Sec. 8. Minnesota Statutes 2016, section 116D.04, subdivision 1a, is amended to read:

91.16 Subd. 1a. **Definitions.** For the purposes of this chapter, the following terms have the
91.17 meanings given to them in this subdivision.

91.18 (a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

91.19 (b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02,
91.20 subdivision 5.

91.21 (c) "Environmental assessment worksheet" means a brief document which is designed
91.22 to set out the basic facts necessary to determine whether an environmental impact statement
91.23 is required for a proposed action.

91.24 (d) "Governmental action" means activities, including projects wholly or partially
91.25 conducted, permitted, assisted, financed, regulated, or approved by units of government
91.26 including the federal government.

91.27 (e) "Governmental unit" means any state agency and any general or special purpose unit
91.28 of government in the state including, but not limited to, watershed districts organized under
91.29 chapter 103D, counties, towns, cities, port authorities, housing authorities, and economic
91.30 development authorities established under sections 469.090 to 469.108, but not including

92.1 courts, school districts, the Department of Iron Range Resources and Rehabilitation, and
 92.2 regional development commissions other than the Metropolitan Council.

92.3 Sec. 9. Minnesota Statutes 2016, section 116J.423, subdivision 2, is amended to read:

92.4 Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans ~~or~~,
 92.5 including forgivable loans, equity investments, or grants for infrastructure in mineral, steel,
 92.6 or any other industry processing, production, manufacturing, or technology project that
 92.7 would enhance the economic diversification and that is located within the taconite relief
 92.8 ~~tax~~ assistance area as defined under section ~~273.134~~ 273.1341. The commissioner must,
 92.9 prior to making any loans or equity investments and after consultation with industry and
 92.10 public officials, develop a strategy for making loans ~~and~~, equity investments, or grants for
 92.11 infrastructure that assists the taconite relief area in retaining and enhancing its economic
 92.12 competitiveness. Money in the fund may also be used to pay for the costs of carrying out
 92.13 the commissioner's due diligence duties under this section.

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

92.15 Sec. 10. Minnesota Statutes 2016, section 116J.424, is amended to read:

92.16 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**
 92.17 **CONTRIBUTION.**

92.18 The commissioner of the Iron Range resources and rehabilitation Board ~~with approval~~
 92.19 ~~by the board~~, after consultation with the Iron Range Resources and Rehabilitation Board,
 92.20 may provide an equal match for any loan or equity investment made for a project located
 92.21 in the ~~tax relief~~ taconite assistance area defined in section ~~273.134, paragraph (b)~~ 273.1341,
 92.22 by the Minnesota 21st century fund created by section 116J.423. The match may be in the
 92.23 form of a loan or equity investment, notwithstanding whether the fund makes a loan or
 92.24 equity investment. The state shall not acquire an equity interest because of an equity
 92.25 investment or loan by the ~~board and the board at its sole discretion~~ shall commissioner of
 92.26 Iron Range resources and rehabilitation and the commissioner, after consultation with the
 92.27 advisory board, shall have sole discretion to decide what interest ~~in~~ the fund acquires in a
 92.28 project. The commissioner of employment and economic development may require a
 92.29 commitment from the ~~board~~ commissioner of Iron Range resources and rehabilitation to
 92.30 make the match prior to disbursing money from the fund.

93.1 Sec. 11. Minnesota Statutes 2016, section 116J.994, subdivision 3, is amended to read:

93.2 Subd. 3. **Subsidy agreement.** (a) A recipient must enter into a subsidy agreement with
93.3 the grantor of the subsidy that includes:

93.4 (1) a description of the subsidy, including the amount and type of subsidy, and type of
93.5 district if the subsidy is tax increment financing;

93.6 (2) a statement of the public purposes for the subsidy;

93.7 (3) measurable, specific, and tangible goals for the subsidy;

93.8 (4) a description of the financial obligation of the recipient if the goals are not met;

93.9 (5) a statement of why the subsidy is needed;

93.10 (6) a commitment to continue operations in the jurisdiction where the subsidy is used
93.11 for at least five years after the benefit date;

93.12 (7) the name and address of the parent corporation of the recipient, if any; and

93.13 (8) a list of all financial assistance by all grantors for the project.

93.14 (b) Business subsidies in the form of grants must be structured as forgivable loans. For
93.15 other types of business subsidies, the agreement must state the fair market value of the
93.16 subsidy to the recipient, including the value of conveying property at less than a fair market
93.17 price, or other in-kind benefits to the recipient.

93.18 (c) If a business subsidy benefits more than one recipient, the grantor must assign a
93.19 proportion of the business subsidy to each recipient that signs a subsidy agreement. The
93.20 proportion assessed to each recipient must reflect a reasonable estimate of the recipient's
93.21 share of the total benefits of the project.

93.22 (d) The state or local government agency and the recipient must both sign the subsidy
93.23 agreement and, if the grantor is a local government agency, the agreement must be approved
93.24 by the local elected governing body, except for the St. Paul Port Authority and a seaway
93.25 port authority.

93.26 (e) Notwithstanding the provision in paragraph (a), clause (6), a recipient may be
93.27 authorized to move from the jurisdiction where the subsidy is used within the five-year
93.28 period after the benefit date if, after a public hearing, the grantor approves the recipient's
93.29 request to move. For the purpose of this paragraph, if the grantor is a state government
93.30 agency other than the Department of Iron Range Resources and Rehabilitation Board,
93.31 "jurisdiction" means a city or township.

94.1 Sec. 12. Minnesota Statutes 2016, section 116J.994, subdivision 5, is amended to read:

94.2 Subd. 5. **Public notice and hearing.** (a) Before granting a business subsidy that exceeds
94.3 \$500,000 for a state government grantor and \$150,000 for a local government grantor, the
94.4 grantor must provide public notice and a hearing on the subsidy. A public hearing and notice
94.5 under this subdivision is not required if a hearing and notice on the subsidy is otherwise
94.6 required by law.

94.7 (b) Public notice of a proposed business subsidy under this subdivision by a state
94.8 government grantor, other than the commissioner of Iron Range resources and rehabilitation
94.9 ~~Board~~, must be published in the State Register. Public notice of a proposed business subsidy
94.10 under this subdivision by a local government grantor or the commissioner of Iron Range
94.11 resources and rehabilitation Board must be published in a local newspaper of general
94.12 circulation. The public notice must identify the location at which information about the
94.13 business subsidy, including a summary of the terms of the subsidy, is available. Published
94.14 notice should be sufficiently conspicuous in size and placement to distinguish the notice
94.15 from the surrounding text. The grantor must make the information available in printed paper
94.16 copies and, if possible, on the Internet. The government agency must provide at least a
94.17 ten-day notice for the public hearing.

94.18 (c) The public notice must include the date, time, and place of the hearing.

94.19 (d) The public hearing by a state government grantor other than the commissioner of
94.20 Iron Range resources and rehabilitation Board must be held in St. Paul.

94.21 (e) If more than one nonstate grantor provides a business subsidy to the same recipient,
94.22 the nonstate grantors may designate one nonstate grantor to hold a single public hearing
94.23 regarding the business subsidies provided by all nonstate grantors. For the purposes of this
94.24 paragraph, "nonstate grantor" includes the commissioner of Iron Range resources and
94.25 rehabilitation Board.

94.26 (f) The public notice of any public meeting about a business subsidy agreement, including
94.27 those required by this subdivision and by subdivision 4, must include notice that a person
94.28 with residence in or the owner of taxable property in the granting jurisdiction may file a
94.29 written complaint with the grantor if the grantor fails to comply with sections 116J.993 to
94.30 116J.995, and that no action may be filed against the grantor for the failure to comply unless
94.31 a written complaint is filed.

95.1 Sec. 13. Minnesota Statutes 2016, section 116J.994, subdivision 7, is amended to read:

95.2 Subd. 7. **Reports by recipients to grantors.** (a) A business subsidy grantor must monitor
95.3 the progress by the recipient in achieving agreement goals.

95.4 (b) A recipient must provide information regarding goals and results for two years after
95.5 the benefit date or until the goals are met, whichever is later. If the goals are not met, the
95.6 recipient must continue to provide information on the subsidy until the subsidy is repaid.
95.7 The information must be filed on forms developed by the commissioner in cooperation with
95.8 representatives of local government. Copies of the completed forms must be sent to the
95.9 local government agency that provided the subsidy or to the commissioner if the grantor is
95.10 a state agency. If the commissioner of Iron Range resources and rehabilitation Board is the
95.11 grantor, the copies must be sent to the ~~board~~ commissioner of Iron Range resources and
95.12 rehabilitation. The report must include:

95.13 (1) the type, public purpose, and amount of subsidies and type of district, if the subsidy
95.14 is tax increment financing;

95.15 (2) the hourly wage of each job created with separate bands of wages;

95.16 (3) the sum of the hourly wages and cost of health insurance provided by the employer
95.17 with separate bands of wages;

95.18 (4) the date the job and wage goals will be reached;

95.19 (5) a statement of goals identified in the subsidy agreement and an update on achievement
95.20 of those goals;

95.21 (6) the location of the recipient prior to receiving the business subsidy;

95.22 (7) the number of employees who ceased to be employed by the recipient when the
95.23 recipient relocated to become eligible for the business subsidy;

95.24 (8) why the recipient did not complete the project outlined in the subsidy agreement at
95.25 their previous location, if the recipient was previously located at another site in Minnesota;

95.26 (9) the name and address of the parent corporation of the recipient, if any;

95.27 (10) a list of all financial assistance by all grantors for the project; and

95.28 (11) other information the commissioner may request.

95.29 A report must be filed no later than March 1 of each year for the previous year. The local
95.30 agency and the commissioner of Iron Range resources and rehabilitation Board must forward
95.31 copies of the reports received by recipients to the commissioner by April 1.

96.1 (c) Financial assistance that is excluded from the definition of "business subsidy" by
 96.2 section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting
 96.3 requirements of this subdivision, except that the report of the recipient must include instead:

96.4 (1) the type, public purpose, and amount of the financial assistance, and type of district
 96.5 if the assistance is tax increment financing;

96.6 (2) progress towards meeting goals stated in the assistance agreement and the public
 96.7 purpose of the assistance;

96.8 (3) if the agreement includes job creation, the hourly wage of each job created with
 96.9 separate bands of wages;

96.10 (4) if the agreement includes job creation, the sum of the hourly wages and cost of health
 96.11 insurance provided by the employer with separate bands of wages;

96.12 (5) the location of the recipient prior to receiving the assistance; and

96.13 (6) other information the grantor requests.

96.14 (d) If the recipient does not submit its report, the local government agency must mail
 96.15 the recipient a warning within one week of the required filing date. If, after 14 days of the
 96.16 postmarked date of the warning, the recipient fails to provide a report, the recipient must
 96.17 pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The
 96.18 maximum penalty shall not exceed \$1,000.

96.19 Sec. 14. Minnesota Statutes 2016, section 216B.161, subdivision 1, is amended to read:

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

96.22 (b) "Area development rate" means a rate schedule established by a utility that provides
 96.23 customers within an area development zone service under a base utility rate schedule, except
 96.24 that charges may be reduced from the base rate as agreed upon by the utility and the customer
 96.25 consistent with this section.

96.26 (c) "Area development zone" means a contiguous or noncontiguous area designated by
 96.27 an authority or municipality for development or redevelopment and within which one of
 96.28 the following conditions exists:

96.29 (1) obsolete buildings not suitable for improvement or conversion or other identified
 96.30 hazards to the health, safety, and general well-being of the community;

96.31 (2) buildings in need of substantial rehabilitation or in substandard condition; or

97.1 (3) low values and damaged investments.

97.2 (d) "Authority" means a rural development financing authority established under sections
 97.3 469.142 to 469.151; a housing and redevelopment authority established under sections
 97.4 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an
 97.5 economic development authority established under sections 469.090 to 469.108; a
 97.6 redevelopment agency as defined in sections 469.152 to 469.165; the commissioner of Iron
 97.7 Range resources and rehabilitation Board established under section 298.22; a municipality
 97.8 that is administering a development district created under sections 469.124 to 469.133 or
 97.9 any special law; a municipality that undertakes a project under sections 469.152 to 469.165,
 97.10 except a town located outside the metropolitan area as defined in section 473.121, subdivision
 97.11 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers
 97.12 of a port authority under any general or special law.

97.13 (e) "Municipality" means a city, however organized, and, with respect to a project
 97.14 undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in
 97.15 sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142
 97.16 to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008,
 97.17 also includes any county.

97.18 Sec. 15. Minnesota Statutes 2016, section 216B.1694, subdivision 1, is amended to read:

97.19 Subdivision 1. **Definition.** For the purposes of this section, the term "innovative energy
 97.20 project" means a proposed energy-generation facility or group of facilities which may be
 97.21 located on up to three sites:

97.22 (1) that makes use of an innovative generation technology utilizing coal as a primary
 97.23 fuel in a highly efficient combined-cycle configuration with significantly reduced sulfur
 97.24 dioxide, nitrogen oxide, particulate, and mercury emissions from those of traditional
 97.25 technologies;

97.26 (2) that the project developer or owner certifies is a project capable of offering a long-term
 97.27 supply contract at a hedged, predictable cost; and

97.28 (3) that is designated by the commissioner of ~~the~~ Iron Range resources and rehabilitation
 97.29 ~~Board~~ as a project that is located in the taconite tax relief area on a site that has substantial
 97.30 real property with adequate infrastructure to support new or expanded development and
 97.31 that has received prior financial and other support from the board.

98.1 Sec. 16. Minnesota Statutes 2016, section 276A.01, subdivision 8, is amended to read:

98.2 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole
98.3 or part within the area. If a municipality is located partly within and partly without the area,
98.4 the references in sections 276A.01 to 276A.09 to property or any portion thereof subject to
98.5 taxation or taxing jurisdiction within the municipality are to the property or portion thereof
98.6 that is located in that portion of the municipality within the area, except that the fiscal
98.7 capacity of the municipality must be computed upon the basis of the valuation and population
98.8 of the entire municipality. A municipality shall be excluded from the area if its municipal
98.9 comprehensive zoning and planning policies conscientiously exclude most
98.10 commercial-industrial development, for reasons other than preserving an agricultural use.
98.11 The commissioner of Iron Range resources and rehabilitation Board and the commissioner
98.12 of revenue shall jointly make this determination annually and shall notify those municipalities
98.13 that are ineligible to participate in the tax base sharing program provided in this chapter for
98.14 the following year. Before making the determination, the commissioner of Iron Range
98.15 resources and rehabilitation must consult the Iron Range Resources and Rehabilitation
98.16 Board.

98.17 Sec. 17. Minnesota Statutes 2016, section 276A.01, subdivision 17, is amended to read:

98.18 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to
98.19 25 percent of the areawide levy certified by the commissioner of Iron Range resources and
98.20 rehabilitation Board, after consultation with the Iron Range Resources and Rehabilitation
98.21 Board, to be used for the purposes of the Iron Range school consolidation and cooperatively
98.22 operated school account under section 298.28, subdivision 7a.

98.23 (b) The allocation under paragraph (a) shall only be made after the commissioner of
98.24 Iron Range resources and rehabilitation Board, after consultation with the Iron Range
98.25 Resources and Rehabilitation Board, has certified by June 30 that the Iron Range school
98.26 consolidation and cooperatively operated account has insufficient funds to make payments
98.27 as authorized under section 298.28, subdivision 7a.

98.28 Sec. 18. Minnesota Statutes 2016, section 276A.06, subdivision 8, is amended to read:

98.29 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine
98.30 for each county the difference between the total levy on distribution value pursuant to
98.31 subdivision 3, clause (1), including the school fund allocation within the county and the
98.32 total tax on contribution value pursuant to subdivision 7, within the county. On or before
98.33 May 16 of each year, the administrative auditor shall certify the differences so determined

99.1 and the county's portion of the school fund allocation to each county auditor. In addition,
 99.2 the administrative auditor shall certify to those county auditors for whose county the total
 99.3 tax on contribution value exceeds the total levy on distribution value the settlement the
 99.4 county is to make to the other counties of the excess of the total tax on contribution value
 99.5 over the total levy on distribution value in the county. On or before June 15 and November
 99.6 15 of each year, each county treasurer in a county having a total tax on contribution value
 99.7 in excess of the total levy on distribution value shall pay one-half of the excess to the other
 99.8 counties in accordance with the administrative auditor's certification. On or before June 15
 99.9 and November 15 of each year, each county treasurer shall pay to the administrative auditor
 99.10 that county's share of the school fund allocation. On or before December 1 of each year,
 99.11 the administrative auditor shall pay the school fund allocation to the commissioner of Iron
 99.12 Range resources and rehabilitation Board for deposit in the Iron Range school consolidation
 99.13 and cooperatively operated account.

99.14 Sec. 19. Minnesota Statutes 2016, section 282.38, subdivision 1, is amended to read:

99.15 Subdivision 1. **Development.** In any county where the county board by proper resolution
 99.16 sets aside funds for forest development pursuant to section 282.08, clause (5), item (i), or
 99.17 section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation
 99.18 ~~with the approval of the board,~~ after consultation with the Iron Range Resources and
 99.19 Rehabilitation Board, may upon request of the county board assist said county in carrying
 99.20 out any project for the long range development of its forest resources through matching of
 99.21 funds or otherwise.

99.22 Sec. 20. Minnesota Statutes 2016, section 282.38, subdivision 3, is amended to read:

99.23 Subd. 3. **Not to affect commissioner of Iron Range resources and rehabilitation.**
 99.24 Nothing herein shall be construed to limit or abrogate the authority of the commissioner of
 99.25 Iron Range resources and rehabilitation to give temporary assistance to any county in the
 99.26 development of its land use program.

99.27 Sec. 21. Minnesota Statutes 2016, section 298.001, subdivision 8, is amended to read:

99.28 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of revenue of the
 99.29 state of Minnesota, except that when used in sections 298.22 to 298.227 and 298.291 to
 99.30 298.297, "commissioner" means the commissioner of Iron Range resources and rehabilitation.

100.1 Sec. 22. Minnesota Statutes 2016, section 298.001, is amended by adding a subdivision
100.2 to read:

100.3 Subd. 11. **Advisory board.** "Advisory board" means the Iron Range Resources and
100.4 Rehabilitation Board, as established under section 298.22. The acronym "IRRRB" means
100.5 the advisory board.

100.6 Sec. 23. Minnesota Statutes 2016, section 298.018, subdivision 1, is amended to read:

100.7 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under
100.8 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
100.9 taconite assistance area defined in section 273.1341, shall be allocated as follows:

100.10 (1) five percent to the city or town within which the minerals or energy resources are
100.11 mined or extracted, or within which the concentrate was produced. If the mining and
100.12 concentration, or different steps in either process, are carried on in more than one taxing
100.13 district, the commissioner shall apportion equitably the proceeds among the cities and towns
100.14 by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction,
100.15 and the remainder to the concentrating plant and to the processes of concentration, and with
100.16 respect to each thereof giving due consideration to the relative extent of the respective
100.17 operations performed in each taxing district;

100.18 (2) ten percent to the taconite municipal aid account to be distributed as provided in
100.19 section 298.282;

100.20 (3) ten percent to the school district within which the minerals or energy resources are
100.21 mined or extracted, or within which the concentrate was produced. If the mining and
100.22 concentration, or different steps in either process, are carried on in more than one school
100.23 district, distribution among the school districts must be based on the apportionment formula
100.24 prescribed in clause (1);

100.25 (4) 20 percent to a group of school districts comprised of those school districts wherein
100.26 the mineral or energy resource was mined or extracted or in which there is a qualifying
100.27 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
100.28 district indexes as follows: for each school district, its pupil units determined under section
100.29 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
100.30 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
100.31 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
100.32 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that

101.1 portion of the distribution which its index bears to the sum of the indices for all school
101.2 districts that receive the distributions;

101.3 (5) 20 percent to the county within which the minerals or energy resources are mined
101.4 or extracted, or within which the concentrate was produced. If the mining and concentration,
101.5 or different steps in either process, are carried on in more than one county, distribution
101.6 among the counties must be based on the apportionment formula prescribed in clause (1),
101.7 provided that any county receiving distributions under this clause shall pay one percent of
101.8 its proceeds to the Range Association of Municipalities and Schools;

101.9 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed
101.10 as provided in sections 273.134 to 273.136;

101.11 (7) five percent to the commissioner of Iron Range resources and rehabilitation Board
101.12 for the purposes of section 298.22;

101.13 (8) three percent to the Douglas J. Johnson economic protection trust fund; and

101.14 (9) seven percent to the taconite environmental protection fund.

101.15 The proceeds of the tax shall be distributed on July 15 each year.

101.16 Sec. 24. Minnesota Statutes 2016, section 298.17, is amended to read:

101.17 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

101.18 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock
101.19 companies, corporations, and associations, however or for whatever purpose organized,
101.20 engaged in the business of mining or producing iron ore or other ores, when collected shall
101.21 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,
101.22 article X, section 3, in the manner following: 90 percent shall be deposited in the state
101.23 treasury and credited to the general fund of which four-ninths shall be used for the support
101.24 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed
101.25 by this section shall be deposited in the state treasury and credited to the general fund for
101.26 the general support of the university.

101.27 (b) Of the money apportioned to the general fund by this section: (1) there is annually
101.28 appropriated and credited to the mining environmental and regulatory account in the special
101.29 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax
101.30 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.
101.31 Money in the mining environmental and regulatory account is appropriated annually to the
101.32 commissioner of natural resources to fund agency staff to work on environmental issues

102.1 and provide regulatory services for ferrous and nonferrous mining operations in this state.
 102.2 Payment to the mining environmental and regulatory account shall be made by July 1
 102.3 annually. The commissioner of natural resources shall execute an interagency agreement
 102.4 with the Pollution Control Agency to assist with the provision of environmental regulatory
 102.5 services such as monitoring and permitting required for ferrous and nonferrous mining
 102.6 operations; (2) there is annually appropriated and credited to the Iron Range resources and
 102.7 rehabilitation ~~Board~~ account in the special revenue fund an amount equal to that which
 102.8 would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable
 102.9 ton produced in the preceding calendar year, to be expended for the purposes of section
 102.10 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and
 102.11 rehabilitation ~~Board~~ account in the special revenue fund for transfer to the Iron Range school
 102.12 consolidation and cooperatively operated school account under section 298.28, subdivision
 102.13 7a, an amount equal to that which would have been generated by a six cent tax imposed by
 102.14 section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the
 102.15 Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

102.16 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to
 102.17 provide environmental development grants to local governments located within any county
 102.18 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,
 102.19 which does not contain a municipality qualifying pursuant to section 273.134, paragraph
 102.20 (b), or (ii) to provide economic development loans or grants to businesses located within
 102.21 any such county, provided that the county board or an advisory group appointed by the
 102.22 county board to provide recommendations on economic development shall make
 102.23 recommendations to the commissioner of Iron Range resources and rehabilitation ~~Board~~
 102.24 regarding the loans. Payment to the Iron Range resources and rehabilitation ~~Board~~ account
 102.25 shall be made by May 15 annually.

102.26 (d) Of the money allocated to Koochiching County, one-third must be paid to the
 102.27 Koochiching County Economic Development Commission.

102.28 Sec. 25. Minnesota Statutes 2016, section 298.22, subdivision 1, is amended to read:

102.29 Subdivision 1. ~~The Office of Commissioner~~ **Department of Iron Range Resources**
 102.30 **and Rehabilitation.** (a) The ~~Office of the Commissioner~~ Department of Iron Range
 102.31 Resources and Rehabilitation is created as an agency in the executive branch of state
 102.32 government. The governor shall appoint the commissioner of Iron Range resources and
 102.33 rehabilitation under section 15.06. The commissioner may expend amounts appropriated

103.1 to the commissioner for projects after consultation with the advisory board created under
 103.2 subdivision 1a.

103.3 (b) The commissioner may hold other positions or appointments that are not incompatible
 103.4 with duties as commissioner of Iron Range resources and rehabilitation. The commissioner
 103.5 may appoint a deputy commissioner. All expenses of the commissioner, including the
 103.6 payment of staff and other assistance as may be necessary, must be paid out of the amounts
 103.7 appropriated by section 298.28 or otherwise made available by law to the commissioner.
 103.8 Notwithstanding chapters 16A, 16B, and 16C, the commissioner may utilize contracting
 103.9 options available under section 471.345 when the commissioner determines it is in the best
 103.10 interest of the agency. The agency is not subject to sections 16E.016 and 16C.05. The
 103.11 commissioner has the authority to reimburse any nongovernmental manager operating
 103.12 state-owned facilities within the Giants Ridge Recreation Area for purchasing materials,
 103.13 supplies, equipment, or other items used in the operations at such facilities.

103.14 (c) When the commissioner determines that distress and unemployment exists or may
 103.15 exist in the future in any county by reason of the removal of natural resources or a possibly
 103.16 limited use of natural resources in the future and any resulting decrease in employment, the
 103.17 commissioner may use whatever amounts of the appropriation made to the commissioner
 103.18 of revenue in section 298.28 that are determined to be necessary and proper in the
 103.19 development of the remaining resources of the county and in the vocational training and
 103.20 rehabilitation of its residents, ~~except that the amount needed to cover cost overruns awarded~~
 103.21 ~~to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in~~
 103.22 ~~effect after July 1, 1985, is appropriated from the general fund.~~ For the purposes of this
 103.23 section, "development of remaining resources" includes, but is not limited to, the promotion
 103.24 of tourism.

103.25 Sec. 26. Minnesota Statutes 2016, section 298.22, subdivision 1a, is amended to read:

103.26 Subd. 1a. **Iron Range Resources and Rehabilitation Board.** (a) The Iron Range
 103.27 Resources and Rehabilitation Board consists of the state senators and representatives elected
 103.28 from state senatorial or legislative districts in which one-third or more of the residents reside
 103.29 in a taconite assistance area as defined in section 273.1341. One additional state senator
 103.30 shall also be appointed by the senate Subcommittee on Committees of the Committee on
 103.31 Rules and Administration. All expenditures and projects made by the commissioner shall
 103.32 first be submitted to the advisory board for approval. The advisory board shall recommend
 103.33 approval or disapproval or modification of the expenditures and projects. The expenses of
 103.34 the advisory board shall be paid by the state from the funds raised pursuant to this section.

104.1 Members of the advisory board may be reimbursed for expenses in the manner provided in
104.2 sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the
104.3 interims between legislative sessions in the manner provided in section 3.099, subdivision
104.4 1.

104.5 The members shall be appointed in January of every odd-numbered year, and shall serve
104.6 until January of the next odd-numbered year. Vacancies on the board shall be filled in the
104.7 same manner as original members were chosen.

104.8 (b) The advisory board must develop procedures to elect a chair who shall preside over
104.9 and convene meetings as often as necessary to conduct duties prescribed by this chapter.

104.10 The advisory board must meet at least two times per year to review the actions of the
104.11 commissioner.

104.12 Sec. 27. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to
104.13 read:

104.14 Subd. 1b. **Evaluation of programs.** (a) In evaluating programs proposed by the
104.15 commissioner, the advisory board must consider factors, including but not limited to the
104.16 extent to which the program:

104.17 (1) contributes to increasing the effectiveness of promoting or managing Iron Range
104.18 economic and workforce development, community development, minerals and natural
104.19 resources development, and any other issue as determined by the advisory board; and

104.20 (2) advances the strategic plan adopted under subdivision 1c.

104.21 (b) In evaluating programs proposed by the commissioner, the advisory board must
104.22 consider factors, including but not limited to:

104.23 (1) job creation or retention goals for the program, including but not limited to wages
104.24 and benefits; whether the jobs created are full time, part time, temporary, or permanent; and
104.25 whether the stated job creation or retention goals in the program proposal can be adequately
104.26 measured using methods established by the commissioner;

104.27 (2) how and to what extent the program is expected to impact the economic climate of
104.28 the Iron Range resources and rehabilitation services area;

104.29 (3) how the program would meet match requirements, if any; and

104.30 (4) whether the program meets the written objectives, priorities, and policies established
104.31 by the commissioner.

105.1 Sec. 28. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to
 105.2 read:

105.3 Subd. 1c. **Strategic plan required.** The commissioner, in consultation with the advisory
 105.4 board, shall adopt a four-year strategic plan for making expenditures, including identifying
 105.5 the priority areas for funding for the term of the commissioner's appointment. The strategic
 105.6 plan must be reviewed annually. The strategic plan must have clearly stated short- and
 105.7 long-term goals and strategies for expenditures, provide measurable outcomes for
 105.8 expenditures, and determine areas of emphasis for funding.

105.9 Sec. 29. Minnesota Statutes 2016, section 298.22, subdivision 5a, is amended to read:

105.10 Subd. 5a. **Forest trust.** The commissioner, ~~upon approval by the board~~ after consultation
 105.11 with the advisory board, may purchase forest lands in the taconite assistance area defined
 105.12 ~~in~~ under section 273.1341 with funds specifically authorized for the purchase. The acquired
 105.13 forest lands must be held in trust for the benefit of the citizens of the taconite assistance
 105.14 area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed
 105.15 and developed for recreation and economic development purposes. The commissioner, ~~upon~~
 105.16 ~~approval by the~~ after consultation with the advisory board, may sell forest lands purchased
 105.17 under this subdivision if the ~~board finds~~ commissioner determines that the sale advances
 105.18 the purposes of the trust. Proceeds derived from the management or sale of the lands and
 105.19 from the sale of timber or removal of gravel or other minerals from these forest lands shall
 105.20 be deposited into an Iron Range Miners' Memorial Forest account that is established within
 105.21 the state financial accounts. Funds may be expended from the account ~~upon approval by~~
 105.22 the commissioner, after consultation with the advisory board, to purchase, manage,
 105.23 administer, convey interests in, and improve the forest lands. ~~With approval by the board,~~
 105.24 After consultation with the advisory board, the commissioner may transfer money in the
 105.25 Iron Range Miners' Memorial Forest account ~~may be transferred~~ into the corpus of the
 105.26 Douglas J. Johnson economic protection trust fund established under sections 298.291 to
 105.27 298.294. The property acquired under the authority granted by this subdivision and income
 105.28 derived from the property or the operation or management of the property are exempt from
 105.29 taxation by the state or its political subdivisions while held by the forest trust.

105.30 Sec. 30. Minnesota Statutes 2016, section 298.22, subdivision 6, is amended to read:

105.31 Subd. 6. **Private entity participation.** The commissioner, after consultation with the
 105.32 advisory board, may acquire an equity interest in any project for which ~~the commissioner~~
 105.33 provides funding. The commissioner may, after consultation with the advisory board,

106.1 establish, participate in the management of, and dispose of the assets of charitable
 106.2 foundations, nonprofit limited liability companies, and nonprofit corporations associated
 106.3 with any project for which ~~it~~ the commissioner provides funding, including specifically,
 106.4 but without limitation, a corporation within the meaning of section 317A.011, subdivision
 106.5 6.

106.6 Sec. 31. Minnesota Statutes 2016, section 298.22, subdivision 10, is amended to read:

106.7 Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources
 106.8 and rehabilitation may not sell or privatize the ~~Ironworld~~ Minnesota Discovery Center or
 106.9 Giants Ridge Golf and Ski Resort without prior approval by the advisory board.

106.10 Sec. 32. Minnesota Statutes 2016, section 298.22, subdivision 11, is amended to read:

106.11 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation
 106.12 shall annually prepare a budget for operational expenditures, programs, and projects, and
 106.13 submit it to the Iron Range Resources and Rehabilitation Board. After the budget is approved
 106.14 by the advisory board and the governor, the commissioner may spend money in accordance
 106.15 with the approved budget.

106.16 Sec. 33. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to
 106.17 read:

106.18 Subd. 13. **Grants and loans for economic development projects; requirements.** (a)
 106.19 Prior to awarding any grants or approving loans from any fund or account from which the
 106.20 commissioner has the authority under law to expend money, the commissioner must evaluate
 106.21 applications based on criteria including, but not limited to:

106.22 (1) job creation or retention goals for the project, including but not limited to wages and
 106.23 benefits, and whether the jobs created are full time, part time, temporary, or permanent;

106.24 (2) whether the applicant's stated job creation or retention goals can be adequately
 106.25 measured using methods established by the commissioner;

106.26 (3) how and to what extent the project proposed by the applicant is expected to impact
 106.27 the economic climate of the Iron Range resources and rehabilitation services area;

106.28 (4) how the applicant would meet match requirements, if any; and

106.29 (5) whether the project for which a grant or loan application has been submitted meets
 106.30 the written objectives, priorities, and policies established by the commissioner.

107.1 (b) The commissioner, if appropriate, may include incentives in loan and grant award
 107.2 agreements to promote and assist grant recipients in achieving the stated job creation and
 107.3 retention objectives established by the commissioner.

107.4 (c) For all loans and grants awarded from funds under the commissioner's authority
 107.5 pursuant to this chapter, the commissioner must:

107.6 (1) maintain a database for tracking loan and grant awards;

107.7 (2) maintain an objective mechanism for measuring job creation and retention;

107.8 (3) verify achievement of job creation and retention goals by grant and loan recipients;

107.9 (4) monitor grant and loan awards to ensure that projects comply with applicable Iron
 107.10 Range resources and rehabilitation policies; and

107.11 (5) verify that grant or loan recipients have met applicable matching fund requirements.

107.12 Sec. 34. Minnesota Statutes 2016, section 298.221, is amended to read:

107.13 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

107.14 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant
 107.15 to the terms of any contract entered into by the state under authority of section 298.22 and
 107.16 any fees which may, in the discretion of the commissioner of Iron Range resources and
 107.17 rehabilitation, be charged in connection with any project pursuant to that section as amended,
 107.18 shall be deposited in the state treasury to the credit of the Iron Range resources and
 107.19 rehabilitation ~~Board~~ account in the special revenue fund and are hereby appropriated for
 107.20 the purposes of section 298.22.

107.21 (b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner
 107.22 of the Iron Range resources and rehabilitation ~~Board~~ for payment of advertising contracts
 107.23 if the commissioner determines that the merchandise can be used for special event prizes
 107.24 or mementos at facilities operated by the ~~board~~ commissioner. Nothing in this paragraph
 107.25 authorizes the commissioner or a member of the advisory board to receive merchandise for
 107.26 personal use.

107.27 (c) All fees charged by the commissioner in connection with public use of the state-owned
 107.28 ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived
 107.29 by the commissioner from the operation or lease of those facilities and from the lease, sale,
 107.30 or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be
 107.31 deposited into an Iron Range resources and rehabilitation ~~Board~~ account that is created
 107.32 within the state enterprise fund. All funds deposited in the enterprise fund account are

108.1 appropriated to the commissioner ~~to be expended, subject to approval by the board, and~~
 108.2 may only be used, after consultation with the advisory board, as follows:

108.3 (1) to pay costs associated with the construction, equipping, operation, repair, or
 108.4 improvement of the Giants Ridge Recreation Area facilities or lands;

108.5 (2) to pay principal, interest and associated bond issuance, reserve, and servicing costs
 108.6 associated with the financing of the facilities; and

108.7 (3) to pay the costs of any other project authorized under section 298.22.

108.8 Sec. 35. Minnesota Statutes 2016, section 298.2211, subdivision 3, is amended to read:

108.9 Subd. 3. **Project approval.** ~~All projects authorized by this section shall be submitted~~
 108.10 ~~by the commissioner to the Iron Range Resources and Rehabilitation Board for approval~~

108.11 ~~by the board~~ The commissioner may authorize a project under this section only after
 108.12 consulting the advisory board. Prior to the commencement of a project involving the exercise
 108.13 by the commissioner of any authority of sections 469.174 to 469.179, the governing body
 108.14 of each municipality in which any part of the project is located and the county board of any
 108.15 county containing portions of the project not located in an incorporated area shall by majority
 108.16 vote approve or disapprove the project. Any project approved by the ~~board~~ commissioner
 108.17 and the applicable governing bodies, if any, together with detailed information concerning
 108.18 the project, its costs, the sources of its funding, and the amount of any bonded indebtedness
 108.19 to be incurred in connection with the project, shall be transmitted to the governor, who shall
 108.20 approve, disapprove, or return the proposal for additional consideration within 30 days of
 108.21 receipt. No project authorized under this section shall be undertaken, and no obligations
 108.22 shall be issued and no tax increments shall be expended for a project authorized under this
 108.23 section until the project has been approved by the governor.

108.24 Sec. 36. Minnesota Statutes 2016, section 298.2211, subdivision 6, is amended to read:

108.25 Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the
 108.26 commissioner of Iron Range resources and rehabilitation ~~Board~~ that have been established
 108.27 according to prevailing market conditions and to recover operating costs need not be set by
 108.28 rule.

108.29 Sec. 37. Minnesota Statutes 2016, section 298.2212, is amended to read:

108.30 **298.2212 INVESTMENT OF FUNDS.**

109.1 All funds credited to the Iron Range resources and rehabilitation ~~Board~~ account in the
109.2 special revenue fund for the purposes of section 298.22 must be invested pursuant to law.
109.3 The net interest and dividends from the investments are included and become part of the
109.4 funds available for purposes of section 298.22.

109.5 Sec. 38. Minnesota Statutes 2016, section 298.223, subdivision 1, is amended to read:

109.6 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection
109.7 fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast
109.8 Minnesota located within the taconite assistance area defined in section 273.1341, that are
109.9 adversely affected by the environmentally damaging operations involved in mining taconite
109.10 and iron ore and producing iron ore concentrate and for the purpose of promoting the
109.11 economic development of northeast Minnesota. The taconite environmental protection fund
109.12 shall be used for the following purposes:

109.13 (1) to initiate investigations into matters the commissioner of Iron Range resources and
109.14 rehabilitation ~~Board~~ determines are in need of study and which will determine the
109.15 environmental problems requiring remedial action;

109.16 (2) reclamation, restoration, or reforestation of mine lands not otherwise provided for
109.17 by state law;

109.18 (3) local economic development projects ~~but only if those projects are approved by the~~
109.19 ~~board~~, and public works, including construction of sewer and water systems located within
109.20 the taconite assistance area defined in section 273.1341;

109.21 (4) monitoring of mineral industry related health problems among mining employees;
109.22 and

109.23 (5) local public works projects under section 298.227, paragraph (c).

109.24 Sec. 39. Minnesota Statutes 2016, section 298.223, subdivision 2, is amended to read:

109.25 Subd. 2. **Administration.** ~~(a)~~ The taconite area environmental protection fund shall be
109.26 administered by the commissioner ~~of the Iron Range Resources and Rehabilitation Board,~~
109.27 who must consult with the advisory board before expending any funds. ~~The commissioner~~
109.28 ~~shall by September 1 of each year submit to the board a list of projects to be funded from~~
109.29 ~~the taconite area environmental protection fund, with such supporting information including~~
109.30 ~~description of the projects, plans, and cost estimates as may be necessary.~~

109.31 ~~(b) Each year no less than one-half of the amounts deposited into the taconite~~
109.32 ~~environmental protection fund must be used for public works projects, including construction~~

110.1 ~~of sewer and water systems, as specified under subdivision 1, clause (3). the Iron Range~~
 110.2 ~~Resources and Rehabilitation Board may waive the requirements of this paragraph.~~

110.3 ~~(c) Upon approval by the board, the list of projects approved under this subdivision shall~~
 110.4 ~~be submitted to the governor by November 1 of each year. By December 1 of each year,~~
 110.5 ~~the governor shall approve or disapprove, or return for further consideration, each project.~~
 110.6 ~~Funds for a project may be expended only upon approval of the project by the board and~~
 110.7 ~~the governor. The commissioner may submit supplemental projects to the board and governor~~
 110.8 ~~for approval at any time.~~

110.9 Sec. 40. Minnesota Statutes 2016, section 298.227, is amended to read:

110.10 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

110.11 ~~(a)~~ An amount equal to that distributed pursuant to each taconite producer's taxable
 110.12 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the
 110.13 commissioner of Iron Range resources and rehabilitation Board in a separate taconite
 110.14 economic development fund for each taconite and direct reduced ore producer. Money from
 110.15 the fund for each producer shall be released by the commissioner after review by a joint
 110.16 committee consisting of an equal number of representatives of the salaried employees and
 110.17 the nonsalaried production and maintenance employees of that producer. The District 11
 110.18 director of the United States Steelworkers of America, on advice of each local employee
 110.19 president, shall select the employee members. In nonorganized operations, the employee
 110.20 committee shall be elected by the nonsalaried production and maintenance employees. The
 110.21 review must be completed no later than six months after the producer presents a proposal
 110.22 for expenditure of the funds to the committee. The funds held pursuant to this section may
 110.23 be released only for workforce development and associated public facility improvement,
 110.24 or for acquisition of plant and stationary mining equipment and facilities for the producer
 110.25 or for research and development in Minnesota on new mining, or taconite, iron, or steel
 110.26 production technology, but only if the producer provides a matching expenditure equal to
 110.27 the amount of the distribution to be used for the same purpose beginning with distributions
 110.28 in 2014. Effective for proposals for expenditures of money from the fund beginning May
 110.29 26, 2007, the commissioner may not release the funds before the next scheduled meeting
 110.30 of the board. If a proposed expenditure is not approved by the commissioner, after
 110.31 consultation with the advisory board, the funds must be deposited in the Taconite
 110.32 Environmental Protection Fund under sections 298.222 to 298.225. ~~If a producer uses money~~
 110.33 ~~which has been released from the fund prior to May 26, 2007 to procure haulage trucks,~~
 110.34 ~~mobile equipment, or mining shovels, and the producer removes the piece of equipment~~

111.1 ~~from the taconite tax relief area defined in section 273.134 within ten years from the date~~
111.2 ~~of receipt of the money from the fund, a portion of the money granted from the fund must~~
111.3 ~~be repaid to the taconite economic development fund. The portion of the money to be repaid~~
111.4 ~~is 100 percent of the grant if the equipment is removed from the taconite tax relief area~~
111.5 ~~within 12 months after receipt of the money from the fund, declining by ten percent for~~
111.6 ~~each of the subsequent nine years during which the equipment remains within the taconite~~
111.7 ~~tax relief area. If a taconite production facility is sold after operations at the facility had~~
111.8 ~~ceased, any money remaining in the fund for the former producer may be released to the~~
111.9 ~~purchaser of the facility on the terms otherwise applicable to the former producer under this~~
111.10 ~~section. If a producer fails to provide matching funds for a proposed expenditure within six~~
111.11 ~~months after the commissioner approves release of the funds, the funds are available for~~
111.12 ~~release to another producer in proportion to the distribution provided and under the conditions~~
111.13 ~~of this section. Any portion of the fund which is not released by the commissioner within~~
111.14 ~~one year of its deposit in the fund shall be divided between the taconite environmental~~
111.15 ~~protection fund created in section 298.223 and the Douglas J. Johnson economic protection~~
111.16 ~~trust fund created in section 298.292 for placement in their respective special accounts.~~
111.17 ~~Two-thirds of the unreleased funds shall be distributed to the taconite environmental~~
111.18 ~~protection fund and one-third to the Douglas J. Johnson economic protection trust fund.~~

111.19 ~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of~~
111.20 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~
111.21 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed under~~
111.22 ~~paragraph (a), may be used for a loan or grant for the cost of providing for a value-added~~
111.23 ~~wood product facility located in the taconite tax relief area and in a county that contains a~~
111.24 ~~city of the first class. This amount must be deducted from the distribution under paragraph~~
111.25 ~~(a) for which a matching expenditure by the producer is not required. The granting of the~~
111.26 ~~loan or grant is subject to approval by the board. If the money is provided as a loan, interest~~
111.27 ~~must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii)~~
111.28 ~~Repayments of the loan and interest, if any, must be deposited in the taconite environment~~
111.29 ~~protection fund under sections 298.222 to 298.225. If a loan or grant is not made under this~~
111.30 ~~paragraph by July 1, 2012, the amount that had been made available for the loan under this~~
111.31 ~~paragraph must be transferred to the taconite environment protection fund under sections~~
111.32 ~~298.222 to 298.225. (iii) Money distributed in 2008 to the fund established under this section~~
111.33 ~~that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a~~
111.34 ~~pro rata basis.~~

112.1 ~~(e) Repayment or transfer of money to the taconite environmental protection fund under~~
 112.2 ~~paragraph (b), item (ii), must be allocated by the Iron Range resources and rehabilitation~~
 112.3 ~~Board for public works projects in house legislative districts in the same proportion as~~
 112.4 ~~taxable tonnage of production in 2007 in each house legislative district, for distribution in~~
 112.5 ~~2008, bears to total taxable tonnage of production in 2007, for distribution in 2008.~~
 112.6 ~~Notwithstanding any other law to the contrary, expenditures under this paragraph do not~~
 112.7 ~~require approval by the governor. For purposes of this paragraph, "house legislative districts"~~
 112.8 ~~means the legislative districts in existence on May 15, 2009.~~

112.9 Sec. 41. Minnesota Statutes 2016, section 298.27, is amended to read:

112.10 **298.27 COLLECTION AND PAYMENT OF TAX.**

112.11 The taxes provided by section 298.24 shall be paid directly to each eligible county and
 112.12 the commissioner of Iron Range resources and rehabilitation Board. The commissioner of
 112.13 revenue shall notify each producer of the amount to be paid each recipient prior to February
 112.14 15. Every person subject to taxes imposed by section 298.24 shall file a correct report
 112.15 covering the preceding year. The report must contain the information required by the
 112.16 commissioner of revenue. The report shall be filed by each producer on or before February
 112.17 1. A remittance equal to 50 percent of the total tax required to be paid hereunder shall be
 112.18 paid on or before February 24. A remittance equal to the remaining total tax required to be
 112.19 paid hereunder shall be paid on or before August 24. On or before February 25 and August
 112.20 25, the county auditor shall make distribution of the payments previously received by the
 112.21 county in the manner provided by section 298.28. Reports shall be made and hearings held
 112.22 upon the determination of the tax in accordance with procedures established by the
 112.23 commissioner of revenue. The commissioner of revenue shall have authority to make
 112.24 reasonable rules as to the form and manner of filing reports necessary for the determination
 112.25 of the tax hereunder, and by such rules may require the production of such information as
 112.26 may be reasonably necessary or convenient for the determination and apportionment of the
 112.27 tax. All the provisions of the occupation tax law with reference to the assessment and
 112.28 determination of the occupation tax, including all provisions for appeals from or review of
 112.29 the orders of the commissioner of revenue relative thereto, but not including provisions for
 112.30 refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent
 112.31 herewith. If any person subject to section 298.24 shall fail to make the report provided for
 112.32 in this section at the time and in the manner herein provided, the commissioner of revenue
 112.33 shall in such case, upon information possessed or obtained, ascertain the kind and amount
 112.34 of ore mined or produced and thereon find and determine the amount of the tax due from
 112.35 such person. There shall be added to the amount of tax due a penalty for failure to report

113.1 on or before February 1, which penalty shall equal ten percent of the tax imposed and be
113.2 treated as a part thereof.

113.3 If any person responsible for making a tax payment at the time and in the manner herein
113.4 provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount
113.5 so due, which penalty shall be treated as part of the tax due.

113.6 In the case of any underpayment of the tax payment required herein, there may be added
113.7 and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

113.8 A person having a liability of \$120,000 or more during a calendar year must remit all
113.9 liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The
113.10 funds transfer payment date, as defined in section 336.4A-401, must be on or before the
113.11 date the tax is due. If the date the tax is due is not a funds transfer business day, as defined
113.12 in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the
113.13 funds transfer business day next following the date the tax is due.

113.14 Sec. 42. Minnesota Statutes 2016, section 298.28, subdivision 7, is amended to read:

113.15 Subd. 7. **Iron Range resources and rehabilitation ~~Board~~ account.** For the 1998
113.16 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range resources and
113.17 rehabilitation ~~Board~~ account for the purposes of section 298.22. That amount shall be
113.18 increased for distribution years 1999 through 2014 and for distribution in 2018 and
113.19 subsequent years in the same proportion as the increase in the implicit price deflator as
113.20 provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision
113.21 shall be expended within or for the benefit of the taconite assistance area defined in section
113.22 273.1341. ~~No part of the fund provided in this subdivision may be used to provide loans~~
113.23 ~~for the operation of private business unless the loan is approved by the governor.~~

113.24 Sec. 43. Minnesota Statutes 2016, section 298.28, subdivision 7a, is amended to read:

113.25 Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.**
113.26 (a) The following amounts must be allocated to the commissioner of Iron Range resources
113.27 and rehabilitation ~~Board~~ to be deposited in the Iron Range school consolidation and
113.28 cooperatively operated school account that is hereby created:

113.29 (1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax imposed
113.30 under section 298.24; and

113.31 (ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed
113.32 under section 298.24;

114.1 (2) the amount as determined under section 298.17, paragraph (b), clause (3);

114.2 (3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax
 114.3 proceeds attributable to the increase in the implicit price deflator as provided in section
 114.4 298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J.
 114.5 Johnson economic protection trust fund;

114.6 (ii) for distributions in 2016, an amount equal to two-thirds of the sum of the increased
 114.7 tax proceeds attributable to the increase in the implicit price deflator as provided in section
 114.8 298.24, subdivision 1, for distribution years 2015 and 2016, with the remaining one-third
 114.9 to be distributed to the Douglas J. Johnson economic protection trust fund; and

114.10 (iii) for distributions in 2017, an amount equal to two-thirds of the sum of the increased
 114.11 tax proceeds attributable to the increase in the implicit price deflator as provided in section
 114.12 298.24, subdivision 1, for distribution years 2015, 2016, and 2017, with the remaining
 114.13 one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

114.14 (4) any other amount as provided by law.

114.15 (b) Expenditures from this account may be approved as ongoing annual expenditures
 114.16 and shall be made only to provide disbursements to assist school districts with the payment
 114.17 of bonds that were issued for qualified school projects, or for any other school disbursement
 114.18 as approved by the commissioner of Iron Range resources and rehabilitation after consultation
 114.19 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,
 114.20 "qualified school projects" means school projects within the taconite assistance area as
 114.21 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;
 114.22 and (2) approved by the commissioner of education pursuant to section 123B.71.

114.23 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for
 114.24 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset
 114.25 any reduction in debt service equalization aid that the school district qualifies for in that
 114.26 year, under section 123B.53, subdivision 6, compared with the amount the school district
 114.27 qualified for in fiscal year 2018.

114.28 (d) No expenditure under this section shall be made unless approved by ~~seven members~~
 114.29 of the commissioner of Iron Range resources and rehabilitation after consultation with the
 114.30 Iron Range Resources and Rehabilitation Board.

114.31 Sec. 44. Minnesota Statutes 2016, section 298.28, subdivision 9c, is amended to read:

114.32 Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the
 114.33 city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the

115.1 Hockey Hall of Fame, provided that it continues to operate in that city, and provided that
115.2 the city of Eveleth certifies to the St. Louis County auditor that it has received donations
115.3 for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of Fame
115.4 ceases to operate in the city of Eveleth prior to receipt of the distribution in any year, and
115.5 the governing body of the city determines that it is unlikely to resume operation there within
115.6 a six-month period, the distribution under this subdivision shall be made to the commissioner
115.7 of Iron Range resources and rehabilitation Board.

115.8 Sec. 45. Minnesota Statutes 2016, section 298.28, subdivision 9d, is amended to read:

115.9 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be
115.10 ~~allocated to the Iron Range Resources and Rehabilitation Board to be deposited in an Iron~~
115.11 Range higher education account that is hereby created, to be used for higher education
115.12 programs conducted at educational institutions in the taconite assistance area defined in
115.13 section 273.1341. The Iron Range Higher Education committee under section 298.2214,
115.14 and the commissioner of Iron Range resources and rehabilitation Board, after consultation
115.15 with the advisory board, must approve all expenditures from the account.

115.16 Sec. 46. Minnesota Statutes 2016, section 298.28, subdivision 11, is amended to read:

115.17 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which
115.18 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the
115.19 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with
115.20 interest earned on all money distributed under this section prior to distribution, shall be
115.21 divided between the taconite environmental protection fund created in section 298.223 and
115.22 the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows:
115.23 Two-thirds to the taconite environmental protection fund and one-third to the Douglas J.
115.24 Johnson economic protection trust fund. The proceeds shall be placed in the respective
115.25 special accounts.

115.26 (b) There shall be distributed to each city, town, and county the amount that it received
115.27 under Minnesota Statutes 1978, section 294.26₂, in calendar year 1977; provided, however,
115.28 that the amount distributed in 1981 to the unorganized territory number 2 of Lake County
115.29 and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company
115.30 will be distributed in 1982 and subsequent years to the unorganized territory number 2 of
115.31 Lake County and the towns of Beaver Bay and Stony River based on the miles of track of
115.32 Erie Mining Company in each taxing district.

116.1 (c) There shall be distributed to the Iron Range resources and rehabilitation ~~Board~~ account
116.2 the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount
116.3 distributed under this paragraph shall be expended within or for the benefit of the taconite
116.4 assistance area defined in section 273.1341.

116.5 (d) There shall be distributed to each school district 62 percent of the amount that it
116.6 received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

116.7 Sec. 47. Minnesota Statutes 2016, section 298.292, subdivision 2, is amended to read:

116.8 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
116.9 fund may be used for the following purposes:

116.10 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
116.11 with private sources of financing, but a loan to a private enterprise shall be for a principal
116.12 amount not to exceed one-half of the cost of the project for which financing is sought, and
116.13 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
116.14 percent or an interest rate three percentage points less than a full faith and credit obligation
116.15 of the United States government of comparable maturity, at the time that the loan is approved;

116.16 (2) to fund reserve accounts established to secure the payment when due of the principal
116.17 of and interest on bonds issued pursuant to section 298.2211;

116.18 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
116.19 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or
116.20 retrofitting heating facilities in connection with district heating systems or systems utilizing
116.21 alternative energy sources;

116.22 (4) to invest in a venture capital fund or enterprise that will provide capital to other
116.23 entities that are engaging in, or that will engage in, projects or programs that have the
116.24 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
116.25 or enterprise unless at least two other unrelated investors make investments of at least
116.26 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
116.27 Johnson economic protection trust fund may not exceed the amount of the largest investment
116.28 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
116.29 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
116.30 which the investment is made or to any individual who owns more than 40 percent of the
116.31 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
116.32 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
116.33 interests in it. For purposes of determining the limitations under this clause, the amount of

117.1 investments made by an investor other than the Douglas J. Johnson economic protection
 117.2 trust fund is the sum of all investments made in the venture capital fund or enterprise during
 117.3 the period beginning one year before the date of the investment by the Douglas J. Johnson
 117.4 economic protection trust fund; and

117.5 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
 117.6 be held and managed as a public trust for the benefit of the area for the purposes authorized
 117.7 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the
 117.8 commissioner ~~upon approval by the~~, after consultation with the advisory board. The net
 117.9 proceeds must be deposited in the trust fund for the purposes and uses of this section.

117.10 Money from the trust fund shall be expended only in or for the benefit of the taconite
 117.11 assistance area defined in section 273.1341.

117.12 Sec. 48. Minnesota Statutes 2016, section 298.296, is amended to read:

117.13 **298.296 OPERATION OF FUND.**

117.14 Subdivision 1. **Project approval.** ~~The board and commissioner shall by August 1 of~~
 117.15 ~~each year prepare a list of projects to be funded from the Douglas J. Johnson economic~~
 117.16 ~~protection trust with necessary supporting information including description of the projects,~~
 117.17 ~~plans, and cost estimates. These Projects shall be consistent with the priorities established~~
 117.18 ~~in section 298.292 and shall not be approved by the board unless it~~ commissioner unless
 117.19 the commissioner, after consultation with the advisory board, finds that:

117.20 (a) the project will materially assist, directly or indirectly, the creation of additional
 117.21 long-term employment opportunities;

117.22 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

117.23 (c) in the case of assistance to private enterprise, the project will serve a sound business
 117.24 purpose.

117.25 ~~Each project must be approved by over one-half of all of the members of the board and~~
 117.26 ~~the commissioner of Iron Range resources and rehabilitation. The list of projects shall be~~
 117.27 ~~submitted to the governor, who shall, by November 15 of each year, approve or disapprove,~~
 117.28 ~~or return for further consideration, each project. The money for a project may be expended~~
 117.29 ~~only upon approval of the project by the governor. The board may submit supplemental~~
 117.30 ~~projects for approval at any time.~~

117.31 Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on
 117.32 projects and for administration of the trust fund only from the net interest, earnings, and

118.1 dividends arising from the investment of the trust at any time, including net interest, earnings,
 118.2 and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for
 118.3 use in fiscal year 1983, except that any amount required to be paid out of the trust fund to
 118.4 provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and
 118.5 to make school bond payments and payments to recipients of taconite production tax proceeds
 118.6 pursuant to section 298.225, may be taken from the corpus of the trust.

118.7 ~~(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the corpus~~
 118.8 ~~of the trust may be made available for use as provided in subdivision 4, and up to \$10,000,000~~
 118.9 ~~from the corpus of the trust may be made available for use as provided in section 298.2961.~~

118.10 ~~(e)~~ (b) Additionally, an amount equal to 20 percent of the value of the corpus of the trust
 118.11 on May 18, 2002, ~~not including the funds authorized in paragraph (b),~~ plus the amounts
 118.12 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8,
 118.13 section 17, may be expended on projects. ~~Funds~~ The commissioner may be expended expend
 118.14 funds for projects under this paragraph only if ~~the project~~:

118.15 (1) the project is for the purposes established under section 298.292, subdivision 1,
 118.16 clause (1) or (2); and

118.17 (2) ~~is approved by two-thirds of all of the members of the board~~ the commissioner has
 118.18 consulted with the advisory board.

118.19 No money made available under this paragraph or paragraph ~~(d)~~ (c) can be used for
 118.20 administrative or operating expenses of the Department of Iron Range Resources and
 118.21 Rehabilitation Board or expenses relating to any facilities owned or operated by the ~~board~~
 118.22 commissioner on May 18, 2002.

118.23 ~~(d) Upon recommendation by a unanimous vote of all members of the board,~~ (c) The
 118.24 commissioner may spend amounts in addition to those authorized under paragraphs (a); ~~and~~
 118.25 ~~(b), and (e) may be expended~~ on projects described in section 298.292, subdivision 1, only
 118.26 after consultation with the advisory board.

118.27 ~~(e)~~ (d) Annual administrative costs, not including detailed engineering expenses for the
 118.28 projects, shall not exceed five percent of the net interest, dividends, and earnings arising
 118.29 from the trust in the preceding fiscal year.

118.30 ~~(f)~~ (e) Principal and interest received in repayment of loans made pursuant to this section,
 118.31 and earnings on other investments made under section 298.292, subdivision 2, clause (4),
 118.32 shall be deposited in the state treasury and credited to the trust. These receipts are
 118.33 appropriated to the board for the purposes of sections 298.291 to ~~298.298~~ 298.297.

119.1 ~~(g)~~ (f) Additionally, notwithstanding section 298.293, ~~upon the approval of the board,~~
 119.2 the commissioner, after consultation with the advisory board, may expend money from the
 119.3 corpus of the trust may be expanded to purchase forest lands within the taconite assistance
 119.4 area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

119.5 Subd. 3. **Administration.** The commissioner ~~and staff of the~~ Iron Range resources and
 119.6 rehabilitation ~~Board~~ shall administer the program under which funds are expended pursuant
 119.7 to sections 298.292 to ~~298.298~~ 298.297.

119.8 Subd. 4. **Temporary loan authority.** ~~(a) The board may recommend that~~ After
 119.9 consultation with the advisory board, the commissioner may use up to \$7,500,000 from the
 119.10 corpus of the trust may be used for loans, loan guarantees, grants, or equity investments as
 119.11 provided in this subdivision. The money would be available for loans for construction and
 119.12 equipping of facilities constituting (1) a value added iron products plant, which may be
 119.13 either a new plant or a facility incorporated into an existing plant that produces iron upgraded
 119.14 to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic
 119.15 content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject
 119.16 to the net proceeds tax imposed under section 298.015. A loan or loan guarantee under this
 119.17 paragraph may not exceed \$5,000,000 for any facility.

119.18 ~~(b) Additionally, the board must reserve the first \$2,000,000 of the net interest, dividends,~~
 119.19 ~~and earnings arising from the investment of the trust after June 30, 1996, to be used for~~
 119.20 ~~grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph~~
 119.21 ~~(a). This amount must be reserved until it is used as described in this subdivision.~~

119.22 ~~(e)~~ (b) Additionally, ~~the board may recommend that~~ the commissioner, after consultation
 119.23 with the advisory board, may use up to \$5,500,000 from the corpus of the trust may be used
 119.24 for additional grants, loans, loan guarantees, or equity investments for the purposes set forth
 119.25 in paragraph (a).

119.26 ~~(d)~~ (c) ~~The board~~ commissioner, after consultation with the advisory board, may require
 119.27 that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this
 119.28 section.

119.29 Sec. 49. Minnesota Statutes 2016, section 298.2961, is amended to read:

119.30 **298.2961 PRODUCER GRANTS.**

119.31 Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J.
 119.32 Johnson economic protection trust fund to a special account in the taconite area environmental

120.1 protection fund for grants to producers on a project-by-project basis as provided in this
120.2 section.

120.3 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, are
120.4 appropriated for grants to producers on a project-by-project basis as provided in this section.

120.5 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

120.6 (1) environmentally unique reclamation projects; or

120.7 (2) pit or plant repairs, expansions, or modernizations other than for a value added iron
120.8 products plant.

120.9 ~~(b) To be proposed by the board, a project must be approved by the board. The money~~
120.10 ~~for a project may be spent only upon approval of the project by the governor. The board~~
120.11 ~~may submit supplemental projects for approval at any time~~ The commissioner may approve
120.12 a project only after consultation with the advisory board.

120.13 (c) The commissioner, after consultation with the advisory board, may require that ~~it~~
120.14 the fund receive an equity percentage in any project to which it contributes under this section.

120.15 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at
120.16 the facility had ceased, any money remaining in the taconite environmental fund for the
120.17 former producer may be released to the purchaser of the facility on the terms otherwise
120.18 applicable to the former producer under this section.

120.19 (b) Any portion of the taconite environmental fund that is not released by the
120.20 commissioner within three years of its deposit in the taconite environmental fund shall be
120.21 divided between the taconite environmental protection fund created in section 298.223 and
120.22 the Douglas J. Johnson economic protection trust fund created in section 298.292 for
120.23 placement in their respective special accounts. Two-thirds of the unreleased funds must be
120.24 distributed to the taconite environmental protection fund and one-third to the Douglas J.
120.25 Johnson economic protection trust fund.

120.26 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under
120.27 section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision.
120.28 Any grant or loan made under this subdivision must be approved by the commissioner, after
120.29 consultation with the advisory board, established under section 298.22.

120.30 (b) All distributions received in 2009 and subsequent years are allocated for projects
120.31 under section 298.223, subdivision 1.

121.1 Sec. 50. Minnesota Statutes 2016, section 298.297, is amended to read:

121.2 **298.297 ADVISORY COMMITTEES.**

121.3 Before submission of a project to the advisory board, the commissioner of Iron Range
121.4 resources and rehabilitation shall appoint a technical advisory committee consisting of one
121.5 or more persons who are knowledgeable in areas related to the objectives of the proposal.
121.6 Members of the committees shall be compensated as provided in section 15.059, subdivision
121.7 3. The advisory board shall not ~~act~~ make recommendations on a proposal until it has received
121.8 the evaluation and recommendations of the technical advisory committee or until 15 days
121.9 have elapsed since the proposal was transmitted to the advisory committee, whichever
121.10 occurs first.

121.11 Sec. 51. Minnesota Statutes 2016, section 298.46, subdivision 2, is amended to read:

121.12 Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly
121.13 constituted authorities of a taxing district there are in existence reserves of unmined iron
121.14 ore located in such district, these authorities may petition the commissioner of Iron Range
121.15 resources and rehabilitation ~~Board~~ for authority to petition the county assessor to verify the
121.16 existence of such reserves and to ascertain the value thereof by drilling in a manner consistent
121.17 with established engineering and geological exploration methods, in order that such taxing
121.18 district may be able to forecast in a proper manner its future economic and fiscal potentials.
121.19 The commissioner may grant the authority to petition only after consultation with the
121.20 advisory board.

121.21 Sec. 52. Minnesota Statutes 2016, section 298.46, subdivision 5, is amended to read:

121.22 Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or drilling
121.23 plus any damages to the property which may be assessed by the district court shall be paid
121.24 by the commissioner of Iron Range resources and rehabilitation Board from amounts
121.25 appropriated to ~~that board~~ the commissioner under section 298.22. The commissioner of
121.26 Iron Range resources and rehabilitation Board shall be reimbursed for one-half of the
121.27 amounts thus expended. Such reimbursement shall be made by the taxing districts in the
121.28 proportion that each such taxing district's levy on the property involved bears to the total
121.29 levy on such property. Such reimbursement shall be made to the commissioner of Iron
121.30 Range resources and rehabilitation Board in the manner provided by section 298.221.

122.1 Sec. 53. Minnesota Statutes 2016, section 298.46, subdivision 6, is amended to read:

122.2 Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district
122.3 refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor
122.4 is hereby authorized to reduce payments required to be made by the county to such taxing
122.5 district under other provisions of law. Thereafter the auditor shall draw a warrant, which
122.6 shall be deposited with the state treasury in accordance with section 298.221, to the credit
122.7 of the commissioner of Iron Range resources and rehabilitation Board.

122.8 Sec. 54. Minnesota Statutes 2016, section 466.03, subdivision 6c, is amended to read:

122.9 Subd. 6c. **Water access sites.** Any claim based upon the construction, operation, or
122.10 maintenance by a municipality of a water access site created by the commissioner of Iron
122.11 Range resources and rehabilitation Board. A water access site under this subdivision that
122.12 provides access to an idled, water filled mine pit also includes the entire water filled area
122.13 of the pit, and, further, claims related to a mine pit water access site under this subdivision
122.14 include those based upon the caving or slumping of mine pit walls.

122.15 Sec. 55. Minnesota Statutes 2016, section 469.310, subdivision 9, is amended to read:

122.16 Subd. 9. **Local government unit.** "Local government unit" means a statutory or home
122.17 rule charter city, county, town, the Department of Iron Range Resources and Rehabilitation
122.18 agency, regional development commission, or a federally designated economic development
122.19 district.

122.20 Sec. 56. Minnesota Statutes 2016, section 474A.02, subdivision 21, is amended to read:

122.21 Subd. 21. **Preliminary resolution.** "Preliminary resolution" means a resolution adopted
122.22 by the governing body or board of the issuer, or ~~in the case of the~~ by the commissioner of
122.23 Iron Range resources and rehabilitation Board by the commissioner. The resolution must
122.24 express a preliminary intention of the issuer to issue obligations for a specific project,
122.25 identify the proposed project, and disclose the proposed amount of qualified bonds to be
122.26 issued. Preliminary resolutions for mortgage bonds and student loan bonds need not identify
122.27 a specific project.

122.28 Sec. 57. Laws 2010, chapter 389, article 5, section 7, is amended to read:

122.29 **Sec. 7. GIANTS RIDGE RECREATION AREA TAXING AUTHORITY.**

122.30 Subdivision 1. **Additional taxes authorized.** Notwithstanding Minnesota Statutes,
122.31 section 477A.016, or any other law, ordinance, or charter provision to the contrary, the city

123.1 of Biwabik, upon approval both by its governing body and by the vote of at least seven
123.2 members of the Iron Range Resources and Rehabilitation Board, may impose any or all of
123.3 the taxes described in this section.

123.4 Subd. 2. **Use of proceeds.** The proceeds of any taxes imposed under this section, less
123.5 refunds and costs of collection, must be deposited into the Iron Range Resources and
123.6 Rehabilitation Board account enterprise fund created under the provisions of Minnesota
123.7 Statutes, section 298.221, paragraph (c), and must be dedicated and expended by the
123.8 commissioner of the Iron Range resources and rehabilitation Board, ~~upon approval by the~~
123.9 ~~vote of at least seven members of~~ after consultation with the Iron Range Resources and
123.10 Rehabilitation Board, to pay costs for the construction, renovation, improvement, expansion,
123.11 and maintenance of public recreational facilities located in those portions of the city within
123.12 the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22,
123.13 subdivision 7, or to pay any principal, interest, or premium on any bond issued to finance
123.14 the construction, renovation, improvement, or expansion of such public recreational facilities.

123.15 Subd. 3. **Lodging tax.** (a) The city of Biwabik, upon approval both by its governing
123.16 body and by the vote of at least seven members of the Iron Range Resources and
123.17 Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on the
123.18 gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This
123.19 tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and may
123.20 be imposed only on gross lodging receipts generated within the Giants Ridge Recreation
123.21 Area as defined in Minnesota Statutes, section 298.22, subdivision 7.

123.22 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax
123.23 imposed under paragraph (a), the change must be approved by both the governing body of
123.24 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after
123.25 the commissioner consults with the Iron Range Resources and Rehabilitation Board.

123.26 Subd. 4. **Admissions and recreation tax.** (a) The city of Biwabik, upon approval both
123.27 by its governing body and by the vote of at least seven members of the Iron Range Resources
123.28 and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent
123.29 on admission receipts to entertainment and recreational facilities and on receipts from the
123.30 rental of recreation equipment, at sites within the Giants Ridge Recreation Area as defined
123.31 in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes,
123.32 section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration,
123.33 collection, and enforcement of the tax authorized in this subdivision.

124.1 (b) If the city imposes the tax under paragraph (a), it must include in the ordinance an
 124.2 exemption for purchases of season tickets or passes.

124.3 (c) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax
 124.4 imposed under paragraph (a), the change must be approved by both the governing body of
 124.5 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after
 124.6 the commissioner consults with the Iron Range Resources and Rehabilitation Board.

124.7 Subd. 5. **Food and beverage tax.** (a) The city of Biwabik, upon approval both by its
 124.8 governing body and by the vote of at least seven members of the Iron Range Resources and
 124.9 Rehabilitation Board, may impose, by ordinance, an additional sales tax of not more than
 124.10 one percent on gross receipts of food and beverages sold whether it is consumed on or off
 124.11 the premises by restaurants and places of refreshment as defined by resolution of the city
 124.12 within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22,
 124.13 subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions
 124.14 2 and 3, govern the imposition, administration, collection, and enforcement of the tax
 124.15 authorized in this subdivision.

124.16 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax
 124.17 imposed under paragraph (a), the change must be approved by both the governing body of
 124.18 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after
 124.19 the commissioner consults with the Iron Range Resources and Rehabilitation Board.

124.20 **EFFECTIVE DATE.** This section is effective August 1, 2017, without local approval
 124.21 pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

124.22 Sec. 58. **DEPARTMENT OF IRON RANGE RESOURCES AND**
 124.23 **REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM**
 124.24 **AUTHORIZATION.**

124.25 (a) "Commissioner" as used in this section means the commissioner of Iron Range
 124.26 resources and rehabilitation unless otherwise specified.

124.27 (b) Notwithstanding any law to the contrary, the commissioner, in consultation with the
 124.28 commissioner of management and budget, shall offer a targeted early separation incentive
 124.29 program for employees of the commissioner who have attained the age of 60 years or who
 124.30 have received credit for at least 30 years of allowable service under the provisions of
 124.31 Minnesota Statutes, chapter 352. The commissioner shall also offer a targeted separation
 124.32 incentive program for employees of the commissioner whose positions are in support of

125.1 operations at Giants Ridge and will be eliminated if the department no longer directly
125.2 manages Giants Ridge operations.

125.3 (c) The early separation incentive program may include one or more of the following:

125.4 (1) employer-paid postseparation health, medical, and dental insurance until age 65; and

125.5 (2) cash incentives that may, but are not required to be, used to purchase additional years
125.6 of service credit through the Minnesota State Retirement System, to the extent that the
125.7 purchases are otherwise authorized by law.

125.8 (d) The commissioner shall establish eligibility requirements for employees to receive
125.9 an incentive. The commissioner must exclude from eligibility for the incentive program
125.10 employees having less than 20 years of allowable service who would otherwise qualify for
125.11 the incentive program.

125.12 (e) The commissioner, consistent with the established program provisions under paragraph
125.13 (b), and with the eligibility requirements under paragraph (f), may designate specific
125.14 programs or employees as eligible to be offered the incentive program.

125.15 (f) Acceptance of the offered incentive must be voluntary on the part of the employee
125.16 and must be in writing. The incentive may only be offered at the sole discretion of the
125.17 commissioner.

125.18 (g) The cost of the incentive is payable solely by funds made available to the
125.19 commissioner by law, but only on prior approval of the expenditures by the commissioner,
125.20 after consultation with the Iron Range Resources and Rehabilitation Board.

125.21 (h) Unilateral implementation of this section by the commissioner is not an unfair labor
125.22 practice under Minnesota Statutes, chapter 179A.

125.23 **EFFECTIVE DATE.** This section is effective the day following final enactment. This
125.24 section is repealed July 30, 2018.

125.25 Sec. 59. **REVISOR'S INSTRUCTION.**

125.26 The revisor of statutes, with cooperation from the House Research Department and the
125.27 Senate Counsel, Research and Fiscal Analysis Office, shall prepare legislation that makes
125.28 conforming changes in accordance with the provisions of this article. The revisor shall
125.29 submit the proposal, in a form ready for introduction, during the 2018 regular legislative
125.30 session to the chairs and ranking minority members of the senate and house of representatives
125.31 committees with jurisdiction over jobs and economic development.

126.1 Sec. 60. **REPEALER.**

126.2 Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; and 298.298, are
 126.3 repealed.

126.4 **ARTICLE 5**

126.5 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL**
 126.6 **POLICY**

126.7 Section 1. Minnesota Statutes 2016, section 268.046, subdivision 3, is amended to read:

126.8 Subd. 3. **Penalties; application.** (a) Any person that violates the requirements of this
 126.9 section and any taxpaying employer that violates subdivision 1, paragraph (b), or any
 126.10 nonprofit or government employer that violates subdivision 2, paragraph (b), is subject to
 126.11 the penalties under section 268.184, subdivision 1a. Penalties are credited to the trust fund.

126.12 (b) Section 268.051, subdivision 4, does not apply to contracts under this section. This
 126.13 section does not limit or prevent the application of section 268.051, subdivision 4, to any
 126.14 other transactions or acquisitions involving the taxpaying employer. This section does not
 126.15 limit or prevent the application of section 268.051, subdivision 4a.

126.16 (c) An assignment of an account upon the execution of a contract under this section and
 126.17 a termination of a contract with the corresponding assignment of the account is not ~~considered~~
 126.18 a separation from employment of any worker covered by the contract. Nothing under this
 126.19 subdivision causes the person to be liable for any amounts past due under this chapter from
 126.20 the taxpaying employer or the nonprofit or government employer.

126.21 (d) ~~This section applies to, but is not limited to, persons registered under section 79.255,~~
 126.22 ~~but does not apply to persons that obtain~~ An exemption from registration under section
 126.23 79.255, subdivision 9, does not determine the application of this section.

126.24 Sec. 2. Minnesota Statutes 2016, section 268.065, subdivision 2, is amended to read:

126.25 Subd. 2. **Employee leasing company, professional employer organization, or similar**
 126.26 **person.** (a) A person whose work force consists of 50 percent or more of workers provided
 126.27 by an employee leasing company, professional employer organization, or similar person
 126.28 for a fee, is jointly and severally liable for the unpaid amounts that are due under this chapter
 126.29 or section 116L.20 on the wages paid on the contract with the employee leasing company,
 126.30 professional employer organization, or similar person.

126.31 (b) ~~This subdivision applies to, but is not limited to, persons registered under section~~
 126.32 ~~79.255, but does not apply to agreements with persons that obtain~~ An exemption from

127.1 registration under section 79.255, subdivision 9, does not determine the application of this
127.2 section.

127.3 Sec. 3. Minnesota Statutes 2016, section 268.085, subdivision 13, is amended to read:

127.4 Subd. 13. **Suspension from employment.** (a) An applicant who has been suspended
127.5 from employment without pay for 30 calendar days or less, as a result of employment
127.6 misconduct or aggravated employment misconduct as defined under section 268.095,
127.7 ~~subdivision 6~~, is ineligible for unemployment benefits beginning the Sunday of the week
127.8 that the applicant was suspended and continuing for the duration of the suspension.

127.9 (b) A suspension from employment without pay that is of indefinite duration or is for
127.10 more than 30 calendar days is considered, at the time the suspension begins, a discharge
127.11 from employment ~~under~~ subject to section 268.095, ~~subdivision 5~~.

127.12 (c) A suspension from employment with pay, regardless of duration, is not ~~considered~~
127.13 a separation from employment and the applicant is ineligible for unemployment benefits
127.14 for the duration of the suspension with pay.

127.15 Sec. 4. Minnesota Statutes 2016, section 268.095, subdivision 5, is amended to read:

127.16 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any words
127.17 or actions by an employer would lead a reasonable employee to believe that the employer
127.18 will no longer allow the employee to work for the employer in any capacity. A layoff because
127.19 of lack of work is a discharge.

127.20 (b) A suspension from employment without pay that is of an indefinite duration or is
127.21 for more than 30 calendar days is considered a discharge at the time the suspension begins.

127.22 ~~(b)~~ (c) When determining if an applicant was discharged, the theory of a constructive
127.23 discharge does not apply.

127.24 ~~(e)~~ (d) An employee who gives notice of intention to quit the employment and is not
127.25 allowed by the employer to work the entire notice period is discharged from the employment
127.26 as of the date the employer will no longer allow the employee to work. If the discharge
127.27 occurs within 30 calendar days before the intended date of quitting, then, as of the intended
127.28 date of quitting, the separation from employment is a quit from employment subject to
127.29 subdivision 1.

127.30 ~~(d)~~ (e) The end of a job assignment with the client of a staffing service is a discharge
127.31 from employment with the staffing service unless subdivision 2, paragraph (e), applies.

128.1 Sec. 5. Minnesota Statutes 2016, section 268.101, subdivision 2, is amended to read:

128.2 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility
128.3 raised by information required from an applicant under subdivision 1, paragraph (a) or (c),
128.4 and send to the applicant and any involved employer, by mail or electronic transmission, a
128.5 document titled a determination of eligibility or a determination of ineligibility, as is
128.6 appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge
128.7 of the applicant must state the effect on the employer under section 268.047. A determination
128.8 must be made in accordance with this paragraph even if a notified employer has not raised
128.9 the issue of ineligibility.

128.10 (b) The commissioner must determine any issue of ineligibility raised by an employer
128.11 and send to the applicant and that employer, by mail or electronic transmission, a document
128.12 titled a determination of eligibility or a determination of ineligibility as is appropriate. The
128.13 determination on an issue of ineligibility as a result of a quit or discharge of the applicant
128.14 must state the effect on the employer under section 268.047.

128.15 If a base period employer:

128.16 (1) was not the applicant's most recent employer before the application for unemployment
128.17 benefits;

128.18 (2) did not employ the applicant during the six calendar months before the application
128.19 for unemployment benefits; and

128.20 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant
128.21 within ten calendar days of notification under subdivision 1, paragraph (b);

128.22 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two
128.23 weeks following the week that the issue of ineligibility as a result of a quit or discharge of
128.24 the applicant was raised by the employer.

128.25 A communication from an employer must specifically set out why the applicant should
128.26 be determined ineligible for unemployment benefits for that communication to be considered
128.27 to have raised an issue of ineligibility for purposes of this section. A statement of "protest"
128.28 or a similar term without more information does not constitute raising an issue of ineligibility
128.29 for purposes of this section.

128.30 (c) Subject to section 268.031, an issue of ineligibility is determined based upon that
128.31 information required of an applicant, any information that may be obtained from an applicant
128.32 or employer, and information from any other source.

129.1 (d) Regardless of the requirements of this subdivision, the commissioner is not required
 129.2 to send to an applicant a copy of the determination where the applicant has satisfied a period
 129.3 of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

129.4 (e) ~~The commissioner may~~ department is authorized to issue a determination on an issue
 129.5 of ineligibility within 24 months from the establishment of a benefit account based upon
 129.6 information from any source, even if the issue of ineligibility was not raised by the applicant
 129.7 or an employer.

129.8 If an applicant obtained unemployment benefits through ~~fraud~~ misrepresentation under
 129.9 section 268.18, subdivision 2, the department is authorized to issue a determination of
 129.10 ineligibility ~~may be issued~~ within 48 months of the establishment of the benefit account.

129.11 If the department has filed an intervention in a worker's compensation matter under
 129.12 section 176.361, the department is authorized to issue a determination of ineligibility within
 129.13 48 months of the establishment of the benefit account.

129.14 (f) A determination of eligibility or determination of ineligibility is final unless an appeal
 129.15 is filed by the applicant or employer within 20 calendar days after sending. The determination
 129.16 must contain a prominent statement indicating the consequences of not appealing.
 129.17 Proceedings on the appeal are conducted in accordance with section 268.105.

129.18 (g) An issue of ineligibility required to be determined under this section includes any
 129.19 question regarding the denial or allowing of unemployment benefits under this chapter
 129.20 except for issues under section 268.07. An issue of ineligibility for purposes of this section
 129.21 includes any question of effect on an employer under section 268.047.

129.22

ARTICLE 6

129.23

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

129.24

HOUSEKEEPING

129.25 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 20, is amended to read:

129.26 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

129.27 (1) employment for the United States government or an instrumentality thereof, including
 129.28 military service;

129.29 (2) employment for a state, other than Minnesota, or a political subdivision or
 129.30 instrumentality thereof;

129.31 (3) employment for a foreign government;

129.32 (4) employment covered under the federal Railroad Unemployment Insurance Act;

130.1 (5) employment for a church or convention or association of churches, or a nonprofit
130.2 organization operated primarily for religious purposes that is operated, supervised, controlled,
130.3 or principally supported by a church or convention or association of churches;

130.4 (6) employment for an elementary or secondary school with a curriculum that includes
130.5 religious education that is operated by a church, a convention or association of churches,
130.6 or a nonprofit organization that is operated, supervised, controlled, or principally supported
130.7 by a church or convention or association of churches;

130.8 ~~(6)~~ (7) employment for Minnesota or a political subdivision, or a nonprofit organization,
130.9 of a duly ordained or licensed minister of a church in the exercise of a ministry or by a
130.10 member of a religious order in the exercise of duties required by the order;

130.11 ~~(7)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit organization,
130.12 of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
130.13 purpose of carrying out a program of rehabilitation for individuals whose earning capacity
130.14 is impaired by age or physical or mental deficiency or injury or a program providing
130.15 "sheltered" work for individuals who because of an impaired physical or mental capacity
130.16 cannot be readily absorbed in the competitive labor market. This clause applies only to
130.17 services performed in a facility certified by the Rehabilitation Services Branch of the
130.18 department or in a day training or habilitation program licensed by the Department of Human
130.19 Services;

130.20 ~~(8)~~ (9) employment for Minnesota or a political subdivision, or a nonprofit organization,
130.21 of an individual receiving work relief or work training as part of an unemployment work
130.22 relief or work training program ~~assisted or~~ financed in whole or in part by any federal agency
130.23 or an agency of a state or political subdivision thereof. This clause does not apply to programs
130.24 that require unemployment benefit coverage for the participants;

130.25 ~~(9)~~ (10) employment for Minnesota or a political subdivision, as an elected official, a
130.26 member of a legislative body, or a member of the judiciary;

130.27 ~~(10)~~ (11) employment as a member of the Minnesota National Guard or Air National
130.28 Guard;

130.29 ~~(11)~~ (12) employment for Minnesota or a political subdivision, or instrumentality thereof,
130.30 of an individual serving on a temporary basis in case of fire, flood, tornado, or similar
130.31 emergency;

131.1 ~~(12)~~ (13) employment as an election official or election worker for Minnesota or a
131.2 political subdivision, if the compensation for that employment was less than \$1,000 in a
131.3 calendar year;

131.4 ~~(13)~~ (14) employment for Minnesota that is a major policy-making or advisory position
131.5 in the unclassified service;

131.6 ~~(14)~~ (15) employment for Minnesota in an unclassified position established under section
131.7 43A.08, subdivision 1a;

131.8 ~~(15)~~ (16) employment for a political subdivision of Minnesota that is a nontenured major
131.9 policy making or advisory position;

131.10 ~~(16)~~ (17) domestic employment in a private household, local college club, or local chapter
131.11 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
131.12 current or prior calendar year to all individuals in domestic employment totaled less than
131.13 \$1,000.

131.14 "Domestic employment" includes all service in the operation and maintenance of a
131.15 private household, for a local college club, or local chapter of a college fraternity or sorority
131.16 as distinguished from service as an employee in the pursuit of an employer's trade or business;

131.17 ~~(17)~~ (18) employment of an individual by a son, daughter, or spouse, and employment
131.18 of a child under the age of 18 by the child's father or mother;

131.19 ~~(18)~~ (19) employment of an inmate of a custodial or penal institution;

131.20 ~~(19)~~ (20) employment for a school, college, or university, by a student who is enrolled
131.21 and whose primary relation to the school, college, or university is as a student. This does
131.22 not include an individual whose primary relation to the school, college, or university is as
131.23 an employee who also takes courses;

131.24 ~~(20)~~ (21) employment of an individual who is enrolled as a student in a full-time program
131.25 at a nonprofit or public educational institution that maintains a regular faculty and curriculum
131.26 and has a regularly organized body of students in attendance at the place where its educational
131.27 activities are carried on, taken for credit at the institution, that combines academic instruction
131.28 with work experience, if the employment is an integral part of the program, and the institution
131.29 has so certified to the employer, except that this clause does not apply to employment in a
131.30 program established for or on behalf of an employer or group of employers;

131.31 ~~(21)~~ (22) employment of university, college, or professional school students in an
131.32 internship or other training program with the city of St. Paul or the city of Minneapolis
131.33 under Laws 1990, chapter 570, article 6, section 3;

132.1 ~~(22)~~ (23) employment for a hospital by a patient of the hospital. "Hospital" means an
132.2 institution that has been licensed by the Department of Health as a hospital;

132.3 ~~(23)~~ (24) employment as a student nurse for a hospital or a nurses' training school by
132.4 an individual who is enrolled and is regularly attending classes in an accredited nurses'
132.5 training school;

132.6 ~~(24)~~ (25) employment as an intern for a hospital by an individual who has completed a
132.7 four-year course in an accredited medical school;

132.8 ~~(25)~~ (26) employment as an insurance salesperson, by other than a corporate officer, if
132.9 all the wages from the employment is solely by way of commission. The word "insurance"
132.10 includes an annuity and an optional annuity;

132.11 ~~(26)~~ (27) employment as an officer of a township mutual insurance company or farmer's
132.12 mutual insurance company under chapter 67A;

132.13 ~~(27)~~ (28) employment of a corporate officer, if the officer directly or indirectly, including
132.14 through a subsidiary or holding company, owns 25 percent or more of the employer
132.15 corporation, and employment of a member of a limited liability company, if the member
132.16 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
132.17 or more of the employer limited liability company;

132.18 ~~(28)~~ (29) employment as a real estate salesperson, other than a corporate officer, if all
132.19 the wages from the employment is solely by way of commission;

132.20 ~~(29)~~ (30) employment as a direct seller as defined in United States Code, title 26, section
132.21 3508;

132.22 ~~(30)~~ (31) employment of an individual under the age of 18 in the delivery or distribution
132.23 of newspapers or shopping news, not including delivery or distribution to any point for
132.24 subsequent delivery or distribution;

132.25 ~~(31)~~ (32) casual employment performed for an individual, other than domestic
132.26 employment under clause ~~(16)~~ (17), that does not promote or advance that employer's trade
132.27 or business;

132.28 ~~(32)~~ (33) employment in "agricultural employment" unless it is "covered agricultural
132.29 employment" under subdivision 11; or

132.30 ~~(33)~~ (34) if employment during one-half or more of any pay period was covered
132.31 employment, all the employment for the pay period is covered employment; but if during
132.32 more than one-half of any pay period the employment was noncovered employment, then

133.1 all of the employment for the pay period is noncovered employment. "Pay period" means
 133.2 a period of not more than a calendar month for which a payment or compensation is ordinarily
 133.3 made to the employee by the employer.

133.4 Sec. 2. Minnesota Statutes 2016, section 268.035, subdivision 21d, is amended to read:

133.5 Subd. 21d. **Staffing service.** A "staffing service" is an employer whose business involves
 133.6 employing individuals directly for the purpose of furnishing temporary assignment workers
 133.7 to ~~clients~~ support or supplement the workforce of the business that is a client of the staffing
 133.8 service.

133.9 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 9, is amended to read:

133.10 Subd. 9. **Assessments, fees, and surcharges; treatment.** ~~Any assessment, fee, or~~
 133.11 ~~surcharge imposed under the Minnesota Unemployment Insurance Law is treated the same~~
 133.12 ~~as, and considered as, a tax.~~ Any assessment, fee, or surcharge is subject to the same
 133.13 collection procedures that apply to past due taxes.

133.14 Sec. 4. Minnesota Statutes 2016, section 268.07, subdivision 3b, is amended to read:

133.15 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
 133.16 unemployment benefits is effective the Sunday of the calendar week that the application
 133.17 was filed. An application for unemployment benefits may be backdated one calendar week
 133.18 before the Sunday of the week the application was actually filed if the applicant requests
 133.19 the backdating within seven calendar days of the date the application is filed. An application
 133.20 may be backdated only if the applicant was unemployed during the period of the backdating.
 133.21 If an individual attempted to file an application for unemployment benefits, but was prevented
 133.22 from filing an application by the department, the application is effective the Sunday of the
 133.23 calendar week the individual first attempted to file an application.

133.24 (b) A benefit account established under subdivision 2 is effective the date the application
 133.25 for unemployment benefits was effective.

133.26 (c) A benefit account, once established, may later be withdrawn only if:

133.27 (1) the applicant has not been paid any unemployment benefits on that benefit account;
 133.28 and

133.29 (2) a new application for unemployment benefits is filed and a new benefit account is
 133.30 established at the time of the withdrawal.

134.1 A benefit account may be withdrawn after the expiration of the benefit year, and the
134.2 new work requirements of subdivision 2, paragraph (b), do not apply if the applicant was
134.3 not paid any unemployment benefits on the benefit account that is being withdrawn.

134.4 A determination or amended determination of eligibility or ineligibility issued under
134.5 section 268.101, that was sent before the withdrawal of the benefit account, remains in
134.6 effect and is not voided by the withdrawal of the benefit account.

134.7 (d) An application for unemployment benefits is not allowed before the Sunday following
134.8 the expiration of the benefit year on a prior benefit account. Except as allowed under
134.9 paragraph (c), an applicant may establish only one benefit account each 52 calendar weeks.
134.10 This paragraph applies to benefit accounts established under any federal law or the law of
134.11 any other state.

134.12 Sec. 5. Minnesota Statutes 2016, section 268.085, subdivision 1, is amended to read:

134.13 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
134.14 unemployment benefits for any week if:

134.15 (1) the applicant has filed a continued request for unemployment benefits for that week
134.16 under section 268.0865;

134.17 (2) the week for which unemployment benefits are requested is in the applicant's benefit
134.18 year;

134.19 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

134.20 (4) the applicant was available for suitable employment as defined in subdivision 15.

134.21 The applicant's weekly unemployment benefit amount is reduced one-fifth for each day the
134.22 applicant is unavailable for suitable employment. This clause does not apply to an applicant
134.23 who is in reemployment assistance training, or each day the applicant is on jury duty or
134.24 serving as an election judge;

134.25 (5) the applicant was actively seeking suitable employment as defined in subdivision
134.26 16. This clause does not apply to an applicant who is in reemployment assistance training
134.27 or who was on jury duty throughout the week;

134.28 (6) the applicant has served a nonpayable period of one week that the applicant is
134.29 otherwise eligible for some amount of unemployment benefits. This clause does not apply
134.30 if the applicant would have been eligible for federal disaster unemployment assistance
134.31 because of a disaster in Minnesota, but for the applicant's establishment of a benefit account
134.32 under section 268.07; and

135.1 (7) the applicant has been participating in reemployment assistance services, such as
135.2 development of, and adherence to, a work search plan, if the applicant has been directed to
135.3 participate by the commissioner. This clause does not apply if the applicant has good cause
135.4 for failing to participate. "Good cause" is a reason that would have prevented a reasonable
135.5 person acting with due diligence from participating.

135.6 Sec. 6. Minnesota Statutes 2016, section 268.085, subdivision 13a, is amended to read:

135.7 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is
135.8 ineligible for unemployment benefits for the duration of the leave of absence. An applicant
135.9 on an involuntary leave of absence is not ineligible under this subdivision.

135.10 A leave of absence is voluntary when work that the applicant can then perform is available
135.11 with the applicant's employer but the applicant chooses not to work. A medical leave of
135.12 absence is not presumed to be voluntary.

135.13 (b) A period of vacation requested by the applicant, paid or unpaid, is ~~considered~~ a
135.14 voluntary leave of absence. A vacation period assigned by an employer under: (1) a uniform
135.15 vacation shutdown; (2) a collective bargaining agreement; or (3) an established employer
135.16 policy, is ~~considered~~ an involuntary leave of absence.

135.17 (c) A leave of absence is a temporary stopping of work that has been approved by the
135.18 employer. A voluntary leave of absence is not ~~considered~~ a quit and an involuntary leave
135.19 of absence is not ~~considered~~ a discharge from employment for purposes of section 268.095.

135.20 (d) An applicant who is on a paid leave of absence, whether the leave of absence is
135.21 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the
135.22 leave.

135.23 (e) This subdivision applies to a leave of absence from a base period employer, an
135.24 employer during the period between the end of the base period and the effective date of the
135.25 benefit account, or an employer during the benefit year.

135.26 Sec. 7. Minnesota Statutes 2016, section 268.105, subdivision 2, is amended to read:

135.27 Subd. 2. **Request for reconsideration.** (a) Any party, or the commissioner, may within
135.28 20 calendar days of the sending of the unemployment law judge's decision under subdivision
135.29 1a, file a request for reconsideration asking the judge to reconsider that decision.

135.30 (b) Upon a request for reconsideration having been filed, the chief unemployment law
135.31 judge must send a notice, by mail or electronic transmission, to all parties that a request for
135.32 reconsideration has been filed. The notice must inform the parties:

136.1 (1) that reconsideration is the procedure for the unemployment law judge to correct any
136.2 factual or legal mistake in the decision, or to order an additional hearing when appropriate;

136.3 (2) of the opportunity to provide comment on the request for reconsideration, and the
136.4 right under subdivision 5 to obtain a copy of any recorded testimony and exhibits offered
136.5 or received into evidence at the hearing;

136.6 (3) that providing specific comments as to a perceived factual or legal mistake in the
136.7 decision, or a perceived mistake in procedure during the hearing, will assist the
136.8 unemployment law judge in deciding the request for reconsideration;

136.9 (4) of the right to obtain any comments and submissions provided by any other party
136.10 regarding the request for reconsideration; and

136.11 (5) of the provisions of paragraph (c) regarding additional evidence.

136.12 This paragraph does not apply if paragraph (d) is applicable. Sending the notice does not
136.13 mean the unemployment law judge has decided the request for reconsideration was timely
136.14 filed.

136.15 (c) In deciding a request for reconsideration, the unemployment law judge must not
136.16 consider any evidence that was not submitted at the hearing, except for purposes of
136.17 determining whether to order an additional hearing.

136.18 The unemployment law judge must order an additional hearing if a party shows that
136.19 evidence which was not submitted at the hearing:

136.20 (1) would likely change the outcome of the decision and there was good cause for not
136.21 having previously submitted that evidence; or

136.22 (2) would show that the evidence that was submitted at the hearing was likely false and
136.23 that the likely false evidence had an effect on the outcome of the decision.

136.24 "Good cause" for purposes of this paragraph is a reason that would have prevented a
136.25 reasonable person acting with due diligence from submitting the evidence.

136.26 (d) If the party who filed the request for reconsideration failed to participate in the
136.27 hearing, the unemployment law judge must issue an order setting aside the decision and
136.28 ordering an additional hearing if the party who failed to participate had good cause for
136.29 failing to do so. The party who failed to participate in the hearing must be informed of the
136.30 requirement to show good cause for failing to participate. If the unemployment law judge
136.31 determines that good cause for failure to participate has not been shown, the judge must
136.32 state that in the decision issued under paragraph (f).

137.1 Submission of a written statement at the hearing does not constitute participation for
 137.2 purposes of this paragraph.

137.3 "Good cause" for purposes of this paragraph is a reason that would have prevented a
 137.4 reasonable person acting with due diligence from participating in the hearing.

137.5 (e) A request for reconsideration must be decided by the unemployment law judge who
 137.6 issued the decision under subdivision 1a unless that judge:

137.7 (1) is no longer employed by the department;

137.8 (2) is on an extended or indefinite leave; or

137.9 (3) has been removed from the proceedings by the chief unemployment law judge.

137.10 (f) If a request for reconsideration is timely filed, the unemployment law judge must
 137.11 issue:

137.12 (1) a decision affirming the findings of fact, reasons for decision, and decision issued
 137.13 under subdivision 1a;

137.14 (2) a decision modifying the findings of fact, reasons for decision, and decision under
 137.15 subdivision 1a; or

137.16 (3) an order setting aside the findings of fact, reasons for decision, and decision issued
 137.17 under subdivision 1a, and ordering an additional hearing.

137.18 The unemployment law judge must issue a decision dismissing the request for
 137.19 reconsideration as untimely if the judge decides the request for reconsideration was not
 137.20 filed within 20 calendar days after the sending of the decision under subdivision 1a.

137.21 The unemployment law judge must send to all parties, by mail or electronic transmission,
 137.22 the decision or order issued under this subdivision. A decision affirming or modifying the
 137.23 previously issued findings of fact, reasons for decision, and decision, or a decision dismissing
 137.24 the request for reconsideration as untimely, is the final decision on the matter and is binding
 137.25 on the parties unless judicial review is sought under subdivision 7.

137.26 **ARTICLE 7**

137.27 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL** 137.28 **TECHNICAL**

137.29 Section 1. Minnesota Statutes 2016, section 268.031, subdivision 1, is amended to read:

137.30 Subdivision 1. **Standard of proof.** All issues of fact under the Minnesota Unemployment
 137.31 Insurance Law are determined by a preponderance of the evidence.

138.1 Sec. 2. Minnesota Statutes 2016, section 268.035, subdivision 15, is amended to read:

138.2 Subd. 15. **Employment.** (a) "Employment" means service performed by:

138.3 (1) an individual who is ~~considered~~ an employee under the common law of
138.4 employer-employee and not ~~considered~~ an independent contractor;

138.5 (2) an officer of a corporation;

138.6 (3) a member of a limited liability company who is ~~considered~~ an employee under the
138.7 common law of employer-employee; or

138.8 (4) product demonstrators in retail stores or other locations to aid in the sale of products.

138.9 The person that pays the wages is ~~considered~~ the employer; ~~or~~.

138.10 ~~(5) an individual who performs services for a person for compensation, as:~~

138.11 ~~(i) an agent-driver or commission-driver engaged in distributing meat products, vegetable
138.12 products, fruit products, beverages, or laundry or dry cleaning services; or~~

138.13 ~~(ii) a traveling or city salesperson, other than as an agent-driver or commission-driver,
138.14 engaged full-time in the solicitation on behalf of the person, of orders from wholesalers,
138.15 retailers, contractors, or operators of hotels, restaurants, or other similar establishments for
138.16 merchandise for resale or supplies for use in their business operations.~~

138.17 ~~This clause applies only if the contract of service provides that substantially all of the
138.18 services are to be performed personally by the individual, and the services are part of a
138.19 continuing relationship with the person for whom the services are performed, and the
138.20 individual does not have a substantial investment in facilities used in connection with the
138.21 performance of the services, other than facilities for transportation.~~

138.22 (b) Employment does not include service as a juror.

138.23 (c) Construction industry employment is defined in subdivision 9a. Trucking and
138.24 messenger/courier industry employment is defined in subdivision 25b. Rules on determining
138.25 worker employment status are described under Minnesota Rules, chapter 3315.

138.26 Sec. 3. Minnesota Statutes 2016, section 268.035, subdivision 23, is amended to read:

138.27 Subd. 23. **State's average annual and average weekly wage.** (a) On or before June 30
138.28 of each year, the commissioner must calculate, from wage detail reports under section
138.29 268.044, the state's average annual wage and the state's average weekly wage in the following
138.30 manner:

139.1 (1) the sum of the total monthly covered employment reported by all employers for the
 139.2 prior calendar year is divided by 12 to calculate the average monthly covered employment;

139.3 (2) the sum of the total wages paid for all covered employment reported by all employers
 139.4 for the prior calendar year is divided by the average monthly covered employment to calculate
 139.5 the state's average annual wage; and

139.6 (3) the state's average annual wage is divided by 52 to calculate the state's average weekly
 139.7 wage.

139.8 (b) For purposes of calculating the amount of taxable wages under subdivision 24, the
 139.9 state's average annual wage applies to the calendar year following the calculation.

139.10 (c) For purposes of calculating ~~(4)~~ the state's maximum weekly unemployment benefit
 139.11 amount available on any benefit account under section 268.07, subdivision 2a, ~~and (2)~~ the
 139.12 state's average weekly wage applies to the one-year period beginning the last Sunday in
 139.13 October of the calendar year of the calculation.

139.14 (d) For purposes of calculating the wage credits necessary to establish a benefit account
 139.15 under section 268.07, subdivision 2, the state's average weekly wage applies to the one-year
 139.16 period beginning the last Sunday in October of the calendar year of the calculation.

139.17 Sec. 4. Minnesota Statutes 2016, section 268.035, subdivision 30, is amended to read:

139.18 Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages:

139.19 (1) that have been actually paid; or

139.20 (2) that have been credited to or set apart so that payment and disposition is under the
 139.21 control of the employee.

139.22 (b) Wage payments delayed beyond the regularly scheduled pay date are ~~considered~~
 139.23 "wages paid" on the missed pay date. Back pay is ~~considered~~ "wages paid" on the date of
 139.24 actual payment. Any wages earned but not paid with no scheduled date of payment is
 139.25 ~~considered~~ are "wages paid" on the last day of employment.

139.26 (c) Wages paid does not include wages earned but not paid except as provided for in
 139.27 this subdivision.

139.28 Sec. 5. Minnesota Statutes 2016, section 268.042, subdivision 1, is amended to read:

139.29 Subdivision 1. **Employer registration.** (a) Each employer must, upon or before the
 139.30 submission of its first wage detail report under section 268.044, register with the
 139.31 commissioner for a tax account or a reimbursable account, by electronic transmission in a

140.1 format prescribed by the commissioner. The employer must provide all required information
 140.2 for registration, including the actual physical street and city address of the employer.

140.3 (b) Within 30 calendar days, each employer must notify the commissioner by electronic
 140.4 transmission, in a format prescribed, of a change in legal entity, of the transfer, sale, or
 140.5 acquisition of a business conducted in Minnesota, in whole or in part, if the transaction
 140.6 results in the creation of a new or different employer or affects the establishment of employer
 140.7 accounts, the assignment of tax rates, or the transfer of experience rating history.

140.8 (c) Except as provided in subdivision 3, any person that is or becomes an employer
 140.9 ~~subject to the Minnesota Unemployment Insurance Law~~ with covered employment within
 140.10 any calendar year is ~~considered to be~~ subject to this chapter the entire calendar year.

140.11 (d) Within 30 calendar days of the termination of business, an employer that has been
 140.12 assigned a tax account or reimbursable account must notify the commissioner by electronic
 140.13 transmission, in a format prescribed by the commissioner, if that employer does not intend
 140.14 or expect to pay wages to any employees in covered employment during the current or the
 140.15 next calendar year. Upon notification, the employer is no longer required to file wage detail
 140.16 reports under section 268.044, subdivision 1, paragraph (d), and the employer's account
 140.17 must be terminated.

140.18 (e) An employer that has its account terminated regains its previous tax account under
 140.19 section 268.045, with the experience rating history of that account, if the employer again
 140.20 commences business and again pays wages in covered employment if:

140.21 (1) less than 14 calendar quarters have elapsed in which no wages were paid for covered
 140.22 employment;

140.23 (2) the experience rating history regained contains taxable wages; and

140.24 (3) the experience rating history has not been transferred to a successor under section
 140.25 268.051, subdivision 4.

140.26 Sec. 6. Minnesota Statutes 2016, section 268.051, subdivision 1, is amended to read:

140.27 Subdivision 1. **Payments.** (a) Unemployment insurance taxes ~~and any special~~
 140.28 ~~assessments, fees, or surcharges~~ accrue and become payable by each employer for each
 140.29 calendar year on the taxable wages that the employer paid to employees in covered
 140.30 employment, except for:

140.31 (1) nonprofit organizations that elect to make reimbursements as provided in section
 140.32 268.053; and

141.1 (2) the state of Minnesota and political subdivisions that make reimbursements, unless
141.2 they elect to pay taxes as provided in section 268.052.

141.3 Each employer must pay taxes quarterly, at the employer's assigned tax rate under
141.4 subdivision 6, on the taxable wages paid to each employee. The commissioner must compute
141.5 the tax due from the wage detail report required under section 268.044 and notify the
141.6 employer of the tax due. The taxes ~~and any special assessments, fees, or surcharges~~ must
141.7 be paid to the trust fund and must be received by the department on or before the last day
141.8 of the month following the end of the calendar quarter.

141.9 (b) If for any reason the wages on the wage detail report under section 268.044 are
141.10 adjusted for any quarter, the commissioner must recompute the taxes due for that quarter
141.11 and assess the employer for any amount due or credit the employer as appropriate.

141.12 Sec. 7. Minnesota Statutes 2016, section 268.07, subdivision 2, is amended to read:

141.13 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to establish
141.14 a benefit account an applicant must have ~~total~~ wage credits ~~in the applicant's four quarter~~
141.15 ~~base period~~ of at least 5.3 percent of the state's average annual wage rounded down to the
141.16 next lower \$100.

141.17 (b) To establish a new benefit account following the expiration of the benefit year on a
141.18 prior benefit account, an applicant must have performed actual work in subsequent covered
141.19 employment and have been paid wages in one or more completed calendar quarters that
141.20 started after the effective date of the prior benefit account. The wages paid for that
141.21 employment must be at least enough to meet the requirements of paragraph (a). A benefit
141.22 account under this paragraph may not be established effective earlier than the Sunday
141.23 following the end of the most recent completed calendar quarter in which the requirements
141.24 of paragraph (a) were met. An applicant may not establish a second benefit account as a
141.25 result of one loss of employment.

141.26 Sec. 8. Minnesota Statutes 2016, section 268.07, subdivision 3a, is amended to read:

141.27 Subd. 3a. **Right of appeal.** (a) A determination or amended determination of benefit
141.28 account is final unless an applicant or base period employer within 20 calendar days after
141.29 the sending of the determination or amended determination files an appeal. Every
141.30 determination or amended determination of benefit account must contain a prominent
141.31 statement indicating in clear language the consequences of not appealing. Proceedings on
141.32 the appeal are conducted in accordance with section 268.105.

142.1 (b) Any applicant or base period employer may appeal from a determination or amended
142.2 determination of benefit account on the issue of whether services performed constitute
142.3 employment, whether the employment is ~~considered~~ covered employment, and whether
142.4 money paid constitutes wages. ~~Proceedings on the appeal are conducted in accordance with~~
142.5 ~~section 268.105.~~

142.6 Sec. 9. Minnesota Statutes 2016, section 268.085, subdivision 6, is amended to read:

142.7 Subd. 6. **Receipt of back pay.** (a) Back pay received by an applicant within 24 months
142.8 of the establishment of the benefit account with respect to any week must be deducted from
142.9 unemployment benefits paid for that week, and the applicant is ~~considered to have been~~
142.10 overpaid the unemployment benefits under section 268.18, subdivision 1.

142.11 If the back pay is not paid with respect to a specific period, the back pay must be applied
142.12 to the period immediately following the last day of employment.

142.13 (b) If the back pay is reduced by the amount of unemployment benefits that have been
142.14 paid, the amount of back pay withheld and not paid the applicant must be:

142.15 (1) paid by the taxpaying or reimbursing employer to the trust fund within 30 calendar
142.16 days and is subject to the same collection procedures that apply to past due taxes and
142.17 reimbursements; and

142.18 (2) when received by the trust fund:

142.19 (i) an overpayment of unemployment benefits must be created which, under section
142.20 268.047, subdivision 2, clause (8), clears the employer's tax or reimbursable account of any
142.21 effect; and

142.22 (ii) the back pay must then be applied to the unemployment benefit overpayment,
142.23 eliminating any effect on the applicant.

142.24 (c) The following must result when applying paragraph (b):

142.25 (1) an employer neither overpays nor underpays the employer's proper portion of the
142.26 unemployment benefit costs; and

142.27 (2) the applicant is placed in the same position as never having been paid the
142.28 unemployment benefits.

142.29 (d) This subdivision applies to payments labeled front pay, settlement pay, and other
142.30 terms describing or dealing with wage loss.

143.1 Sec. 10. Minnesota Statutes 2016, section 268.085, subdivision 7, is amended to read:

143.2 Subd. 7. **School employees; between terms denial.** (a) ~~No Wage credits in any amount~~
 143.3 ~~from any employment with any an educational institution or institutions earned in any~~
 143.4 ~~capacity may not be used for unemployment benefit purposes for any week during the period~~
 143.5 ~~between two successive academic years or terms if:~~

143.6 (1) the applicant had employment for ~~any an~~ an educational institution or institutions in the
 143.7 prior academic year or term; and

143.8 (2) there is a reasonable assurance that the applicant will have employment for ~~any an~~ an
 143.9 educational institution or institutions in the following academic year or term, ~~unless that.~~

143.10 This paragraph applies to a vacation period or holiday recess if the applicant was
 143.11 employed immediately before the vacation period or holiday recess, and there is a reasonable
 143.12 assurance that the applicant will be employed immediately following the vacation period
 143.13 or holiday recess. This paragraph also applies to the period between two regular but not
 143.14 successive terms if there is an agreement for that schedule between the applicant and the
 143.15 educational institution.

143.16 This paragraph does not apply if the subsequent employment is substantially less
 143.17 favorable than the employment of the prior academic year or term, or the employment prior
 143.18 to the vacation period or holiday recess.

143.19 (b) Paragraph (a) does not apply to an applicant who, at the end of the prior academic
 143.20 year or term, had an agreement for a definite period of employment between academic years
 143.21 or terms in other than an instructional, research, or principal administrative capacity and
 143.22 the educational institution or institutions failed to provide that employment.

143.23 (c) If unemployment benefits are denied to any applicant under paragraph (a) who was
 143.24 employed in the prior academic year or term in other than an instructional, research, or
 143.25 principal administrative capacity and who was not offered an opportunity to perform the
 143.26 employment in the following academic year or term, the applicant is entitled to retroactive
 143.27 unemployment benefits for each week during the period between academic years or terms
 143.28 that the applicant filed a timely continued request for unemployment benefits, but
 143.29 unemployment benefits were denied solely because of paragraph (a).

143.30 ~~(d) An educational assistant is not considered to be in an instructional, research, or~~
 143.31 ~~principal administrative capacity.~~

143.32 ~~(e) Paragraph (a) applies to any vacation period or holiday recess if the applicant was~~
 143.33 ~~employed immediately before the vacation period or holiday recess, and there is a reasonable~~

144.1 ~~assurance that the applicant will be employed immediately following the vacation period~~
 144.2 ~~or holiday recess.~~

144.3 ~~(d)~~ (d) This subdivision applies to employment with an educational service agency if the
 144.4 applicant performed the services at an educational institution or institutions. "Educational
 144.5 service agency" means a governmental agency or entity established and operated exclusively
 144.6 for the purpose of providing services to one or more educational institutions.

144.7 (e) This subdivision ~~also~~ applies to employment with Minnesota or a political
 144.8 subdivision, or a nonprofit organization, if the services are provided to or on behalf of an
 144.9 educational institution or institutions.

144.10 ~~(g) Paragraphs (a) and (e) apply~~ (f) Paragraph (a) applies beginning the Sunday of the
 144.11 week that there is a reasonable assurance of employment.

144.12 ~~(h)~~ (g) Employment and a reasonable assurance with multiple education institutions
 144.13 must be aggregated for purposes of application of this subdivision.

144.14 ~~(i)~~ (h) If all of the applicant's employment with any educational institution or institutions
 144.15 during the prior academic year or term consisted of on-call employment, and the applicant
 144.16 has a reasonable assurance of any on-call employment with any educational institution or
 144.17 institutions for the following academic year or term, it is not considered substantially less
 144.18 favorable employment.

144.19 ~~(j) Paragraph (a) also applies to the period between two regular but not successive terms.~~

144.20 ~~(k)~~ (i) A "reasonable assurance" may be written, oral, implied, or established by custom
 144.21 or practice.

144.22 ~~(l)~~ (j) An "educational institution" is ~~an~~ a school, college, university, or other educational
 144.23 entity operated by Minnesota or a political subdivision or an instrumentality thereof, or an
 144.24 ~~educational~~ a nonprofit organization described in United States Code, title 26, section
 144.25 ~~501(e)(3) of the federal Internal Revenue Code, and exempt from income tax under section~~
 144.26 ~~501(a).~~

144.27 (k) An "instructional, research, or principal administrative capacity" does not include
 144.28 an educational assistant.

144.29 Sec. 11. Minnesota Statutes 2016, section 268.085, subdivision 12, is amended to read:

144.30 Subd. 12. **Aliens.** (a) An alien is ineligible for unemployment benefits for any week the
 144.31 alien is not authorized to work in the United States under federal law. Information from the
 144.32 Bureau of Citizenship and Immigration Services is ~~considered~~ conclusive, absent specific

145.1 evidence that the information was erroneous. Under the existing agreement between the
 145.2 United States and Canada, this paragraph does not apply to an applicant who is a Canadian
 145.3 citizen and has returned to and is living in Canada each week unemployment benefits are
 145.4 requested.

145.5 (b) ~~Unemployment benefits must not be paid on the basis of~~ An alien's wage credits
 145.6 ~~earned by an alien~~ may not be used for unemployment benefit purposes unless the alien
 145.7 was:

145.8 (1) ~~was~~ lawfully admitted for permanent residence at the time of the employment;₂

145.9 (2) ~~was~~ lawfully present for the purposes of the employment;₂ or

145.10 (3) ~~was~~ permanently residing in the United States under color of law at the time of the
 145.11 employment.

145.12 (c) ~~Any~~ Information required of applicants applying for unemployment benefits to
 145.13 determine eligibility because of their alien status must be required ~~from~~ of all applicants.

145.14 Sec. 12. Minnesota Statutes 2016, section 268.0865, subdivision 5, is amended to read:

145.15 Subd. 5. **Good cause defined.** (a) "Good cause" for purposes of this section is a
 145.16 ~~compelling substantial~~ reason that would have prevented a reasonable person acting with
 145.17 due diligence from filing a continued request for unemployment benefits within the time
 145.18 periods required.

145.19 (b) "Good cause" does not include forgetfulness, loss of the continued request form if
 145.20 filing by mail, having returned to work, having an appeal pending, or inability to file a
 145.21 continued request for unemployment benefits by the method designated if the applicant was
 145.22 aware of the inability and did not make diligent effort to have the method of filing a continued
 145.23 request changed by the commissioner. "Good cause" does not include having previously
 145.24 made an attempt to file a continued request for unemployment benefits but where the
 145.25 communication was not considered a continued request because the applicant failed to
 145.26 submit all required information.

145.27 Sec. 13. Minnesota Statutes 2016, section 268.095, subdivision 1, is amended to read:

145.28 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
 145.29 unemployment benefits according to subdivision 10 except when:

145.30 (1) the applicant quit the employment because of a good reason caused by the employer
 145.31 as defined in subdivision 3;

146.1 (2) the applicant quit the employment to accept other covered employment that provided
146.2 equal to or better terms and conditions of employment, but the applicant did not work long
146.3 enough at the second employment to have sufficient subsequent wages paid to satisfy the
146.4 period of ineligibility that would otherwise be imposed under subdivision 10 for quitting
146.5 the first employment;

146.6 (3) the applicant quit the employment within 30 calendar days of beginning the
146.7 employment and the employment was unsuitable;

146.8 (4) the employment was unsuitable and the applicant quit to enter reemployment
146.9 assistance training;

146.10 (5) the employment was part time and the applicant also had full-time employment in
146.11 the base period, from which full-time employment the applicant separated because of reasons
146.12 for which the applicant is would not be ineligible, and the wage credits from the full-time
146.13 employment are sufficient to meet the minimum requirements to establish a benefit account
146.14 under section 268.07;

146.15 (6) the applicant quit because the employer notified the applicant that the applicant was
146.16 going to be laid off because of lack of work within 30 calendar days. An applicant who quit
146.17 employment within 30 calendar days of a notified date of layoff because of lack of work is
146.18 ineligible for unemployment benefits through the end of the week that includes the scheduled
146.19 date of layoff;

146.20 (7) the applicant quit the employment (i) because the applicant's serious illness or injury
146.21 made it medically necessary that the applicant quit; or (ii) in order to provide necessary care
146.22 because of the illness, injury, or disability of an immediate family member of the applicant.
146.23 This exception only applies if the applicant informs the employer of the medical problem
146.24 and requests accommodation and no reasonable accommodation is made available.

146.25 If the applicant's serious illness is chemical dependency, this exception does not apply
146.26 if the applicant was previously diagnosed as chemically dependent or had treatment for
146.27 chemical dependency, and since that diagnosis or treatment has failed to make consistent
146.28 efforts to control the chemical dependency.

146.29 This exception raises an issue of the applicant's being available for suitable employment
146.30 under section 268.085, subdivision 1, that the commissioner must determine;

146.31 (8) the applicant's loss of child care for the applicant's minor child caused the applicant
146.32 to quit the employment, provided the applicant made reasonable effort to obtain other child

147.1 care and requested time off or other accommodation from the employer and no reasonable
147.2 accommodation is available.

147.3 This exception raises an issue of the applicant's being available for suitable employment
147.4 under section 268.085, subdivision 1, that the commissioner must determine;

147.5 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the applicant
147.6 or an immediate family member of the applicant, necessitated the applicant's quitting the
147.7 employment.

147.8 For purposes of this subdivision:

147.9 (i) "domestic abuse" has the meaning given in section 518B.01;

147.10 (ii) "sexual assault" means an act that would constitute a violation of sections 609.342
147.11 to 609.3453 or 609.352; and

147.12 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

147.13 (10) the applicant quit in order to relocate to accompany a spouse:

147.14 ~~(i)~~ (i) who is in the military; or

147.15 ~~(ii)~~ (ii) whose job was transferred by the spouse's employer to a new location making it
147.16 impractical for the applicant to commute.

147.17 Sec. 14. Minnesota Statutes 2016, section 268.095, subdivision 2, is amended to read:

147.18 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end
147.19 the employment was, at the time the employment ended, the employee's.

147.20 (b) When determining if an applicant quit, the theory of a constructive quit does not
147.21 apply.

147.22 (c) An employee who has been notified that the employee will be discharged in the
147.23 future, who chooses to end the employment while employment in any capacity is still
147.24 available, has quit the employment.

147.25 (d) A notice of quitting in the future does not constitute a quit at the time the notice is
147.26 given. An employee who seeks to withdraw a previously submitted notice of quitting in the
147.27 future has quit the employment, as of the intended date of quitting, if the employer does not
147.28 agree that the notice may be withdrawn.

147.29 (e) An applicant has quit employment with a staffing service if, within five calendar
147.30 days after completion of a suitable job assignment from a staffing service, the applicant:

- 148.1 (1) fails without good cause to affirmatively request an additional suitable job assignment;
- 148.2 (2) refuses without good cause an additional suitable job assignment offered; or
- 148.3 (3) accepts employment with the client of the staffing service. Accepting employment
- 148.4 with the client of the staffing service meets the requirements of the exception to ineligibility
- 148.5 under subdivision 1, clause (2).

148.6 This paragraph applies only if, at the time of beginning of employment with the staffing

148.7 service, the applicant signed and was provided a copy of a separate document written in

148.8 clear and concise language that informed the applicant of this paragraph and that

148.9 unemployment benefits may be affected.

148.10 For purposes of this paragraph, "good cause" is a reason that would compel an average,

148.11 reasonable worker, who would otherwise want an additional suitable job assignment with

148.12 the staffing service (1) to fail to contact the staffing service, or (2) to refuse an offered

148.13 assignment.

148.14 Sec. 15. Minnesota Statutes 2016, section 268.131, is amended to read:

148.15 **268.131 RECIPROCAL UNEMPLOYMENT BENEFIT COMBINED WAGE**

148.16 **ARRANGEMENTS FOR WORK IN MULTIPLE STATES.**

148.17 ~~Subdivision 1. Cooperation with other states on combining wages.~~ (a) In accordance

148.18 with the requirements of ~~United States Code, title 26, section 3304(a)(9)(B),~~ the Federal

148.19 Unemployment Tax Act, the commissioner must participate in reciprocal arrangements with

148.20 other states for the payment of unemployment benefits on the basis of combining an

148.21 applicant's wages from multiple states for the purposes of collecting unemployment benefits

148.22 from a single state. ~~The reciprocal agreement must include provisions for applying the base~~

148.23 ~~period of a single state law to a benefit account involving the combining of an applicant's~~

148.24 ~~wages and employment and avoiding the duplicate use of wages by reason of such combining.~~

148.25 The commissioner may not enter into any reciprocal arrangement unless it contains provisions

148.26 for only pay unemployment benefits from the trust fund under this section if:

148.27 (1) there are reimbursements to the trust fund, by the other state, for unemployment

148.28 benefits paid from the trust fund to applicants based upon wages and employment covered

148.29 under the laws of the other state; and

148.30 ~~(b) The commissioner is authorized to pay unemployment benefits based upon an~~

148.31 ~~applicant's wages paid in covered employment in another state only if (2) the applicant is~~

148.32 ~~combining Minnesota wage credits with the wages paid in covered employment from another~~

148.33 ~~state or states.~~

149.1 ~~(e) Section 268.23 does not apply to this subdivision.~~

149.2 ~~(d) On any reciprocal arrangement,~~ (b) Under this section, the wages paid an applicant
149.3 from employment covered under an unemployment insurance program of another state are
149.4 considered wages from covered employment for the purpose of determining the applicant's
149.5 rights to unemployment benefits under the Minnesota Unemployment Insurance Law.

149.6 ~~Subd. 2. **Cooperation with foreign governments.** The commissioner is authorized to~~
149.7 ~~enter into or cooperate in arrangements whereby facilities and services provided under the~~
149.8 ~~Minnesota Unemployment Insurance Law and facilities and services provided under the~~
149.9 ~~unemployment insurance program of any foreign government, may be used for the taking~~
149.10 ~~of applications for unemployment benefits and continued requests and the payment of~~
149.11 ~~unemployment benefits under this law or under a similar law of a foreign government.~~

149.12 Sec. 16. Minnesota Statutes 2016, section 268.18, subdivision 2, is amended to read:

149.13 Subd. 2. **Overpayment because of fraud misrepresentation.** (a) An applicant has
149.14 committed fraud misrepresentation if the applicant is overpaid unemployment benefits by:

149.15 ~~(1) knowingly misrepresenting, misstating, or failing to disclose any material fact; or~~

149.16 ~~(2) making a false statement or representation without a good faith belief as to the~~
149.17 ~~correctness of the statement or representation.~~

149.18 After the discovery of facts indicating fraud misrepresentation, the commissioner must
149.19 issue a determination of overpayment penalty assessing a penalty equal to 40 percent of the
149.20 amount overpaid. This penalty is in addition to penalties under section 268.182.

149.21 (b) Unless the applicant files an appeal within 20 calendar days after the sending of a
149.22 determination of overpayment penalty to the applicant by mail or electronic transmission,
149.23 the determination is final. Proceedings on the appeal are conducted in accordance with
149.24 section 268.105.

149.25 (c) A determination of overpayment penalty must state the methods of collection the
149.26 commissioner may use to recover the overpayment, penalty, and interest assessed. Money
149.27 received in repayment of overpaid unemployment benefits, penalties, and interest is first
149.28 applied to the benefits overpaid, then to the penalty amount due, then to any interest due.
149.29 62.5 percent of the payments made toward the penalty are credited to the contingent account
149.30 and 37.5 percent credited to the trust fund.

150.1 (d) The department is authorized to issue a determination of overpayment penalty under
 150.2 this subdivision may be issued within 48 months of the establishment of the benefit account
 150.3 upon which the unemployment benefits were obtained through ~~fraud~~ misrepresentation.

150.4 Sec. 17. Minnesota Statutes 2016, section 268.18, subdivision 2b, is amended to read:

150.5 Subd. 2b. **Interest.** On any unemployment benefits ~~fraudulently~~ obtained by
 150.6 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner
 150.7 must assess interest at the rate of one percent per month on any amount that remains unpaid
 150.8 beginning 30 calendar days after the date of a determination of overpayment penalty. A
 150.9 determination of overpayment penalty must state that interest will be assessed. Interest is
 150.10 assessed in the same manner as on employer debt under section 268.057, subdivision 5.
 150.11 Interest payments collected under this subdivision are credited to the trust fund.

150.12 Sec. 18. Minnesota Statutes 2016, section 268.18, subdivision 5, is amended to read:

150.13 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
 150.14 unemployment benefits, including any penalties and interest, is not ~~considered~~
 150.15 of a method of recovery.

150.16 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter
 150.17 under section 176.361 is not ~~considered~~ an election of a remedy and does not prevent the
 150.18 commissioner from determining any an applicant ineligible for unemployment benefits
 150.19 ~~overpaid under subdivision 1 or 2~~ or taking action under section 268.182.

150.20 Sec. 19. Minnesota Statutes 2016, section 268.182, is amended to read:

150.21 **~~268.182 APPLICANT'S FALSE REPRESENTATIONS; CONCEALMENT OF~~**
 150.22 **~~FACTS FRAUD; CRIMINAL PENALTY.~~**

150.23 Subdivision 1. **Criminal penalties.** ~~Whoever~~ An individual has committed fraud and is
 150.24 guilty of theft and must be sentenced under section 609.52 if the individual obtains, or
 150.25 attempts to obtain, or aids or abets any other individual to obtain, by means of an intentional
 150.26 false statement or representation, by intentional concealment of a material fact, or by
 150.27 impersonation or other fraudulent means, unemployment benefits that the individual is not
 150.28 entitled or unemployment benefits greater than the individual is entitled to under this chapter,
 150.29 or under the federal law of any state or of the federal government, either personally or for
 150.30 any other individual, is guilty of theft and must be sentenced under section 609.52.

150.31 Subd. 2. **Administrative penalties.** (a) Any applicant who ~~knowingly makes a false~~
 150.32 ~~statement or representation, who knowingly fails to disclose a material fact, or who makes~~

151.1 a false statement or representation without a good faith belief as to the correctness of the
 151.2 statement or representation, in order to obtain or in an attempt to obtain unemployment
 151.3 benefits may be assessed, in addition to any other penalties, an administrative penalty of
 151.4 being ineligible for unemployment benefits for 13 to 104 weeks.

151.5 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must
 151.6 be sent to the applicant by mail or electronic transmission. The department is authorized to
 151.7 issue a determination of ineligibility under this subdivision ~~may be issued~~ within 48 months
 151.8 of the establishment of the benefit account upon which the unemployment benefits were
 151.9 obtained, or attempted to be obtained. Unless an appeal is filed within 20 calendar days of
 151.10 sending, the determination is final. Proceedings on the appeal are conducted in accordance
 151.11 with section 268.105.

151.12 Sec. 20. Minnesota Statutes 2016, section 268.184, is amended to read:

151.13 **268.184 EMPLOYER MISCONDUCT; PENALTY MISREPRESENTATION AND**
 151.14 **MISREPORTING; ADMINISTRATIVE PENALTIES.**

151.15 Subdivision 1. **Misrepresentation; administrative penalties.** (a) The commissioner
 151.16 must penalize an employer if that employer or any employee, officer, or agent of that
 151.17 employer, ~~is in collusion with any applicant for the purpose of assisting the applicant to~~
 151.18 ~~receive unemployment benefits fraudulently. The penalty is \$500 or the amount of~~
 151.19 ~~unemployment benefits determined to be overpaid, whichever is greater.~~

151.20 ~~(b) The commissioner must penalize an employer if that employer or any employee,~~
 151.21 ~~officer, or agent of that employer: (1) made a false statement or representation knowing it~~
 151.22 ~~to be false; (2) made a false statement or representation without a good faith belief as to~~
 151.23 ~~correctness of the statement or representation; (3) or knowingly failed to disclose a material~~
 151.24 ~~fact; or (4) made an offer of employment to an applicant when, in fact, the employer had~~
 151.25 ~~no employment available. in order to:~~

151.26 (1) assist an applicant to receive unemployment benefits to which the applicant is not
 151.27 entitled;

151.28 (2) prevent or reduce the payment of unemployment benefits to an applicant; or

151.29 (3) avoid or reduce any payment required from an employer under this chapter or section
 151.30 116L.20.

151.31 The penalty is the greater of \$500 or 50 percent of the following resulting from the employer's
 151.32 action:

152.1 (i) the amount of any overpaid unemployment benefits to an applicant;

152.2 (ii) the amount of unemployment benefits not paid to an applicant that would otherwise
152.3 have been paid; or

152.4 (iii) the amount of any payment required from the employer under this chapter or section
152.5 116L.20 that was not paid.

152.6 ~~(e)~~ (b) The commissioner must penalize an employer if that employer failed or refused
152.7 to honor a subpoena issued under section 268.188. The penalty is \$500 and any costs of
152.8 enforcing the subpoena, including attorney fees.

152.9 ~~(d)~~ (c) Penalties under this subdivision and under section 268.047, subdivision 4,
152.10 paragraph (b), are in addition to any other penalties and subject to the same collection
152.11 procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of
152.12 issuance of the determination of penalty and credited to the trust fund.

152.13 ~~(e)~~ (d) The determination of penalty is final unless the employer files an appeal within
152.14 20 calendar days after the sending of the determination of penalty to the employer by mail
152.15 or electronic transmission. Proceedings on the appeal are conducted in accordance with
152.16 section 268.105.

152.17 Subd. 1a. **Notification and misreporting penalties.** (a) If the commissioner finds that
152.18 any employer or agent of an employer failed to meet the notification requirements of section
152.19 268.051, subdivision 4, the employer must be assessed a penalty of \$5,000 or two percent
152.20 of the first full quarterly payroll acquired, whichever is higher. Payroll is wages paid as
152.21 defined in section 268.035, subdivision 30. The penalty under this paragraph must be
152.22 canceled if the commissioner determines that the failure occurred because of ignorance or
152.23 inadvertence.

152.24 (b) If the commissioner finds that any individual advised an employer to violate the
152.25 employer's notification requirements under section 268.051, subdivision 4, the individual,
152.26 and that individual's employer, must each be assessed the penalty in paragraph (a).

152.27 (c) If the commissioner finds that any person or agent of a person violated the reporting
152.28 requirements of section 268.046, the person must be assessed a penalty of \$5,000 or two
152.29 percent of the quarterly payroll reported in violation of section 268.046, whichever is higher.
152.30 Payroll is wages paid as defined in section 268.035, subdivision 30.

152.31 (d) Penalties under this subdivision are in addition to any other penalties and subject to
152.32 the same collection procedures that apply to past due amounts from an employer. Penalties

153.1 must be paid within 30 calendar days after sending of the determination of penalty and
 153.2 credited to the trust fund.

153.3 (e) The determination of penalty is final unless the person assessed files an appeal within
 153.4 20 calendar days after sending of the determination of penalty by mail or electronic
 153.5 transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

153.6 Subd. 2. **Criminal penalties.** Any employer or any officer or agent of an employer or
 153.7 any other individual ~~who~~ has committed fraud and is guilty of a crime, if in order to avoid
 153.8 or reduce any payment required from an employer under this chapter or section 116L.20,
 153.9 or to prevent or reduce the payment of unemployment benefits to an applicant:

153.10 (1) makes a false statement or representation knowing it to be false;

153.11 (2) knowingly fails to disclose a material fact, including notification required under
 153.12 section 268.051, subdivision 4; or

153.13 (3) knowingly advises or assists an employer in violating clause (1) or (2), ~~to avoid or~~
 153.14 ~~reduce any payment required from an employer under this chapter or section 116L.20, or~~
 153.15 ~~to prevent or reduce the payment of unemployment benefits to any applicant.~~

153.16 The individual is guilty of a gross misdemeanor unless if the underpayment exceeds is \$500,
 153.17 in that case or less. The individual is guilty of a felony if the underpayment exceeds \$500.

153.18 Sec. 21. Minnesota Statutes 2016, section 268.194, subdivision 1, is amended to read:

153.19 Subdivision 1. **Establishment.** There is established as a special state trust fund, separate
 153.20 and apart from all other public money or funds of this state, an unemployment insurance
 153.21 trust fund, that is administered by the commissioner exclusively for the payment of
 153.22 unemployment benefits. This trust fund consists of:

153.23 (1) all taxes collected;

153.24 (2) interest earned upon any money in the trust fund;

153.25 (3) reimbursements paid by nonprofit organizations, and the state and political
 153.26 subdivisions;

153.27 (4) tax rate buydown payments under section 268.051, subdivision 7;

153.28 (5) ~~any~~ money received as a loan from the federal unemployment trust fund in accordance
 153.29 with United States Code, title 42, section 1321, of the Social Security Act;

153.30 (6) ~~any other~~ money received under a reciprocal unemployment benefit combined wage
 153.31 arrangement with the federal government or any other state;

154.1 (7) money received from the federal government for unemployment benefits paid under
 154.2 a federal program;

154.3 ~~(7)~~ (8) money recovered on overpaid unemployment benefits;

154.4 ~~(8)~~ (9) all money credited to the account under this chapter;

154.5 ~~(9)~~ (10) all money credited to the account of Minnesota in the federal unemployment
 154.6 trust fund under United States Code, title 42, section 1103, of the Social Security Act, also
 154.7 known as the Reed Act; and

154.8 ~~(10)~~ (11) all money received for the trust fund from any other source.

154.9 Sec. 22. Minnesota Statutes 2016, section 268.194, subdivision 4, is amended to read:

154.10 Subd. 4. **Reimbursements.** The commissioner is authorized to make to other state or
 154.11 federal agencies and to receive from other state or federal agencies, reimbursements from
 154.12 or to the trust fund, in accordance with ~~reciprocal~~ combined wage arrangements entered
 154.13 into under section 268.131.

154.14 Money received under a ~~reciprocal agreement~~ combined wage arrangement must be
 154.15 placed directly in the unemployment benefit payment account of the trust fund.

154.16 Sec. 23. **REVISOR'S INSTRUCTION.**

154.17 In the following sections of Minnesota Statutes, the revisor of statutes shall delete the
 154.18 term "considered": Minnesota Statutes, sections 268.035, subdivisions 21c and 26; 268.07,
 154.19 subdivision 1; 268.085, subdivisions 4a, 13c, 15, and 16; 268.095, subdivision 3; 268.101,
 154.20 subdivision 6; and 268.105, subdivisions 3a and 7.

154.21 Sec. 24. **REVISOR'S INSTRUCTION.**

154.22 (a) In Minnesota Statutes, section 268.18, the revisor of statutes shall change the term
 154.23 "fraud" to "misrepresentation" and "nonfraud" to "nonmisrepresentation."

154.24 (b) The revisor of statutes shall renumber Minnesota Statutes, section 268.184,
 154.25 subdivision 2, as Minnesota Statutes, section 268.182, subdivision 1, paragraph (b).

154.26 (c) The revisor of statutes shall renumber Minnesota Statutes, section 268.182, subdivision
 154.27 2, as Minnesota Statutes, section 268.183.

154.28 (d) The revisor of statutes shall make cross-reference changes needed arising out of the
 154.29 renumbering in Minnesota Statutes, section 268.032, subdivision 20.

155.1 Sec. 25. **REPEALER.**

155.2 Laws 2005, chapter 112, article 1, section 14, is repealed.

155.3 **ARTICLE 8**

155.4 **COMMERCE POLICY**

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

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

155.12 Sec. 2. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

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

155.15 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
155.16 to combat automobile theft, improve the administration of the automobile theft laws, and
155.17 provide a forum for identification of critical problems for those persons dealing with
155.18 automobile theft;

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

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

155.26 (4) develop a plan of operation including:

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

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

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

- 156.1 (iv) a plan for eliminating car hijacking; and
- 156.2 (v) an estimate of the funds required to implement the plan; and
- 156.3 (5) distribute money, in consultation with the commissioner of public safety, pursuant
- 156.4 to subdivision 3 from the automobile theft prevention special revenue account for automobile
- 156.5 theft prevention activities, including:
- 156.6 (i) paying the administrative costs of the program;
- 156.7 (ii) providing financial support to the State Patrol and local law enforcement agencies
- 156.8 for automobile theft enforcement teams;
- 156.9 (iii) providing financial support to state or local law enforcement agencies for programs
- 156.10 designed to reduce the incidence of automobile theft and for improved equipment and
- 156.11 techniques for responding to automobile thefts;
- 156.12 (iv) providing financial support to local prosecutors for programs designed to reduce
- 156.13 the incidence of automobile theft;
- 156.14 (v) providing financial support to judicial agencies for programs designed to reduce the
- 156.15 incidence of automobile theft;
- 156.16 (vi) providing financial support for neighborhood or community organizations or business
- 156.17 organizations for programs designed to reduce the incidence of automobile theft and to
- 156.18 educate people about the common methods of automobile theft, the models of automobiles
- 156.19 most likely to be stolen, and the times and places automobile theft is most likely to occur;
- 156.20 and
- 156.21 (vii) providing financial support for automobile theft educational and training programs
- 156.22 for state and local law enforcement officials, driver and vehicle services exam and inspections
- 156.23 staff, and members of the judiciary.
- 156.24 (b) The commissioner may not spend in any fiscal year more than ten percent of the
- 156.25 money in the fund for the program's administrative and operating costs. The commissioner
- 156.26 is annually appropriated and must distribute the amount of the proceeds credited to the
- 156.27 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
- 156.28 each year to the ~~general fund~~ insurance fraud prevention account described in section 297I.11,
- 156.29 subdivision 2.
- 156.30 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
- 156.31 in the auto theft prevention account to the insurance fraud prevention account under section
- 156.32 45.0135, subdivision 6.

157.1 Sec. 3. [239.7511] GAS TAX SIGN ON PETROLEUM DISPENSER.

157.2 (a) The director must ensure that signs having 12-point font or greater are affixed on
157.3 retail petroleum dispensers as follows:

157.4 (1) for regular or premium gasoline, a sign that reads: "The price for each gallon of
157.5 gasoline includes the current state gasoline tax of 28.5 cents per gallon and federal gasoline
157.6 tax of 18.4 cents per gallon. Revenue from the state fuel tax may be used only for roads and
157.7 bridges, according to the Minnesota Constitution."; and

157.8 (2) for diesel fuel, a sign that reads: "The price for each gallon of diesel fuel includes
157.9 the current state gasoline tax of 28.5 cents per gallon and federal gasoline tax of 24.4 cents
157.10 per gallon. Revenue from the state fuel tax may be used only for roads and bridges, according
157.11 to the Minnesota Constitution."

157.12 (b) The director must distribute the signs under this section to the owner or operator of
157.13 retail petroleum dispensers. To the extent possible, the director must coordinate the
157.14 distribution of signs with other duties the director may have involving retail petroleum
157.15 dispensers.

157.16 (c) If the amount of the gasoline tax described in paragraph (a), clauses (1) and (2),
157.17 changes, the director must distribute revised signs to reflect the updated gasoline tax amounts
157.18 within 12 calendar months of the change.

157.19 (d) The director is prohibited from assessing any penalty, fine, or fee on the owner or
157.20 operator of a retail petroleum dispenser that has a missing, destroyed, defaced, or otherwise
157.21 damaged gas tax sign.

157.22 Sec. 4. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

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

157.29 Sec. 5. Minnesota Statutes 2016, section 325J.06, is amended to read:

157.30 **325J.06 EFFECT OF NONREDEMPTION.**

158.1 (a) A pledgor shall have no obligation to redeem pledged goods or make any payment
 158.2 on a pawn transaction. Pledged goods not redeemed within at least 60 days of the date of
 158.3 the pawn transaction, ~~renewal, or extension~~ shall automatically be forfeited to the
 158.4 pawnbroker, and qualified right, title, and interest in and to the goods shall automatically
 158.5 vest in the pawnbroker.

158.6 (b) The pawnbroker's right, title, and interest in the pledged goods under paragraph (a)
 158.7 is qualified only by the pledgor's right, while the pledged goods remain in possession of the
 158.8 pawnbroker and not sold to a third party, to redeem the goods by paying the loan plus fees
 158.9 and/or interest accrued up to the date of redemption.

158.10 (c) A pawn transaction that involves holding only the title to property is subject to chapter
 158.11 168A or 336.

158.12 Sec. 6. Minnesota Statutes 2016, section 345.42, is amended by adding a subdivision to
 158.13 read:

158.14 Subd. 1a. **Required lists.** (a) Beginning July 1, 2017, and annually thereafter, and
 158.15 provided that a member has requested it, the commissioner shall provide to each member
 158.16 of the legislature a list in electronic form of all persons appearing to be owners of abandoned
 158.17 property whose last known address is located in the legislator's respective legislative district.

158.18 (b) Beginning July 1, 2017, and every six months thereafter, and provided that a county
 158.19 has requested it, the commissioner shall provide to the county a list in electronic form of
 158.20 all persons appearing to be owners of abandoned property whose last known address is
 158.21 located in the county. A request under this paragraph must be made in writing by a person
 158.22 authorized by the county to make the request and is good until canceled.

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

158.24 Sec. 7. Minnesota Statutes 2016, section 345.49, is amended to read:

158.25 **345.49 CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.**

158.26 Subdivision 1. **Filing.** (a) Any person claiming an interest in any property delivered to
 158.27 the state under sections 345.31 to 345.60 may file a claim thereto or to the proceeds from
 158.28 the sale thereof on the form prescribed by the commissioner.

158.29 (b) Any person claiming an interest in property evidenced by a will or trust document,
 158.30 or court order, may submit to the commissioner only such portions of the document or order
 158.31 necessary to establish a claim.

159.1 Subd. 2. **Appropriation.** There is hereby appropriated to the persons entitled to a refund,
159.2 from the fund in the state treasury to which the money was credited, an amount sufficient
159.3 to make the refund and payment.

159.4 Subd. 3. **Data.** Government data received by the commissioner pursuant to this section
159.5 is nonpublic data or private data on individuals, as defined in section 13.02, subdivisions 9
159.6 and 12.

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

159.8 Sec. 8. **[471.9998] MERCHANT BAGS.**

159.9 Subdivision 1. **Merchant option.** All merchants, itinerant vendors, and peddlers doing
159.10 business in this state shall have the option to provide customers a paper, plastic, or reusable
159.11 bag for the packaging of any item or good purchased, provided such purchase is of a size
159.12 and manner commensurate with the use of paper, plastic, or reusable bags.

159.13 Subd. 2. **Prohibition; bag ban.** Notwithstanding any other provision of law, no political
159.14 subdivision shall impose any ban upon the use of paper, plastic, or reusable bags for
159.15 packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

159.16 **EFFECTIVE DATE.** This section is effective May 31, 2017. Ordinances existing on
159.17 the effective date of this section that would be prohibited under this section are invalid as
159.18 of the effective date of this section.

159.19 Sec. 9. **REPORT ON UNCLAIMED PROPERTY DIVISION.**

159.20 The commissioner shall report by February 15, 2018, to the chairs and ranking minority
159.21 members of the standing committees of the house of representatives and senate having
159.22 jurisdiction over commerce regarding the process owners of abandoned property must
159.23 comply with in order to file an allowed claim under Minnesota Statutes, chapter 345. The
159.24 report shall include information regarding the documentation and identification necessary
159.25 for owners of each type of abandoned property under Minnesota Statutes, chapter 345, to
159.26 file an allowed claim.

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

159.28 ARTICLE 9

159.29 TELECOMMUNICATIONS POLICY

159.30 Section 1. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision
159.31 to read:

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

160.7 Sec. 2. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to
 160.8 read:

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

160.14 Sec. 3. [237.037] **VOICE-OVER-INTERNET PROTOCOL SERVICE AND**
 160.15 **INTERNET PROTOCOL-ENABLED SERVICE.**

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

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

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

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

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

161.5 (2) any applicable wholesale tariff or any commission authority related to wholesale
161.6 services;

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

161.11 (4) the rights of any entity, or the authority of the commission and local government
161.12 authorities, with respect to the use and regulation of public rights-of-way under sections
161.13 237.162 and 237.163;

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

161.17 (6) the authority of the attorney general to apply and enforce chapters 325C to 325G,
161.18 325K to 325M, and other laws of general applicability governing consumer protection and
161.19 trade practices.

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

161.22 (1) video services provided by a cable communications system, as defined in section
161.23 238.02, subdivision 3;

161.24 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

161.25 (3) any other IP-enabled video service.

161.26 Subd. 5. **Preservation of existing landline telephone service.** Nothing in this section
161.27 restricts, creates, expands, or otherwise affects or modifies the obligations of a telephone
161.28 company under this chapter to offer landline telephone service that is not Voice over Internet
161.29 Protocol service.

162.1

ARTICLE 10

162.2

ENERGY POLICY

162.3 Section 1. Minnesota Statutes 2016, section 3.8851, subdivision 1, is amended to read:

162.4 Subdivision 1. **Establishment.** (a) There is established a Legislative Energy Commission
 162.5 to study and to make recommendations for legislation concerning issues related to its duties
 162.6 under subdivision 3.

162.7 (b) The commission consists of:

162.8 (1) ~~ten~~ nine members of the house of representatives, five of whom are appointed by
 162.9 the speaker of the house; and four of whom must be from are appointed by the leader of the
 162.10 minority caucus; and including the chair of the committee with primary jurisdiction over
 162.11 energy policy; the chair or another member of each of the committees with primary
 162.12 jurisdiction over environmental policy, agricultural policy, and transportation policy; and

162.13 (2) ~~ten~~ nine members of the senate ~~to be~~, five of whom are appointed by the Subcommittee
 162.14 ~~on Committees~~, leader of the majority caucus and four of whom must be from are appointed
 162.15 by the leader of the minority caucus; and including the chair of the committee with primary
 162.16 jurisdiction over energy policy; and the chair or another member of each of the committees
 162.17 with primary jurisdiction over environmental policy, agricultural policy, and transportation
 162.18 policy.

162.19 (c) The commission may employ full-time and part-time staff, contract for consulting
 162.20 services, and may reimburse the expenses of persons requested to assist it in its duties. The
 162.21 director of the Legislative Coordinating Commission shall assist the commission in
 162.22 administrative matters. The commission shall elect cochairs, one member of the house of
 162.23 representatives and one member of the senate from among the committee and subcommittee
 162.24 chairs named to the commission. The commission members from the house of representatives
 162.25 shall elect the house of representatives cochair, and the commission members from the
 162.26 senate shall elect the senate cochair.

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

162.28 Sec. 2. Minnesota Statutes 2016, section 16B.323, is amended to read:

162.29 **16B.323 SOLAR ENERGY IN STATE BUILDINGS.**

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

- 163.1 ~~(b) "Made in Minnesota" means the manufacture in this state of:~~
- 163.2 ~~(1) components of a solar thermal system certified by the Solar Rating and Certification~~
- 163.3 ~~Corporation; or~~
- 163.4 ~~(2) solar photovoltaic modules that:~~
- 163.5 ~~(i) are manufactured at a manufacturing facility in Minnesota that is registered and~~
- 163.6 ~~authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory,~~
- 163.7 ~~CSA International, Intertek, or an equivalent independent testing agency;~~
- 163.8 ~~(ii) bear certification marks from Underwriters Laboratory, CSA International, Intertek,~~
- 163.9 ~~or an equivalent independent testing agency; and~~
- 163.10 ~~(iii) meet the requirements of section 116C.7791, subdivision 3, paragraph (a), clauses~~
- 163.11 ~~(1), (5), and (6).~~
- 163.12 ~~For the purposes of clause (2), "manufactured" has the meaning given in section~~
- 163.13 ~~116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).~~
- 163.14 ~~(e) (b) "Major renovation" means a substantial addition to an existing building, or a~~
- 163.15 ~~substantial change to the interior configuration or the energy system of an existing building.~~
- 163.16 ~~(d) (c) "Solar energy system" means solar photovoltaic modules devices alone or installed~~
- 163.17 ~~in conjunction with a solar thermal system.~~
- 163.18 ~~(e) "Solar Photovoltaic module (d) "Photovoltaic device" has the meaning given in~~
- 163.19 ~~section 116C.7791, subdivision 1, paragraph (e) 216C.06, subdivision 16.~~
- 163.20 ~~(f) (e) "Solar thermal system" has the meaning given "qualifying solar thermal project"~~
- 163.21 ~~in section 216B.2411, subdivision 2, paragraph (e).~~
- 163.22 ~~(g) (f) "State building" means a building whose construction or renovation is paid wholly~~
- 163.23 ~~or in part by the state from the bond proceeds fund.~~
- 163.24 **Subd. 2. Solar energy system.** (a) As provided in paragraphs (b) and (c), a project for
- 163.25 the construction or major renovation of a state building, after the completion of a cost-benefit
- 163.26 analysis, may include installation of ~~"Made in Minnesota"~~ solar energy systems of up to 40
- 163.27 kilowatts capacity on, adjacent, or in proximity to the state building.
- 163.28 (b) The capacity of a solar energy system must be less than 40 kilowatts to the extent
- 163.29 necessary to match the electrical load of the building or to the extent necessary to keep the
- 163.30 costs for the installation below the five percent maximum set by paragraph (c).

164.1 (c) The cost of the solar energy system must not exceed five percent of the appropriations
164.2 from the bond proceeds fund for the construction or renovation of the state building. Purchase
164.3 and installation of a solar thermal system may account for no more than 25 percent of the
164.4 cost of a solar energy system installation.

164.5 (d) A project subject to this section is ineligible to receive a rebate for the installation
164.6 of a solar energy system under section 116C.7791 or from any utility.

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

164.8 Sec. 3. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to
164.9 read:

164.10 **Subd. 7. Clean Air Act settlement money.** "Clean Air Act settlement money" means
164.11 money required to be paid to the state as a result of litigation or settlements of alleged
164.12 violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq.,
164.13 or rules adopted thereunder, by an automobile manufacturer. Clean Air Act settlement
164.14 money may not be spent until it is specifically appropriated by law.

164.15 Sec. 4. Minnesota Statutes 2016, section 116C.779, subdivision 1, is amended to read:

164.16 Subdivision 1. ~~Renewable development~~ **Clean energy advancement fund (C-LEAF)**
164.17 **account.** (a) The clean energy advancement fund account, or C-LEAF account, is established
164.18 as a separate account in the special revenue fund in the state treasury. Appropriations and
164.19 transfers to the account shall be credited to the account. Earnings, such as interest, dividends,
164.20 and any other earnings arising from assets of the account, shall be credited to the account.
164.21 Funds remaining in the account at the end of a fiscal year are not canceled to the general
164.22 fund but remain in the account until expended.

164.23 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
164.24 plant must transfer all funds in the renewable development account previously established
164.25 under this subdivision and managed by the public utility to the C-LEAF account established
164.26 in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been
164.27 expended and unencumbered funds required to be paid in calendar year 2017 under
164.28 paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer
164.29 under this paragraph.

164.30 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
164.31 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
164.32 plant must transfer to a ~~renewable development~~ the C-LEAF account \$500,000 each year

165.1 for each dry cask containing spent fuel that is located at the Prairie Island power plant for
165.2 each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if
165.3 ordered by the commission pursuant to paragraph ~~(e)~~ (h). The fund transfer must be made
165.4 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie
165.5 Island for any part of a year.

165.6 ~~(b)~~ (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
165.7 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
165.8 plant must transfer to the ~~renewable development~~ C-LEAF account \$350,000 each year for
165.9 each dry cask containing spent fuel that is located at the Monticello nuclear power plant for
165.10 each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if
165.11 ordered by the commission pursuant to paragraph ~~(e)~~ (h). The fund transfer must be made
165.12 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at
165.13 Monticello for any part of a year.

165.14 (e) Each year, the public utility shall withhold from the funds transferred to the C-LEAF
165.15 account under paragraphs (c) and (d) the amount necessary to pay its obligations under
165.16 paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

165.17 (f) If the commission approves a new or amended power purchase agreement, the
165.18 termination of a power purchase agreement, or the purchase and closure of a facility under
165.19 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
165.20 the public utility subject to this section shall enter into a contract with the city in which the
165.21 poultry litter plant is located to provide grants to the city for the purposes of economic
165.22 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
165.23 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
165.24 by the public utility from funds withheld from the transfer to the C-LEAF account, as
165.25 provided in paragraphs (b) and (e).

165.26 (g) If the commission approves a new or amended power purchase agreement, or the
165.27 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
165.28 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
165.29 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
165.30 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
165.31 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
165.32 on August 1, 2017, and on each June 1 thereafter through 2021, to assist the transition
165.33 required by the new, amended, or terminated power purchase agreement. The grant shall
165.34 be paid by the public utility from funds withheld from the transfer to the C-LEAF account
165.35 as provided in paragraphs (b) and (e).

166.1 ~~(e)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the
 166.2 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
 166.3 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
 166.4 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
 166.5 facility for any year in which the commission finds, by the preponderance of the evidence,
 166.6 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored
 166.7 at the facility to a permanent or interim storage site out of the state. This determination shall
 166.8 be made at least every two years.

166.9 ~~(d)~~ (i) Funds in the account may be expended only for any of the following purposes:

166.10 ~~(1) to increase the market penetration within the state of renewable electric energy~~
 166.11 ~~resources at reasonable costs;~~

166.12 ~~(2) to promote the start-up, expansion, and attraction of renewable electric energy projects~~
 166.13 ~~and companies within the state;~~

166.14 ~~(3) to stimulate research and development within the state into~~ of renewable electric
 166.15 energy technologies; ~~and~~

166.16 ~~(4) to develop near-commercial and demonstration scale renewable electric projects or~~
 166.17 ~~near-commercial and demonstration scale electric infrastructure delivery projects if those~~
 166.18 ~~delivery projects enhance the delivery of renewable electric energy~~

166.19 (2) to encourage grid modernization, including, but not limited to, projects that implement
 166.20 electricity storage, load control, and smart meter technology; and

166.21 (3) to stimulate other innovative energy projects that reduce demand and increase system
 166.22 efficiency and flexibility.

166.23 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
 166.24 from the utility that owns a nuclear-powered electric generating plant in this state or the
 166.25 Prairie Island Indian community or its members.

166.26 The utility that owns a nuclear generating plant is eligible to apply for ~~renewable development~~
 166.27 ~~account~~ grants under this subdivision.

166.28 (j) For the purposes of paragraph (i), the following terms have the meanings given:

166.29 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
 166.30 (c), clauses (1), (2), (4), and (5); and

166.31 (2) "grid modernization" means:

166.32 (i) enhancing the reliability of the electrical grid;

167.1 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
 167.2 and

167.3 (iii) increasing energy conservation opportunities by facilitating communication between
 167.4 the utility and its customers through the use of two-way meters, control technologies, energy
 167.5 storage and microgrids, technologies to enable demand response, and other innovative
 167.6 technologies.

167.7 ~~(e) Expenditures authorized by this subdivision from the account may be made only~~
 167.8 ~~after approval by order of the Public Utilities Commission upon a petition by the public~~
 167.9 ~~utility. The commission may approve proposed expenditures, may disapprove proposed~~
 167.10 ~~expenditures that it finds to be not in compliance with this subdivision or otherwise not in~~
 167.11 ~~the public interest, and may, if agreed to by the public utility, modify proposed expenditures.~~
 167.12 ~~The commission may approve reasonable and necessary expenditures for administering the~~
 167.13 ~~account in an amount not to exceed five percent of expenditures. Commission approval is~~
 167.14 ~~not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or~~
 167.15 ~~other law.~~

167.16 ~~(f) The account shall be managed by the public utility but the public utility must consult~~
 167.17 ~~about account expenditures with an~~ (k) A C-LEAF advisory group that includes, among
 167.18 others, representatives of the public utility and its ratepayers, and includes at least one
 167.19 representative of the Prairie Island Indian community appointed by that community's tribal
 167.20 council, shall develop recommendations on account expenditures. ~~The commission may~~
 167.21 ~~require that other interests be represented on the advisory group.~~ The advisory group must
 167.22 ~~be consulted with respect to the general scope of expenditures in designing~~ design a request
 167.23 for proposal and ~~in evaluating~~ evaluate projects submitted in response to a request for
 167.24 proposals. ~~In addition to consulting with~~ The advisory group, ~~the public utility~~ must utilize
 167.25 an independent third-party expert to evaluate proposals submitted in response to a request
 167.26 for proposal, including all proposals made by the public utility. A request for proposal for
 167.27 research and development under paragraph ~~(d)~~ (i), clause ~~(3)~~ (1), may be limited to or include
 167.28 a request to higher education institutions located in Minnesota for multiple projects authorized
 167.29 under paragraph ~~(d)~~ (i), clause ~~(3)~~ (1). The request for multiple projects may include a
 167.30 provision that exempts the projects from the third-party expert review and instead provides
 167.31 for project evaluation and selection by a merit peer review grant system. ~~The utility should~~
 167.32 ~~attempt to reach agreement with the advisory group after consulting with it but the public~~
 167.33 ~~utility has full and sole authority to determine which expenditures~~ expenditure
 167.34 recommendations shall be submitted by the advisory group to the commission for commission
 167.35 approval legislature as provided in paragraph (q). In the process of determining request for

168.1 proposal scope and subject and in evaluating responses to request for proposals, the public
 168.2 utility advisory group must strongly consider, where reasonable, potential benefit to
 168.3 Minnesota citizens and businesses and the utility's ratepayers.

168.4 ~~(g) Funds in~~ (l) The C-LEAF advisory group shall present its recommended appropriations
 168.5 from the account to the senate and house of representatives committees with jurisdiction
 168.6 over energy policy and finance annually by February 15. Expenditures from the account
 168.7 ~~may not~~ must be directly appropriated by the legislature by a law enacted after January 1,
 168.8 2012, and unless appropriated by a law enacted prior to that date may be expended only
 168.9 pursuant to an order of the commission according to this subdivision. In enacting
 168.10 appropriations from the account, the legislature:

168.11 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
 168.12 a project recommended by the C-LEAF advisory group; and

168.13 (2) may not appropriate money for a project the C-LEAF advisory group has not
 168.14 recommended funding.

168.15 ~~(h)~~ (m) A request for proposal for renewable energy generation projects must, when
 168.16 feasible and reasonable, give preference to projects that are most cost-effective for a particular
 168.17 energy source.

168.18 ~~(i)~~ (n) The public utility advisory group must annually, by February 15, report to the
 168.19 chairs and ranking minority members of the legislative committees with jurisdiction over
 168.20 energy policy on projects funded by the account for the prior year and all previous years.
 168.21 The report must, to the extent possible and reasonable, itemize the actual and projected
 168.22 financial benefit to the public utility's ratepayers of each project.

168.23 (o) By February 1, 2018, and each February 1 thereafter, the commissioner of
 168.24 management and budget shall submit a written report regarding the availability of funds in
 168.25 and obligations of the account to the chairs and ranking minority members of the senate
 168.26 and house committees with jurisdiction over energy policy and finance, the public utility,
 168.27 and the advisory group.

168.28 ~~(j)~~ (p) A project receiving funds from the account must produce a written final report
 168.29 that includes sufficient detail for technical readers and a clearly written summary for
 168.30 nontechnical readers. The report must include an evaluation of the project's financial,
 168.31 environmental, and other benefits to the state and the public utility's ratepayers.

169.1 ~~(k)~~ (q) Final reports, any mid-project status reports, and renewable development account
 169.2 financial reports must be posted online on a public Web site designated by the ~~commissioner~~
 169.3 commissioner of commerce.

169.4 ~~(h)~~ (r) All final reports must acknowledge that the project was made possible in whole
 169.5 or part by the Minnesota ~~renewable development fund~~ C-LEAF account, noting that the
 169.6 ~~fund~~ account is financed by the public utility's ratepayers.

169.7 (s) Of the amount in the C-LEAF account, priority must be given to making the payments
 169.8 required under section 216C.417.

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

169.10 Sec. 5. Minnesota Statutes 2016, section 116C.779, is amended by adding a subdivision
 169.11 to read:

169.12 **Subd. 1a. Payment termination.** (a) The commissioner shall track the cumulative
 169.13 transfers made to the clean energy advancement fund account and its predecessor, the
 169.14 renewable development account, each year since 1999 for each dry cask containing spent
 169.15 fuel that is stored at an independent spent-fuel storage facility at Prairie Island or Monticello.
 169.16 During the time when state law required the public utility to transfer a specific amount of
 169.17 funds to the account for all the casks stored, the per-cask allocation shall be calculated by
 169.18 dividing the total amount transferred by the number of casks stored that year.

169.19 (b) When the commissioner determines that the cumulative transfers calculated under
 169.20 paragraph (a) for a specific cask reach \$10,000,000, the commissioner shall notify the public
 169.21 utility that no additional transfers to the account for that cask shall be made.

169.22 (c) This subdivision does not affect any provisions of subdivision 1, paragraph (c) or
 169.23 (d), with respect to transfers to the account made after a plant has ceased operation.

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

169.25 Sec. 6. Minnesota Statutes 2016, section 116C.7792, is amended to read:

169.26 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

169.27 The utility subject to section 116C.779 shall operate a program to provide solar energy
 169.28 production incentives for solar energy systems of no more than a total nameplate capacity
 169.29 of 20 kilowatts direct current. The program shall be operated for five consecutive calendar
 169.30 years commencing in 2014. \$5,000,000 shall be allocated for each of the five years from
 169.31 the ~~renewable development~~ C-LEAF account established in section 116C.779 to a separate

170.1 account for the purpose of the solar production incentive program. The solar system must
170.2 be sized to less than 120 percent of the customer's on-site annual energy consumption. The
170.3 production incentive must be paid for ten years commencing with the commissioning of
170.4 the system. The utility must file a plan to operate the program with the commissioner of
170.5 commerce. The utility may not operate the program until it is approved by the commissioner.

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

170.7 Sec. 7. Minnesota Statutes 2016, section 216B.03, is amended to read:

170.8 **216B.03 REASONABLE RATE.**

170.9 Every rate made, demanded, or received by any public utility, or by any two or more
170.10 public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably
170.11 preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable,
170.12 and consistent in application to a class of consumers. To the maximum reasonable extent,
170.13 the commission shall set rates to encourage economic growth, job retention, energy
170.14 conservation and₂ renewable energy use₂ and to further the goals of sections 216B.164,
170.15 216B.1696, 216B.241, and 216C.05. Any doubt as to reasonableness should be resolved in
170.16 favor of the consumer. For rate-making purposes a public utility may treat two or more
170.17 municipalities served by it as a single class wherever the populations are comparable in size
170.18 or the conditions of service are similar.

170.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
170.20 applies immediately to all proceedings pending before the commission.

170.21 Sec. 8. Minnesota Statutes 2016, section 216B.16, subdivision 1a, is amended to read:

170.22 Subd. 1a. **Settlement.** (a) When a public utility submits a general rate filing, the Office
170.23 of Administrative Hearings, before conducting a contested case hearing, shall convene a
170.24 settlement conference including all of the parties for the purpose of encouraging settlement
170.25 of any or all of the issues in the contested case. If a stipulated settlement is not reached
170.26 before the contested case hearing, the Office of Administrative Hearings may reconvene
170.27 the settlement conference during or after completion of the contested case hearing at its
170.28 discretion or a party's request. The Office of Administrative Hearings or the commission
170.29 may, upon the request of any party and the public utility, extend the procedural schedule
170.30 of the contested case in order to permit the parties to engage in settlement discussions. An
170.31 extension must be for a definite period of time not to exceed 60 days.

171.1 (b) If the applicant and all intervening parties agree to a stipulated settlement of the case
 171.2 or parts of the case, the settlement must be submitted to the commission. The commission
 171.3 shall accept or reject the settlement in its entirety and, at any time until its final order is
 171.4 issued in the case, may require the Office of Administrative Hearings to conduct a contested
 171.5 case hearing. The commission may accept the settlement on finding that ~~to do so the~~ the
 171.6 settlement is supported by substantial evidence and approving the settlement is in the public
 171.7 interest and is supported by substantial evidence. The analysis must consider the impact of
 171.8 the proposed settlement on the economy, job growth, and job retention. If the commission
 171.9 does not accept the settlement, it may issue an order modifying the settlement subject to
 171.10 the approval of the parties. Each party shall have ten days in which to reject the proposed
 171.11 modification. If no party rejects the proposed modification, the commission's order becomes
 171.12 final. If the commission rejects the settlement, or a party rejects the commission's proposed
 171.13 modification, a contested case hearing must be completed.

171.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 171.15 applies immediately to all proceedings pending before the commission.

171.16 Sec. 9. Minnesota Statutes 2016, section 216B.16, subdivision 6, is amended to read:

171.17 Subd. 6. **Factors considered, generally.** The commission, in the exercise of its powers
 171.18 under this chapter to determine just and reasonable rates for public utilities, shall give due
 171.19 consideration to the public need for adequate, efficient, and reasonable service, as well as
 171.20 the need for competitive electric rates, job preservation, and economic growth, and to the
 171.21 need of the public utility for revenue sufficient to enable it to meet the cost of furnishing
 171.22 the service, including adequate provision for depreciation of its utility property used and
 171.23 useful in rendering service to the public, and to earn a fair and reasonable return upon the
 171.24 investment in such property. In determining the rate base upon which the utility is to be
 171.25 allowed to earn a fair rate of return, the commission shall give due consideration to evidence
 171.26 of the cost of the property when first devoted to public use, to prudent acquisition cost to
 171.27 the public utility less appropriate depreciation on each, to construction work in progress, to
 171.28 offsets in the nature of capital provided by sources other than the investors, and to other
 171.29 expenses of a capital nature. For purposes of determining rate base, the commission shall
 171.30 consider the original cost of utility property included in the base and shall make no allowance
 171.31 for its estimated current replacement value. If the commission orders a generating facility
 171.32 to terminate its operations before the end of the facility's physical life in order to comply
 171.33 with a specific state or federal energy statute or policy, the commission may allow the public
 171.34 utility to recover any positive net book value of the facility as determined by the commission.

172.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 172.2 applies immediately to all proceedings pending before the commission.

172.3 Sec. 10. Minnesota Statutes 2016, section 216B.164, subdivision 5, is amended to read:

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

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

172.13 Sec. 11. Minnesota Statutes 2016, section 216B.164, subdivision 9, is amended to read:

172.14 Subd. 9. **Municipal electric utility.** For purposes of this section only, ~~except subdivision~~
 172.15 ~~5,~~ and with respect to municipal electric utilities only, the term "commission" means the
 172.16 governing body of each municipal electric utility that adopts and has in effect rules
 172.17 implementing this section which are consistent with the rules adopted by the Minnesota
 172.18 Public Utilities Commission under subdivision 6. As used in this subdivision, the governing
 172.19 body of a municipal electric utility means the city council of that municipality; except that,
 172.20 if another board, commission, or body is empowered by law or resolution of the city council
 172.21 or by its charter to establish and regulate rates and days for the distribution of electric energy
 172.22 within the service area of the city, that board, commission, or body shall be considered the
 172.23 governing body of the municipal electric utility.

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

172.25 Sec. 12. Minnesota Statutes 2016, section 216B.164, is amended by adding a subdivision
 172.26 to read:

172.27 Subd. 11. **Cooperative electric association.** (a) For purposes of this section only, the
 172.28 term "commission" means the board of directors of a cooperative association that (1) elects,
 172.29 by resolution, to assume the authority delegated to the Public Utilities Commission over
 172.30 cooperative electric associations under this section, and (2) adopts and has in effect rules
 172.31 implementing this section. The rules must provide for a process to resolve disputes that
 172.32 arise under this section, and must include a provision that a request by either party for

173.1 mediation of the dispute by an independent third party must be implemented. A cooperative
173.2 electric association that has adopted a resolution and rules under this subdivision is exempt
173.3 from regulation by the Public Utilities Commission under this section.

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

173.7 (c) The Public Utilities Commission shall limit its investigation in Docket No. 16-512
173.8 determining whether the methodology used by cooperative associations to establish a fee
173.9 under section 216B.164, subdivision 3, paragraph (a), complies with state law. The
173.10 commission may complete the investigation no later than December 31, 2017. A methodology
173.11 determined by the commission to comply with state law may not be challenged in a dispute
173.12 under section 216B.164. If the commission determines that a methodology does not comply
173.13 with state law, it shall clearly state the changes necessary to bring the methodology into
173.14 compliance, and the cooperative electric association shall proceed under paragraph (a).

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

173.16 Sec. 13. Minnesota Statutes 2016, section 216B.1691, subdivision 2f, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

174.13 ~~(e)~~ (g) A public utility may not use energy used to satisfy the solar energy standard under
174.14 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
174.15 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
174.16 solar standard under this subdivision.

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

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

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

174.25 Sec. 14. Minnesota Statutes 2016, section 216B.1694, subdivision 3, is amended to read:

174.26 Subd. 3. **Staging and permitting.** (a) A natural gas-fired plant that is located on one
174.27 site designated as an innovative energy project site under subdivision 1, clause (3), is
174.28 accorded the regulatory incentives granted to an innovative energy project under subdivision
174.29 2, clauses (1) to (3), and may exercise the authorities therein.

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

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

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

175.8 Sec. 15. [216B.1697] STATE-MANDATED ENERGY PURCHASES; PUBLIC
 175.9 INFORMATION.

175.10 A utility serving Minnesota customers at retail must, within 30 days of entering into an
 175.11 agreement to purchase energy that is used to meet a requirement under state law to purchase
 175.12 or generate certain amounts and types of energy, including, but not limited to, requirements
 175.13 in sections 216B.1691, 216B.2423, and 216B.2424, post the following information contained
 175.14 in the agreement on the utility's Web site:

175.15 (1) the wholesale price per unit of energy over the term of the agreement, including any
 175.16 escalator clauses or inflation factors; and

175.17 (2) the amount of energy to be purchased each year by the utility over the term of the
 175.18 agreement.

175.19 **EFFECTIVE DATE.** This section is effective immediately and applies to all power
 175.20 purchase agreements entered into on or after July 1, 2017.

175.21 Sec. 16. Minnesota Statutes 2016, section 216B.241, subdivision 1b, is amended to read:

175.22 Subd. 1b. **Conservation improvement by cooperative association or municipality.**

175.23 (a) This subdivision applies to:

175.24 (1) a cooperative electric association that provides retail service to ~~its~~ more than 5,000
 175.25 members;

175.26 (2) a municipality that provides electric service to more than 1,000 retail customers; and

175.27 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales
 175.28 to natural gas ~~to~~ retail customers.

175.29 (b) Each cooperative electric association and municipality subject to this subdivision
 175.30 shall spend and invest for energy conservation improvements under this subdivision the
 175.31 following amounts:

176.1 (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas
176.2 and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross
176.3 operating revenues from electric and gas service provided in the state to large electric
176.4 customer facilities; and

176.5 (2) for a cooperative electric association, 1.5 percent of its gross operating revenues
176.6 from service provided in the state, excluding gross operating revenues from service provided
176.7 in the state to large electric customer facilities indirectly through a distribution cooperative
176.8 electric association.

176.9 (c) Each municipality and cooperative electric association subject to this subdivision
176.10 shall identify and implement energy conservation improvement spending and investments
176.11 that are appropriate for the municipality or association, except that a municipality or
176.12 association may not spend or invest for energy conservation improvements that directly
176.13 benefit a large energy facility or a large electric customer facility for which the commissioner
176.14 has issued an exemption under subdivision 1a, paragraph (b).

176.15 (d) Each municipality and cooperative electric association subject to this subdivision
176.16 may spend and invest annually up to ten percent of the total amount required to be spent
176.17 and invested on energy conservation improvements under this subdivision on research and
176.18 development projects that meet the definition of energy conservation improvement in
176.19 subdivision 1 and that are funded directly by the municipality or cooperative electric
176.20 association.

176.21 (e) Load-management activities may be used to meet 50 percent of the conservation
176.22 investment and spending requirements of this subdivision.

176.23 (f) A generation and transmission cooperative electric association that provides energy
176.24 services to cooperative electric associations that provide electric service at retail to consumers
176.25 may invest in energy conservation improvements on behalf of the associations it serves and
176.26 may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate
176.27 basis. A municipal power agency or other not-for-profit entity that provides energy service
176.28 to municipal utilities that provide electric service at retail may invest in energy conservation
176.29 improvements on behalf of the municipal utilities it serves and may fulfill the conservation,
176.30 spending, reporting, and energy-savings goals on an aggregate basis, under an agreement
176.31 between the municipal power agency or not-for-profit entity and each municipal utility for
176.32 funding the investments.

176.33 (g) Each municipality or cooperative shall file energy conservation improvement plans
176.34 by June 1 on a schedule determined by order of the commissioner, but at least every three

177.1 years. Plans received by June 1 must be approved or approved as modified by the
177.2 commissioner by December 1 of the same year. The municipality or cooperative shall
177.3 provide an evaluation to the commissioner detailing its energy conservation improvement
177.4 spending and investments for the previous period. The evaluation must briefly describe
177.5 each conservation program and must specify the energy savings or increased efficiency in
177.6 the use of energy within the service territory of the utility or association that is the result of
177.7 the spending and investments. The evaluation must analyze the cost-effectiveness of the
177.8 utility's or association's conservation programs, using a list of baseline energy and capacity
177.9 savings assumptions developed in consultation with the department. The commissioner
177.10 shall review each evaluation and make recommendations, where appropriate, to the
177.11 municipality or association to increase the effectiveness of conservation improvement
177.12 activities.

177.13 ~~(h) MS 2010 [Expired, 1Sp2003 c 11 art 3 s 4; 2007 c 136 art 2 s 5]~~

177.14 ~~(h)~~ (h) The commissioner shall consider and may require a utility, association, or other
177.15 entity providing energy efficiency and conservation services under this section to undertake
177.16 a program suggested by an outside source, including a political subdivision, nonprofit
177.17 corporation, or community organization.

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

177.19 Sec. 17. Minnesota Statutes 2016, section 216B.241, subdivision 1c, is amended to read:

177.20 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
177.21 goals for energy conservation improvement expenditures and shall evaluate an energy
177.22 conservation improvement program on how well it meets the goals set.

177.23 (b) Each individual utility and association shall have an annual energy-savings goal
177.24 equivalent to 1.5 percent of gross annual retail energy sales unless modified by the
177.25 commissioner under paragraph (d). The savings goals must be calculated based on the most
177.26 recent three-year weather-normalized average. A utility or association may elect to carry
177.27 forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar
177.28 years, except that savings from electric utility infrastructure projects allowed under paragraph
177.29 (d) may be carried forward for five years. A particular energy savings can be used only for
177.30 one year's goal.

177.31 (c) The commissioner must adopt a filing schedule that is designed to have all utilities
177.32 and associations operating under an energy-savings plan by calendar year 2010.

178.1 (d) In its energy conservation improvement plan filing, a utility or association may
178.2 request the commissioner to adjust its annual energy-savings percentage goal based on its
178.3 historical conservation investment experience, customer class makeup, load growth, a
178.4 conservation potential study, or other factors the commissioner determines warrants an
178.5 adjustment. The commissioner may not approve a plan of a public utility that provides for
178.6 an annual energy-savings goal of less than one percent of gross annual retail energy sales
178.7 from energy conservation improvements.

178.8 A utility or association may include in its energy conservation plan energy savings from
178.9 electric utility infrastructure projects approved by the commission under section 216B.1636
178.10 or waste heat recovery converted into electricity projects that may count as energy savings
178.11 in addition to a minimum energy-savings goal of at least one percent for energy conservation
178.12 improvements. Energy savings from electric utility infrastructure projects, as defined in
178.13 section 216B.1636, may be included in the energy conservation plan of a municipal utility
178.14 or cooperative electric association. Electric utility infrastructure projects must result in
178.15 increased energy efficiency greater than that which would have occurred through normal
178.16 maintenance activity.

178.17 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure
178.18 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
178.19 energy-savings goal established in this subdivision.

178.20 (f) An association or utility is not required to make energy conservation investments to
178.21 attain the energy-savings goals of this subdivision that are not cost-effective even if the
178.22 investment is necessary to attain the energy-savings goals. For the purpose of this paragraph,
178.23 in determining cost-effectiveness, the commissioner shall consider the costs and benefits
178.24 to ratepayers, the utility, participants, and society. In addition, the commissioner shall
178.25 consider the rate at which an association or municipal utility is increasing its energy savings
178.26 and its expenditures on energy conservation.

178.27 (g) On an annual basis, the commissioner shall produce and make publicly available a
178.28 report on the annual energy savings and estimated carbon dioxide reductions achieved by
178.29 the energy conservation improvement programs for the two most recent years for which
178.30 data is available. The commissioner shall report on program performance both in the
178.31 aggregate and for each entity filing an energy conservation improvement plan for approval
178.32 or review by the commissioner.

179.1 (h) By January 15, 2010, the commissioner shall report to the legislature whether the
179.2 spending requirements under subdivisions 1a and 1b are necessary to achieve the
179.3 energy-savings goals established in this subdivision.

179.4 (i) This subdivision does not apply to:

179.5 (1) a cooperative electric association with fewer than 5,000 members;

179.6 (2) a municipal utility with fewer than 1,000 retail electric customers; or

179.7 (3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales
179.8 to retail natural gas customers.

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

179.10 Sec. 18. Minnesota Statutes 2016, section 216B.241, subdivision 2, is amended to read:

179.11 Subd. 2. **Programs.** (a) The commissioner may require public utilities to make
179.12 investments and expenditures in energy conservation improvements, explicitly setting forth
179.13 the interest rates, prices, and terms under which the improvements must be offered to the
179.14 customers. The required programs must cover no more than a three-year period. Public
179.15 utilities shall file conservation improvement plans by June 1, on a schedule determined by
179.16 order of the commissioner, but at least every three years. Plans received by a public utility
179.17 by June 1 must be approved or approved as modified by the commissioner by December 1
179.18 of that same year. The commissioner shall evaluate the program on the basis of
179.19 cost-effectiveness and the reliability of technologies employed. The commissioner's order
179.20 must provide to the extent practicable for a free choice, by consumers participating in the
179.21 program, of the device, method, material, or project constituting the energy conservation
179.22 improvement and for a free choice of the seller, installer, or contractor of the energy
179.23 conservation improvement, provided that the device, method, material, or project seller,
179.24 installer, or contractor is duly licensed, certified, approved, or qualified, including under
179.25 the residential conservation services program, where applicable.

179.26 (b) The commissioner may require a utility subject to subdivision 1c to make an energy
179.27 conservation improvement investment or expenditure whenever the commissioner finds
179.28 that the improvement will result in energy savings at a total cost to the utility less than the
179.29 cost to the utility to produce or purchase an equivalent amount of new supply of energy.
179.30 The commissioner shall nevertheless ensure that every public utility operate one or more
179.31 programs under periodic review by the department.

179.32 (c) Each public utility subject to subdivision 1a may spend and invest annually up to ten
179.33 percent of the total amount required to be spent and invested on energy conservation

180.1 improvements under this section by the utility on research and development projects that
180.2 meet the definition of energy conservation improvement in subdivision 1 and that are funded
180.3 directly by the public utility.

180.4 (d) A public utility may not spend for or invest in energy conservation improvements
180.5 that directly benefit a large energy facility or a large electric customer facility for which the
180.6 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The
180.7 commissioner shall consider and may require a utility to undertake a program suggested by
180.8 an outside source, including a political subdivision, a nonprofit corporation, or community
180.9 organization.

180.10 (e) A utility, a political subdivision, or a nonprofit or community organization that has
180.11 suggested a program, the attorney general acting on behalf of consumers and small business
180.12 interests, or a utility customer that has suggested a program and is not represented by the
180.13 attorney general under section 8.33 may petition the commission to modify or revoke a
180.14 department decision under this section, and the commission may do so if it determines that
180.15 the program is not cost-effective, does not adequately address the residential conservation
180.16 improvement needs of low-income persons, has a long-range negative effect on one or more
180.17 classes of customers, or is otherwise not in the public interest. The commission shall reject
180.18 a petition that, on its face, fails to make a reasonable argument that a program is not in the
180.19 public interest.

180.20 (f) The commissioner may order a public utility to include, with the filing of the utility's
180.21 annual status report, the results of an independent audit of the utility's conservation
180.22 improvement programs and expenditures performed by the department or an auditor with
180.23 experience in the provision of energy conservation and energy efficiency services approved
180.24 by the commissioner and chosen by the utility. The audit must specify the energy savings
180.25 or increased efficiency in the use of energy within the service territory of the utility that is
180.26 the result of the spending and investments. The audit must evaluate the cost-effectiveness
180.27 of the utility's conservation programs.

180.28 (g) A gas utility may not spend for or invest in energy conservation improvements that
180.29 directly benefit a large customer facility or commercial gas customer facility for which the
180.30 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or
180.31 (e). The commissioner shall consider and may require a utility to undertake a program
180.32 suggested by an outside source, including a political subdivision, a nonprofit corporation,
180.33 or a community organization.

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

181.1 Sec. 19. Minnesota Statutes 2016, section 216B.241, subdivision 5, is amended to read:

181.2 Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric
181.3 association, and municipal utility that provides electric service to retail customers and is
181.4 subject to subdivision 1c shall include as part of its conservation improvement activities a
181.5 program to strongly encourage the use of fluorescent and high-intensity discharge lamps.
181.6 The program must include at least a public information campaign to encourage use of the
181.7 lamps and proper management of spent lamps by all customer classifications.

181.8 (b) A public utility that provides electric service at retail to 200,000 or more customers
181.9 shall establish, either directly or through contracts with other persons, including lamp
181.10 manufacturers, distributors, wholesalers, and retailers and local government units, a system
181.11 to collect for delivery to a reclamation or recycling facility spent fluorescent and
181.12 high-intensity discharge lamps from households and from small businesses as defined in
181.13 section 645.445 that generate an average of fewer than ten spent lamps per year.

181.14 (c) A collection system must include establishing reasonably convenient locations for
181.15 collecting spent lamps from households and financial incentives sufficient to encourage
181.16 spent lamp generators to take the lamps to the collection locations. Financial incentives may
181.17 include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash
181.18 back system, or any other financial incentive or group of incentives designed to collect the
181.19 maximum number of spent lamps from households and small businesses that is reasonably
181.20 feasible.

181.21 (d) A public utility that provides electric service at retail to fewer than 200,000 customers,
181.22 a cooperative electric association, or a municipal utility that provides electric service at
181.23 retail to customers may establish a collection system under paragraphs (b) and (c) as part
181.24 of conservation improvement activities required under this section.

181.25 (e) The commissioner of the Pollution Control Agency may not, unless clearly required
181.26 by federal law, require a public utility, cooperative electric association, or municipality that
181.27 establishes a household fluorescent and high-intensity discharge lamp collection system
181.28 under this section to manage the lamps as hazardous waste as long as the lamps are managed
181.29 to avoid breakage and are delivered to a recycling or reclamation facility that removes
181.30 mercury and other toxic materials contained in the lamps prior to placement of the lamps
181.31 in solid waste.

181.32 (f) If a public utility, cooperative electric association, or municipal utility contracts with
181.33 a local government unit to provide a collection system under this subdivision, the contract

182.1 must provide for payment to the local government unit of all the unit's incremental costs of
182.2 collecting and managing spent lamps.

182.3 (g) All the costs incurred by a public utility, cooperative electric association, or municipal
182.4 utility for promotion and collection of fluorescent and high-intensity discharge lamps under
182.5 this subdivision are conservation improvement spending under this section.

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

182.7 Sec. 20. Minnesota Statutes 2016, section 216B.241, subdivision 5d, is amended to read:

182.8 Subd. 5d. **On-bill repayment programs.** (a) For the purposes of this subdivision:

182.9 (1) "utility" means a public utility, municipal utility, or cooperative electric association
182.10 subject to subdivision 1c that provides electric or natural gas service to retail customers;
182.11 and

182.12 (2) "on-bill repayment program" means a program in which a utility collects on a
182.13 customer's bill repayment of a loan to the customer by an eligible lender to finance the
182.14 customer's investment in eligible energy conservation or renewable energy projects, and
182.15 remits loan repayments to the lender.

182.16 (b) A utility may include as part of its conservation improvement plan an on-bill
182.17 repayment program to enable a customer to finance eligible projects with installment loans
182.18 originated by an eligible lender. An eligible project is one that is either an energy conservation
182.19 improvement, or a project installed on the customer's site that uses an eligible renewable
182.20 energy source as that term is defined in section 216B.2411, subdivision 2, paragraph (b),
182.21 but does not include mixed municipal solid waste or refuse-derived fuel from mixed
182.22 municipal solid waste. An eligible renewable energy source also includes solar thermal
182.23 technology that collects the sun's radiant energy and uses that energy to heat or cool air or
182.24 water, and meets the requirements of section 216C.25. To be an eligible lender, a lender
182.25 must:

182.26 (1) have a federal or state charter and be eligible for federal deposit insurance;

182.27 (2) be a government entity, including an entity established under chapter 469, that has
182.28 authority to provide financial assistance for energy efficiency and renewable energy projects;

182.29 (3) be a joint venture by utilities established under section 452.25; or

182.30 (4) be licensed, certified, or otherwise have its lending activities overseen by a state or
182.31 federal government agency.

183.1 The commissioner must allow a utility broad discretion in designing and implementing an
183.2 on-bill repayment program, provided that the program complies with this subdivision.

183.3 (c) A utility may establish an on-bill repayment program for all customer classes or for
183.4 a specific customer class.

183.5 (d) A public utility that implements an on-bill repayment program under this subdivision
183.6 must enter into a contract with one or more eligible lenders that complies with the
183.7 requirements of this subdivision and contains provisions addressing capital commitments,
183.8 loan origination, transfer of loans to the public utility for on-bill repayment, and acceptance
183.9 of loans returned due to delinquency or default.

183.10 (e) A public utility's contract with a lender must require the lender to comply with all
183.11 applicable federal and state laws, rules, and regulations related to lending practices and
183.12 consumer protection; to conform to reasonable and prudent lending standards; and to provide
183.13 businesses that sell, maintain, and install eligible projects the ability to participate in an
183.14 on-bill repayment program under this subdivision on a nondiscriminatory basis.

183.15 (f) A public utility's contract with a lender may provide:

183.16 (1) for the public utility to purchase loans from the lender with a condition that the lender
183.17 must purchase back loans in delinquency or default; or

183.18 (2) for the lender to retain ownership of loans with the public utility servicing the loans
183.19 through on-bill repayment as long as payments are current.

183.20 The risk of default must remain with the lender. The lender shall not have recourse against
183.21 the public utility except in the event of negligence or breach of contract by the utility.

183.22 (g) If a public utility customer makes a partial payment on a utility bill that includes a
183.23 loan installment, the partial payment must be credited first to the amount owed for utility
183.24 service, including taxes and fees. A public utility may not suspend or terminate a customer's
183.25 utility service for delinquency or default on a loan that is being serviced through the public
183.26 utility's on-bill repayment program.

183.27 (h) An outstanding balance on a loan being repaid under this subdivision is a financial
183.28 obligation only of the customer who is signatory to the loan, and not to any subsequent
183.29 customer occupying the property associated with the loan. If the public utility purchases
183.30 loans from the lender as authorized under paragraph (f), clause (1), the public utility must
183.31 return to the lender a loan not repaid when a customer borrower no longer occupies the
183.32 property.

184.1 (i) Costs incurred by a public utility under this subdivision are recoverable as provided
184.2 in section 216B.16, subdivision 6b, paragraph (c), including reasonable incremental costs
184.3 for billing system modifications necessary to implement and operate an on-bill repayment
184.4 program and for ongoing costs to operate the program. Costs in a plan approved by the
184.5 commissioner may be counted toward a utility's conservation spending requirements under
184.6 subdivisions 1a and 1b. Energy savings from energy conservation improvements resulting
184.7 from this section may be counted toward satisfying a utility's energy-savings goals under
184.8 subdivision 1c.

184.9 (j) This subdivision does not require a utility to terminate or modify an existing financing
184.10 program and does not prohibit a utility from establishing an on-bill financing program in
184.11 which the utility provides the financing capital.

184.12 (k) A municipal utility or cooperative electric association that implements an on-bill
184.13 repayment program shall design the program to address the issues identified in paragraphs
184.14 (d) through (h) as determined by the governing board of the utility or association.

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

184.16 Sec. 21. Minnesota Statutes 2016, section 216B.241, subdivision 7, is amended to read:

184.17 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each utility
184.18 and association subject to subdivision 1c provides low-income programs. When approving
184.19 spending and energy-savings goals for low-income programs, the commissioner shall
184.20 consider historic spending and participation levels, energy savings for low-income programs,
184.21 and the number of low-income persons residing in the utility's service territory. A municipal
184.22 utility that furnishes gas service must spend at least 0.2 percent, and a public utility furnishing
184.23 gas service must spend at least 0.4 percent, of its most recent three-year average gross
184.24 operating revenue from residential customers in the state on low-income programs. A utility
184.25 or association that furnishes electric service must spend at least 0.1 percent of its gross
184.26 operating revenue from residential customers in the state on low-income programs. For a
184.27 generation and transmission cooperative association, this requirement shall apply to each
184.28 association's members' aggregate gross operating revenue from sale of electricity to residential
184.29 customers in the state. Beginning in 2010, a utility or association that furnishes electric
184.30 service must spend 0.2 percent of its gross operating revenue from residential customers in
184.31 the state on low-income programs.

184.32 (b) To meet the requirements of paragraph (a), a utility or association may contribute
184.33 money to the energy and conservation account. An energy conservation improvement plan
184.34 must state the amount, if any, of low-income energy conservation improvement funds the

185.1 utility or association will contribute to the energy and conservation account. Contributions
185.2 must be remitted to the commissioner by February 1 of each year.

185.3 (c) The commissioner shall establish low-income programs to utilize money contributed
185.4 to the energy and conservation account under paragraph (b). In establishing low-income
185.5 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and
185.6 community organizations, especially organizations engaged in providing energy and
185.7 weatherization assistance to low-income persons. Money contributed to the energy and
185.8 conservation account under paragraph (b) must provide programs for low-income persons,
185.9 including low-income renters, in the service territory of the utility or association providing
185.10 the money. The commissioner shall record and report expenditures and energy savings
185.11 achieved as a result of low-income programs funded through the energy and conservation
185.12 account in the report required under subdivision 1c, paragraph (g). The commissioner may
185.13 contract with a political subdivision, nonprofit or community organization, public utility,
185.14 municipality, or cooperative electric association to implement low-income programs funded
185.15 through the energy and conservation account.

185.16 (d) A utility or association may petition the commissioner to modify its required spending
185.17 under paragraph (a) if the utility or association and the commissioner have been unable to
185.18 expend the amount required under paragraph (a) for three consecutive years.

185.19 (e) The costs and benefits associated with any approved low-income gas or electric
185.20 conservation improvement program that is not cost-effective when considering the costs
185.21 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation
185.22 of net economic benefits for purposes of calculating the financial incentive to the utility.
185.23 The energy and demand savings may, at the discretion of the utility, be applied toward the
185.24 calculation of overall portfolio energy and demand savings for purposes of determining
185.25 progress toward annual goals and in the financial incentive mechanism.

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

185.27 Sec. 22. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

185.28 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with
185.29 the commission periodically in accordance with rules adopted by the commission. The
185.30 commission shall approve, reject, or modify the plan of a public utility, as defined in section
185.31 216B.02, subdivision 4, consistent with the public interest. The analysis must consider the
185.32 economy, job growth, and job retention.

186.1 (b) In the resource plan proceedings of all other utilities, the commission's order shall
186.2 be advisory and the order's findings and conclusions shall constitute prima facie evidence
186.3 which may be rebutted by substantial evidence in all other proceedings. With respect to
186.4 utilities other than those defined in section 216B.02, subdivision 4, the commission shall
186.5 consider the filing requirements and decisions in any comparable proceedings in another
186.6 jurisdiction.

186.7 (c) As a part of its resource plan filing, a utility shall include the least cost plan for
186.8 meeting 50 and 75 percent of all energy needs from both new and refurbished capacity
186.9 needs generating facilities through a combination of conservation and renewable energy
186.10 resources.

186.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.
186.12 Paragraphs (a) and (b) apply immediately to all proceedings pending before the commission.
186.13 Paragraph (c) applies to resource plans filed with the commission on or after July 1, 2017.

186.14 Sec. 23. Minnesota Statutes 2016, section 216B.2422, subdivision 3, is amended to read:

186.15 Subd. 3. **Environmental costs.** (a) The commission shall, to the extent practicable,
186.16 quantify and establish a range of environmental costs associated with each method of
186.17 electricity generation. A utility shall use the values established by the commission in
186.18 conjunction with other external factors, including socioeconomic costs, when evaluating
186.19 and selecting resource options in all proceedings before the commission, including resource
186.20 plan and certificate of need proceedings. As part of the resource options and socioeconomic
186.21 cost analysis under this section, the utility must calculate the impact of resource options on
186.22 customers' bills and utility rates. Any doubt regarding the various resource options before
186.23 the commission must be resolved in favor of supporting the economy, job growth, and job
186.24 retention.

186.25 (b) The commission shall establish interim environmental cost values associated with
186.26 each method of electricity generation by March 1, 1994. These values expire on the date
186.27 the commission establishes environmental cost values under paragraph (a).

186.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and
186.29 applies immediately to all proceedings pending before the commission.

186.30 Sec. 24. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

186.31 Subd. 4. **Preference for renewable energy facility.** The commission shall not approve
186.32 a new or refurbished nonrenewable energy facility in an integrated resource plan or a

187.1 certificate of need, pursuant to section 216B.243, nor shall the commission allow rate
187.2 recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the
187.3 utility has demonstrated that a renewable energy facility is not in the public interest. When
187.4 making the public interest determination, the commission must ~~include~~ consider:

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

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

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

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

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

187.16 Sec. 25. Minnesota Statutes 2016, section 216B.2424, is amended by adding a subdivision
187.17 to read:

187.18 Subd. 9. **Adjustment of biomass fuel requirement.** (a) Notwithstanding any provision
187.19 in this section, the public utility subject to this section may, with respect to a facility approved
187.20 under this section, file a petition with the commission for approval of:

187.21 (1) a new or amended power purchase agreement;

187.22 (2) the early termination of a power purchase agreement; or

187.23 (3) the purchase and closure of the facility.

187.24 (b) The commission may approve a new or amended power purchase agreement under
187.25 this subdivision, notwithstanding the fuel requirements of this section, if the commission
187.26 determines that:

187.27 (1) all parties to the original power purchase agreement, or their successors or assigns,
187.28 as applicable, agree to the terms and conditions of the new or amended power purchase
187.29 agreement; and

187.30 (2) the new or amended power purchase agreement is in the best interest of the customers
187.31 of the public utility subject to this section, taking into consideration any savings realized

188.1 by customers in the new or amended power purchase agreement and any costs imposed on
188.2 customers under paragraph (e). A new or amended power purchase agreement approved
188.3 under this paragraph may be for any term agreed to by the parties and may govern the
188.4 purchase of any amount of energy.

188.5 (c) The commission may approve the early termination of a power purchase agreement
188.6 or the purchase and closure of a facility under this subdivision if it determines that:

188.7 (1) all parties to the power purchase agreement, or their successors or assigns, as
188.8 applicable, agree to the early termination of the power purchase agreement or the purchase
188.9 and closure of the facility; and

188.10 (2) the early termination of the power purchase agreement or the purchase and closure
188.11 of the facility is in the best interest of the customers of the public utility subject to this
188.12 section, taking into consideration any savings realized by customers as a result of the early
188.13 termination of the power purchase agreement or the purchase and closure of the facility and
188.14 any costs imposed on the customers under paragraph (e).

188.15 (d) The commission's approval of a new or amended power purchase agreement under
188.16 paragraph (b) or of the termination of a power purchase agreement or the purchase and
188.17 closure of a facility under paragraph (c), shall not require the public utility subject to this
188.18 section to purchase replacement amounts of biomass energy to fulfill the requirements of
188.19 this section.

188.20 (e) A utility may petition the commission to approve a rate schedule that provides for
188.21 the automatic adjustment of charges to recover investments, expenses and costs, and earnings
188.22 on the investments associated with a new or amended power purchase agreement, the early
188.23 termination of a power purchase agreement, or the purchase and closure of a facility,
188.24 including, but not limited to, reasonable financial accommodations to the county, city, and
188.25 school district in which an affected facility is located. The commission may approve the
188.26 rate schedule upon a showing that the recovery of investments, expenses and costs, and
188.27 earnings on the investments is less than the costs that would have been recovered from
188.28 customers had the utility continued to purchase energy under the power purchase agreement
188.29 in effect before any option available under this section is approved by the commission. If
188.30 approved by the commission, cost recovery under this paragraph may include all cost
188.31 recovery allowed for renewable facilities under section 216B.1645, subdivisions 2 and 2a.

188.32 (f) For the purposes of this subdivision, "facility" means a biomass facility previously
188.33 approved by the commission to satisfy a portion of the biomass mandate in this section.

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

189.1 Sec. 26. Minnesota Statutes 2016, section 216B.243, subdivision 8, is amended to read:

189.2 Subd. 8. **Exemptions.** (a) This section does not apply to:

189.3 (1) cogeneration or small power production facilities as defined in the Federal Power
189.4 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
189.5 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
189.6 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
189.7 any case where the commission has determined after being advised by the attorney general
189.8 that its application has been preempted by federal law;

189.9 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
189.10 the demand of a single customer at a single location, unless the applicant opts to request
189.11 that the commission determine need under this section or section 216B.2425;

189.12 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
189.13 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
189.14 request that the commission determine need under this section or section 216B.2425;

189.15 (4) a high-voltage transmission line of one mile or less required to connect a new or
189.16 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

189.17 (5) conversion of the fuel source of an existing electric generating plant to using natural
189.18 gas;

189.19 (6) the modification of an existing electric generating plant to increase efficiency, as
189.20 long as the capacity of the plant is not increased more than ten percent or more than 100
189.21 megawatts, whichever is greater;

189.22 (7) a wind energy conversion system or solar electric generation facility if the system
189.23 or facility is owned and operated by an independent power producer and the electric output
189.24 of the system or facility is not sold to an entity that provides retail service in Minnesota or
189.25 wholesale electric service to another entity in Minnesota other than an entity that is a federally
189.26 recognized regional transmission organization or independent system operator; or

189.27 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
189.28 2, or a solar energy generating large energy facility, as defined in section ~~216B.2421,~~
189.29 ~~subdivision 2~~ 216E.01, subdivision 9a, engaging in a repowering project that:

189.30 (i) will not result in the facility exceeding the nameplate capacity under its most recent
189.31 interconnection agreement; or

190.1 (ii) will result in the facility exceeding the nameplate capacity under its most recent
 190.2 interconnection agreement, provided that the Midcontinent Independent System Operator
 190.3 has provided a signed generator interconnection agreement that reflects the expected net
 190.4 power increase;

190.5 (9) a large wind energy conversion system, as defined in section 216F.01, subdivision
 190.6 2;

190.7 (10) a solar energy generating system, as defined in section 216E.01, subdivision 9a,
 190.8 with a capacity of five megawatts or more;

190.9 (11) a pipeline transporting crude oil or refined petroleum products;

190.10 (12) a pipeline transporting natural gas or propane; or

190.11 (13) a replacement pipeline.

190.12 (b) For the purpose of this subdivision, the following terms have the meanings given:

190.13 (1) "repowering project" means:

190.14 ~~(1)~~ (i) modifying a large wind energy conversion system or a solar energy generating
 190.15 large energy facility to increase its efficiency without increasing its nameplate capacity;

190.16 ~~(2)~~ (ii) replacing turbines in a large wind energy conversion system without increasing
 190.17 the nameplate capacity of the system; or

190.18 ~~(3)~~ (iii) increasing the nameplate capacity of a large wind energy conversion system;
 190.19 and

190.20 (2) "replacement pipeline" means a pipeline constructed in a new or existing right-of-way
 190.21 that replaces service provided by an existing pipeline that will be permanently removed
 190.22 from service within 180 days of the date of initial service of the replacement pipeline.

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

190.24 Sec. 27. Minnesota Statutes 2016, section 216C.05, subdivision 2, is amended to read:

190.25 Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

190.26 (1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of
 190.27 electricity and natural gas be achieved through cost-effective energy efficiency;

190.28 (2) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the
 190.29 year 2015, through increased reliance on energy efficiency and renewable energy alternatives;

190.30 **and**

191.1 (3) 25 percent of the total energy used in the state be derived from renewable energy
 191.2 resources by the year 2025-; and

191.3 (4) retail electricity rates for each customer class be at least five percent below the
 191.4 national average.

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

191.6 Sec. 28. Minnesota Statutes 2016, section 216C.41, subdivision 2, is amended to read:

191.7 Subd. 2. **Incentive payment; appropriation.** (a) Incentive payments must be made
 191.8 according to this section to (1) a qualified on-farm biogas recovery facility, (2) the owner
 191.9 or operator of a qualified hydropower facility or qualified wind energy conversion facility
 191.10 for electric energy generated and sold by the facility, (3) a publicly owned hydropower
 191.11 facility for electric energy that is generated by the facility and used by the owner of the
 191.12 facility outside the facility, or (4) the owner of a publicly owned dam that is in need of
 191.13 substantial repair, for electric energy that is generated by a hydropower facility at the dam
 191.14 and the annual incentive payments will be used to fund the structural repairs and replacement
 191.15 of structural components of the dam, or to retire debt incurred to fund those repairs.

191.16 (b) Payment may only be made upon receipt by the commissioner of commerce of an
 191.17 incentive payment application that establishes that the applicant is eligible to receive an
 191.18 incentive payment and that satisfies other requirements the commissioner deems necessary.
 191.19 The application must be in a form and submitted at a time the commissioner establishes.

191.20 (c) There is annually appropriated from the ~~renewable development~~ C-LEAF account
 191.21 established under section 116C.779 to the commissioner of commerce sums sufficient to
 191.22 make the payments required under this section, in addition to the amounts funded by the
 191.23 ~~renewable development~~ C-LEAF account as specified in subdivision 5a.

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

191.25 Sec. 29. Minnesota Statutes 2016, section 216C.41, subdivision 5a, is amended to read:

191.26 Subd. 5a. ~~Renewable development account~~ **Payment authorization.** The Department
 191.27 of Commerce shall authorize payment of the renewable energy production incentive to wind
 191.28 energy conversion systems that are eligible under this section or Laws 2005, chapter 40, to
 191.29 on-farm biogas recovery facilities, and to hydroelectric facilities. Payment of the incentive
 191.30 shall be made from the ~~renewable energy development~~ C-LEAF account as provided under
 191.31 section 116C.779, subdivision 2.

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

192.1 Sec. 30. [216C.417] PROGRAM ADMINISTRATION; "MADE IN MINNESOTA"
192.2 SOLAR ENERGY PRODUCTION INCENTIVES.

192.3 Subdivision 1. General provisions. Payment of a "Made in Minnesota" solar energy
192.4 production incentive to an owner whose application was approved by the commissioner of
192.5 commerce under section 216C.415, by May 1, 2017, must be administered under the
192.6 provisions of Minnesota Statutes 2016, sections 216C.411; 216C.413; 216C.414, subdivisions
192.7 1 to 3 and 5; and 216C.415. No incentive payments may be made under this section to an
192.8 owner whose application was approved by the commissioner after May 1, 2017.

192.9 Subd. 2. Appropriation. (a) Unspent money remaining in the account established under
192.10 Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the
192.11 C-LEAF account in the special revenue fund established under Minnesota Statutes, section
192.12 116C.779, subdivision 1.

192.13 (b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), there is annually
192.14 appropriated from the C-LEAF account in the special revenue fund established in Minnesota
192.15 Statutes, section 116C.779, to the commissioner of commerce money sufficient to make
192.16 the incentive payments required under Minnesota Statutes 2016, section 216C.415. Any
192.17 funds appropriated under this paragraph that are unexpended at the end of a fiscal year
192.18 cancel to the C-LEAF account.

192.19 (c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of
192.20 this appropriation may be used for administrative costs.

192.21 Subd. 3. Eligibility window; payment duration. (a) Payments may be made under this
192.22 subdivision only for solar photovoltaic module installations that meet the requirements of
192.23 subdivision 1 and that first begin generating electricity between January 1, 2014, and October
192.24 31, 2018.

192.25 (b) The payment eligibility window of the incentive begins and runs consecutively from
192.26 the date the solar photovoltaic modules first begins generating electricity.

192.27 (c) An owner of solar photovoltaic modules may receive payments under this section
192.28 for a particular module for a period of ten years, provided that sufficient funds are available
192.29 in the account.

192.30 (d) No payment may be made under this section for electricity generated after October
192.31 31, 2028.

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

193.1 Sec. 31. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision
193.2 to read:

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

193.6 Sec. 32. Minnesota Statutes 2016, section 216E.03, subdivision 3, is amended to read:

193.7 Subd. 3. **Application.** Any person seeking to construct a large electric power generating
193.8 plant or a high-voltage transmission line must apply to the commission for a site or route
193.9 permit. The application shall contain such information as the commission may require. The
193.10 applicant ~~shall~~ may propose at least two sites for a large electric power generating plant and
193.11 two routes for a high-voltage transmission line. Neither of the two proposed routes may be
193.12 designated as a preferred route and all proposed routes must be numbered and designated
193.13 as alternatives. The commission shall determine whether an application is complete and
193.14 advise the applicant of any deficiencies within ten days of receipt. An application is not
193.15 incomplete if information not in the application can be obtained from the applicant during
193.16 the first phase of the process and that information is not essential for notice and initial public
193.17 meetings.

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

193.19 Sec. 33. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

193.20 Subd. 9. **Timing.** The commission shall make a final decision on an application within
193.21 60 days after receipt of the report of the administrative law judge. A final decision on the
193.22 request for a site permit or route permit shall be made within one year after the commission's
193.23 determination that an application is complete. The commission may extend this time limit
193.24 for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

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

193.26 Sec. 34. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

193.27 Subd. 7. **Timing.** The commission shall make a final decision on an application within
193.28 60 days after completion of the public hearing. A final decision on the request for a site
193.29 permit or route permit under this section shall be made within six months after the
193.30 commission's determination that an application is complete. The commission may extend
193.31 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the
193.32 applicant.

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

194.2 Sec. 35. Minnesota Statutes 2016, section 216F.01, subdivision 2, is amended to read:

194.3 Subd. 2. **Large wind energy conversion system or LWECS.** "Large wind energy
194.4 conversion system" or "LWECS" means any combination of WECS with a combined
194.5 nameplate capacity of 5,000 kilowatts or more and transmission lines directly associated
194.6 with the LWECS that are necessary to interconnect the LWECS to the transmission system.

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

194.8 Sec. 36. Minnesota Statutes 2016, section 216F.011, is amended to read:

194.9 **216F.011 SIZE DETERMINATION.**

194.10 (a) The total size of a combination of wind energy conversion systems for the purpose
194.11 of determining what jurisdiction has siting authority under this chapter must be determined
194.12 according to this section. The nameplate capacity of one wind energy conversion system
194.13 must be combined with the nameplate capacity of any other wind energy conversion system
194.14 that:

194.15 (1) is located within five miles of the wind energy conversion system;

194.16 (2) is constructed within the same 12-month period as the wind energy conversion
194.17 system; and

194.18 (3) exhibits characteristics of being a single development, including, but not limited to,
194.19 ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing
194.20 arrangements, and common debt or equity financing.

194.21 (b) The commissioner shall provide forms and assistance for project developers to make
194.22 a request for a size determination. Upon written request of a project developer, the
194.23 commissioner of commerce shall provide a written size determination within 30 days of
194.24 receipt of the request and of any information needed to complete the size determination that
194.25 has been requested by the commissioner. In the case of a dispute, the chair of the Public
194.26 Utilities Commission shall make the final size determination.

194.27 (c) An application to a county for a permit under this chapter for a wind energy conversion
194.28 system is not complete without a size determination made under this section.

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

195.1 Sec. 37. Minnesota Statutes 2016, section 216F.04, is amended to read:

195.2 **216F.04 SITE PERMIT.**

195.3 (a) No person may construct an LW ECS without a site permit issued by the Public
195.4 Utilities Commission.

195.5 (b) Any person seeking to construct an LW ECS shall submit an application to the
195.6 commission for a site permit in accordance with this chapter and any rules adopted by the
195.7 commission. The permitted site need not be contiguous land.

195.8 (c) The commission shall make a final decision on an application for a site permit for
195.9 an LW ECS within 180 days after acceptance of a complete application by the commission.
195.10 The commission may extend this deadline ~~for cause~~ if the proposer agrees to an extension
195.11 in writing.

195.12 (d) The commission may place conditions in a permit and may deny, modify, suspend,
195.13 or revoke a permit.

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

195.15 Sec. 38. **[216G.025] ALTERNATIVE PIPELINE ROUTES; RESTRICTION.**

195.16 Notwithstanding section 116D.04, subdivisions 2a and 6, and any other law or rule, no
195.17 environmental analysis of alternative routes for a pipeline seeking a routing permit may
195.18 include an alternative route that does not connect the pipeline's termini as proposed by the
195.19 applicant.

195.20 Sec. 39. Minnesota Statutes 2016, section 216H.03, subdivision 3, is amended to read:

195.21 Subd. 3. **Long-term increased emissions from power plants prohibited.** Unless
195.22 preempted by federal law, until a comprehensive and enforceable state law or rule pertaining
195.23 to greenhouse gases that directly limits and substantially reduces, over time, statewide power
195.24 sector carbon dioxide emissions is enacted and in effect, and except as allowed in
195.25 subdivisions 4 to 7, on and after August 1, 2009, no person shall:

195.26 ~~(1) construct within the state a new large energy facility that would contribute to statewide~~
195.27 ~~power sector carbon dioxide emissions;~~

195.28 ~~(2) import or commit to import from outside the state power from a new large energy~~
195.29 ~~facility that would contribute to statewide power sector carbon dioxide emissions; or~~

195.30 ~~(3) enter into a new long-term power purchase agreement that would increase statewide~~
195.31 ~~power sector carbon dioxide emissions. For purposes of this section, a long-term power~~

196.1 ~~purchase agreement means an agreement to purchase 50 megawatts of capacity or more for~~
196.2 ~~a term exceeding five years.~~

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

196.4 Sec. 40. Minnesota Statutes 2016, section 216H.03, subdivision 4, is amended to read:

196.5 Subd. 4. **Exception for facilities that offset emissions.** (a) The ~~prohibitions in~~ prohibition
196.6 under subdivision 3 ~~de~~ does not apply if the project proponent demonstrates to the Public
196.7 Utilities Commission's satisfaction that it will offset the new contribution to statewide power
196.8 sector carbon dioxide emissions with a carbon dioxide reduction project identified in
196.9 paragraph (b) and in compliance with paragraph (c).

196.10 (b) A project proponent may offset in an amount equal to or greater than the proposed
196.11 new contribution to statewide power sector carbon dioxide emissions in either, or a
196.12 combination of both, of the following ways:

196.13 (1) by reducing an existing facility's contribution to statewide power sector carbon
196.14 dioxide emissions; or

196.15 (2) by purchasing carbon dioxide allowances from a state or group of states that has a
196.16 carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

196.17 (c) The Public Utilities Commission shall not find that a proposed carbon dioxide
196.18 reduction project identified in paragraph (b) acceptably offsets a new contribution to statewide
196.19 power sector carbon dioxide emissions unless the proposed offsets are permanent,
196.20 quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section
196.21 does not exempt emissions that have been offset under this subdivision and emissions
196.22 exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

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

196.24 Sec. 41. Minnesota Statutes 2016, section 216H.03, subdivision 7, is amended to read:

196.25 Subd. 7. **Other exemptions.** The ~~prohibitions in~~ prohibition under subdivision 3 ~~de~~ does
196.26 not apply to:

196.27 (1) a new large energy facility under consideration by the Public Utilities Commission
196.28 pursuant to proposals or applications filed with the Public Utilities Commission before April
196.29 1, 2007, or to any power purchase agreement related to a facility described in this clause.

196.30 The exclusion of pending proposals and applications from the prohibitions in subdivision

197.1 3 does not limit the applicability of any other law and is not an expression of legislative
 197.2 intent regarding whether any pending proposal or application should be approved or denied;

197.3 (2) a contract not subject to commission approval that was entered into prior to April 1,
 197.4 2007, to purchase power from a new large energy facility that was approved by a comparable
 197.5 authority in another state prior to that date, for which municipal or public power district
 197.6 bonds have been issued, and on which construction has begun;

197.7 (3) a new large energy facility ~~or a power purchase agreement between a Minnesota~~
 197.8 ~~utility and a new large energy facility~~ located ~~outside~~ within Minnesota that the Public
 197.9 Utilities Commission has determined is essential to ensure the long-term reliability of
 197.10 Minnesota's electric system, to allow electric service for increased industrial demand, or to
 197.11 avoid placing a substantial financial burden on Minnesota ratepayers. An order of the
 197.12 commission granting an exemption under this clause is stayed until the June 1 following
 197.13 the next regular or annual session of the legislature that begins after the date of the
 197.14 commission's final order; or

197.15 (4) a new large energy facility with a combined electric generating capacity of less than
 197.16 100 megawatts, which did not require a Minnesota certificate of need, which received an
 197.17 air pollution control permit to construct from an adjoining state before January 1, 2008, and
 197.18 on which construction began before July 1, 2008, or to any power purchase agreement
 197.19 related to a facility described in this clause.

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

197.21 Sec. 42. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK**
 197.22 **FORCE.**

197.23 **Subdivision 1. Establishment.** The Residential PACE Consumer Protection Legislation
 197.24 Task Force shall develop recommendations for consumer protection legislation for any
 197.25 energy improvements financing program implemented under Minnesota Statutes, sections
 197.26 216C.435 to 216C.436, for single-family residential dwellings. For purposes of this section,
 197.27 "residential PACE" or "PACE" means energy improvement financing programs for
 197.28 single-family residential dwellings authorized under Minnesota Statutes, sections 216C.435
 197.29 to 216C.436.

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

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

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

- 198.1 (3) one member appointed by the Minnesota Bankers Association;
- 198.2 (4) one member appointed by the Legal Services Advocacy Project;
- 198.3 (5) one member appointed by the Minnesota Credit Union Network;
- 198.4 (6) one member appointed by the Minnesota Solar Energy Industry Association;
- 198.5 (7) one member appointed by the St. Paul Port Authority;
- 198.6 (8) one member appointed by the League of Minnesota Cities;
- 198.7 (9) one member appointed by the Association of Minnesota Counties;
- 198.8 (10) one member appointed by AARP Minnesota;
- 198.9 (11) one member appointed by Fresh Energy;
- 198.10 (12) one member appointed by the Citizens Utility Board of Minnesota;
- 198.11 (13) one member appointed by Clean Energy Economy Minnesota;
- 198.12 (14) one member appointed by the Minnesota Land Title Association;
- 198.13 (15) one member appointed by an organization with experience implementing residential
- 198.14 PACE programs in other states; and
- 198.15 (16) the commissioner of commerce or a designee.
- 198.16 (b) Any public member can designate a substitute from the same organization to replace
- 198.17 that member at a meeting of the task force.
- 198.18 Subd. 3. **Duties.** The task force must develop recommendations to:
- 198.19 (1) address concerns regarding the possible constraints on free alienation of residential
- 198.20 property caused by existence and amount of the PACE liens;
- 198.21 (2) reduce and minimize any point-of-sale confusion in transactions involving
- 198.22 PACE-encumbered homes;
- 198.23 (3) ensure conspicuous and meaningful disclosure of, among other things:
- 198.24 (i) all costs and fees of a residential PACE loan; and
- 198.25 (ii) the risks, such as foreclosure and higher costs, that may be associated with residential
- 198.26 PACE loans relative to other financing mechanisms;
- 198.27 (4) ensure that the ability to repay standard uses commonly accepted underwriting
- 198.28 principles;

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

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

199.6 (7) establish criteria to ensure the cost-effectiveness of PACE-enabled clean energy
199.7 improvements; and

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

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

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

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

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

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

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

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

199.30 Subd. 11. **Expiration.** The task force expires January 15, 2018, or after submitting the
199.31 report required in this section, whichever is earlier.

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

200.1 Sec. 43. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
200.2 **THERMAL REBATES.**

200.3 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner
200.4 of a solar thermal system whose application was approved by the commissioner of commerce
200.5 after the effective date of this act.

200.6 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,
200.7 section 216C.416, as of July 2, 2017, must be transferred to the C-LEAF account established
200.8 under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

200.10 Sec. 44. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**
200.11 **UNEXPENDED GRANT FUNDS.**

200.12 (a) No later than 30 days after the effective date of this section, the utility subject to
200.13 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person
200.14 who received a grant funded from the renewable development account previously established
200.15 under that subdivision:

200.16 (1) after January 1, 2012; and

200.17 (2) before January 1, 2012, if the funded project remains incomplete as of the effective
200.18 date of this section.

200.19 The notice must contain the provisions of this section and instructions directing grant
200.20 recipients how unexpended funds can be transferred to the clean energy advancement fund
200.21 account.

200.22 (b) A recipient of a grant from the renewable development account previously established
200.23 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after
200.24 receiving the notice required under paragraph (a), transfer any grant funds that remain
200.25 unexpended as of the effective date of this section to the clean energy advancement fund
200.26 account if, by that effective date, all of the following conditions are met:

200.27 (1) the grant was awarded more than five years before the effective date of this section;

200.28 (2) the grant recipient has failed to obtain control of the site on which the project is to
200.29 be constructed;

200.30 (3) the grant recipient has failed to secure all necessary permits or approvals from any
200.31 unit of government with respect to the project; and

201.1 (4) construction of the project has not begun.

201.2 (c) A recipient of a grant from the renewable development account previously established
 201.3 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds
 201.4 that remain unexpended five years after the grant funds are received by the grant recipient
 201.5 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant
 201.6 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary
 201.7 of the receipt of the grant funds.

201.8 (d) A person who transfers funds to the clean energy advancement fund account under
 201.9 this section is eligible to apply for funding from the clean energy advancement fund account.

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

201.11 Sec. 45. **REPEALER.**

201.12 (a) Laws 2013, chapter 85, article 6, section 11, is repealed.

201.13 (b) Minnesota Statutes 2016, sections 216B.8109; 216B.811; 216B.812; 216B.813; and
 201.14 216B.815, are repealed.

201.15 (c) Minnesota Statutes 2016, sections 3.8852; 116C.779, subdivision 3; and 216C.29,
 201.16 are repealed.

201.17 (d) Minnesota Statutes 2016, sections 174.187; 216C.411; 216C.412; 216C.413;
 201.18 216C.414; 216C.415; and 216C.416, are repealed.

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

201.20 **ARTICLE 11**

201.21 **HOUSING POLICY**

201.22 Section 1. Minnesota Statutes 2016, section 299F.01, is amended by adding a subdivision
 201.23 to read:

201.24 Subd. 4. **Mandatory fire sprinklers prohibited.** (a) The State Building Code, the State
 201.25 Fire Code, or a political subdivision of the state by code or ordinance, must not require the
 201.26 installation of fire sprinklers, any fire sprinkler system components, or automatic
 201.27 fire-extinguishing equipment or devices in any new or existing single-family detached
 201.28 dwelling unit, two-family dwelling unit, townhome, or accessory structure such as a garage,
 201.29 covered patio, deck, porch, storage shed, or similar structure.

201.30 (b) This subdivision does not affect or limit a requirement for smoke or fire detectors,
 201.31 alarms, or their components.

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

202.2 Sec. 2. Minnesota Statutes 2016, section 327C.01, is amended by adding a subdivision to
202.3 read:

202.4 Subd. 13. **Class I manufactured home park.** A "class I manufactured home park"
202.5 means a park that complies with the provisions of section 327C.16.

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

202.7 Sec. 3. **[327C.16] CLASS I MANUFACTURED HOME PARK.**

202.8 Subdivision 1. **Qualifications.** (a) To qualify as a class I manufactured home park, as
202.9 defined in section 327C.01, subdivision 13, a park owner, or on-site attendant as an employee
202.10 of the manufactured home park, must satisfy 12 hours of qualifying education courses every
202.11 three years, as prescribed in this subdivision. Park owners or on-site attendants may begin
202.12 accumulating qualifying hours to qualify as a class I manufactured home park beginning in
202.13 2017.

202.14 (b) The qualifying education courses required for classification under this subdivision
202.15 must be continuing education courses approved by the Department of Labor and Industry
202.16 or the Department of Commerce for:

202.17 (1) continuing education in real estate; or

202.18 (2) continuing education for residential contractors and manufactured home installers.

202.19 (c) The qualifying education courses must include:

202.20 (1) two hours on fair housing, approved for real estate licensure or residential contractor
202.21 licensure;

202.22 (2) one hour on the Americans with Disabilities Act, approved for real estate licensure
202.23 or residential contractor licensure;

202.24 (3) four hours on legal compliance related to any of the following: landlord/tenant,
202.25 licensing requirements, or home financing under chapters 58, 327, 327B, 327C, and 504B,
202.26 and Minnesota Rules, chapter 1350 or 4630;

202.27 (4) three hours of general education approved for real estate, residential contractors, or
202.28 manufactured home installers; and

202.29 (5) two hours of HUD-specific manufactured home installer courses as required under
202.30 section 327B.041.

203.1 (d) If the qualifying owner or employee attendant is no longer the person meeting the
203.2 requirements under this subdivision, but did qualify during the current assessment year,
203.3 then the manufactured home park shall still qualify for the class rate provided for class 4c
203.4 property classified under section 273.13, subdivision 25, paragraph (d), clause (5), item
203.5 (iii).

203.6 Subd. 2. **Proof of compliance.** (a) A park owner that has met the requirements of
203.7 subdivision 1 shall provide an affidavit to the park owner's county assessor certifying that
203.8 the park owner, corporate officer, or on-site attendant has complied with subdivision 1 and
203.9 that the park meets the definition of a class I manufactured home park as defined in this
203.10 section, and is entitled to the property tax classification rate for class I manufactured home
203.11 parks in section 273.13, subdivision 25. The park owner shall retain the original course
203.12 completion certificates issued by the course sponsor under this section for three years and,
203.13 upon written request for verification, provide these to the county assessor within 30 days.

203.14 (b) A park owner must provide the county assessor written notice of any change in
203.15 compliance status of the manufactured home park no later than December 15 of the
203.16 assessment year.

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

203.18 Sec. 4. Minnesota Statutes 2016, section 462.355, subdivision 4, is amended to read:

203.19 Subd. 4. **Interim ordinance.** (a) If a municipality is conducting studies or has authorized
203.20 a study to be conducted or has held or has scheduled a hearing for the purpose of considering
203.21 adoption or amendment of a comprehensive plan or official controls as defined in section
203.22 462.352, subdivision 15, or if new territory for which plans or controls have not been adopted
203.23 is annexed to a municipality, the governing body of the municipality may adopt an interim
203.24 ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning
203.25 process and the health, safety and welfare of its citizens. The interim ordinance may regulate,
203.26 restrict, or prohibit any use, development, or subdivision within the jurisdiction or a portion
203.27 thereof for a period not to exceed one year from the date it is effective.

203.28 (b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities
203.29 relating to livestock production, a public hearing must be held following a ten-day notice
203.30 given by publication in a newspaper of general circulation in the municipality before the
203.31 interim ordinance takes effect.

204.1 (c)(1) A statutory or home rule charter city may adopt an interim ordinance that regulates,
204.2 restricts, or prohibits a housing proposal only if the ordinance is approved by at least
204.3 two-thirds of city council members present.

204.4 (2) Before adopting the interim ordinance, the city council must hold a public hearing
204.5 after providing written notice to any person who has submitted a housing proposal, has a
204.6 pending housing proposal, or has provided a written request to be notified of interim
204.7 ordinances related to housing proposals. The written notice must be provided at least three
204.8 business days before the public hearing. Notice also must be posted on the city's official
204.9 Web site, if the city has an official Web site.

204.10 (3) The date of the public hearing shall be the earlier of the next regularly scheduled
204.11 city council meeting after the notice period or within ten days of the notice.

204.12 (4) The activities proposed to be restricted by the proposed interim ordinance may not
204.13 be undertaken before the public hearing.

204.14 (5) For the purposes of this paragraph, "housing proposal" means a written request for
204.15 city approval of a project intended primarily to provide residential dwellings, either single
204.16 family or multi-family, and involves the subdivision or development of land or the
204.17 demolition, construction, reconstruction, alteration, repair, or occupancy of residential
204.18 dwellings.

204.19 ~~(e)~~ (d) The period of an interim ordinance applicable to an area that is affected by a city's
204.20 master plan for a municipal airport may be extended for such additional periods as the
204.21 municipality may deem appropriate, not exceeding a total additional period of 18 months.
204.22 In all other cases, no interim ordinance may halt, delay, or impede a subdivision that has
204.23 been given preliminary approval, nor may any interim ordinance extend the time deadline
204.24 for agency action set forth in section 15.99 with respect to any application filed prior to the
204.25 effective date of the interim ordinance. The governing body of the municipality may extend
204.26 the interim ordinance after a public hearing and written findings have been adopted based
204.27 upon one or more of the conditions in clause (1), (2), or (3). The public hearing must be
204.28 held at least 15 days but not more than 30 days before the expiration of the interim ordinance,
204.29 and notice of the hearing must be published at least ten days before the hearing. The interim
204.30 ordinance may be extended for the following conditions and durations, but, except as
204.31 provided in clause (3), an interim ordinance may not be extended more than an additional
204.32 18 months:

204.33 (1) up to an additional 120 days following the receipt of the final approval or review by
204.34 a federal, state, or metropolitan agency when the approval is required by law and the review

205.1 or approval has not been completed and received by the municipality at least 30 days before
 205.2 the expiration of the interim ordinance;

205.3 (2) up to an additional 120 days following the completion of any other process required
 205.4 by a state statute, federal law, or court order, when the process is not completed at least 30
 205.5 days before the expiration of the interim ordinance; or

205.6 (3) up to an additional one year if the municipality has not adopted a comprehensive
 205.7 plan under this section at the time the interim ordinance is enacted.

205.8 **EFFECTIVE DATE.** This section is effective for interim ordinances proposed on or
 205.9 after August 1, 2017.

205.10 Sec. 5. Minnesota Statutes 2016, section 462A.2035, is amended to read:

205.11 **462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.**

205.12 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park
 205.13 redevelopment program for the purpose of making manufactured home park redevelopment
 205.14 grants or loans to cities, counties, ~~or~~ community action programs, nonprofit organizations,
 205.15 and cooperatives created under chapter 308A or 308B.

205.16 Subd. 1a. **Individual assistance grants.** Cities, counties, and community action programs
 205.17 Eligible recipients may use individual assistance grants and loans under this program to:

205.18 (1) provide current residents of manufactured home parks with buy-out assistance not
 205.19 to exceed \$4,000 per home with preference given to older manufactured homes; and

205.20 (2) provide down-payment assistance for the purchase of new and preowned manufactured
 205.21 homes that comply with the current version of the State Building Code in effect at the time
 205.22 of the sale, not to exceed \$10,000 per home; ~~and.~~

205.23 ~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~

205.24 Subd. 1b. **Park infrastructure grants.** Eligible recipients may use park infrastructure
 205.25 grants under this program for:

205.26 (1) improvements in manufactured home parks; and

205.27 (2) infrastructure, including storm shelters and community facilities.

205.28 Subd. 2. **Eligibility requirements.** For individual assistance grants under subdivision
 205.29 1a, households assisted ~~under this section~~ must have an annual household income at or
 205.30 below 80 percent of the area median household income. Cities, counties, or community
 205.31 action programs receiving funds under the program must give preference to households at

206.1 or below 50 percent of the area median household income. Participation in the program is
 206.2 voluntary and no park resident shall be required to participate.

206.3 Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in
 206.4 approximately equal amounts to applicants outside and within the metropolitan area. Grants
 206.5 and loans under this section shall be provided in a manner consistent with the agency's
 206.6 policies and purposes in section 462A.02.

206.7 Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant
 206.8 under subdivision 1b shall provide from year to year, on a cumulative basis, for adequate
 206.9 reserve funds to cover the repair and replacement of the private infrastructure systems
 206.10 serving the community.

206.11 **Sec. 6. [462A.39] WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

206.12 Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall
 206.13 establish a workforce housing development program to award grants or deferred loans to
 206.14 eligible project areas to be used for qualified expenditures.

206.15 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
 206.16 meanings given.

206.17 (b) "Eligible project area" means a home rule charter or statutory city located outside
 206.18 of the metropolitan area as defined in section 473.121, subdivision 2, with a population
 206.19 exceeding 500; a community that has a combined population of 1,500 residents located
 206.20 within 15 miles of a home rule charter or statutory city located outside the metropolitan
 206.21 area as defined in section 473.121, subdivision 2; or an area served by a joint county-city
 206.22 economic development authority.

206.23 (c) "Joint county-city economic development authority" means an economic development
 206.24 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
 206.25 a city and county and excluding those established by the county only.

206.26 (d) "Market rate residential rental properties" means properties that are rented at market
 206.27 value, including new modular homes, new manufactured homes, and new manufactured
 206.28 homes on leased land or in a manufactured home park, and excludes:

206.29 (1) properties constructed with financial assistance requiring the property to be occupied
 206.30 by residents that meet income limits under federal or state law of initial occupancy; and

206.31 (2) properties constructed with federal, state, or local flood recovery assistance, regardless
 206.32 of whether that assistance imposed income limits as a condition of receiving assistance.

207.1 (e) "Qualified expenditure" means expenditures for market rate residential rental
207.2 properties including acquisition of property; construction of improvements; and provisions
207.3 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
207.4 costs.

207.5 Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting
207.6 and reviewing application for grants or deferred loans under this section. At a minimum, a
207.7 city must include in its application a resolution of its governing body certifying that the
207.8 matching amount as required under this section is available and committed.

207.9 Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or
207.10 deferred loans to an eligible project area under this section until the following determinations
207.11 are made:

207.12 (1) the average vacancy rate for rental housing located in the eligible project area, and
207.13 in any other city located within 15 miles or less of the boundaries of the area, has been five
207.14 percent or less for at least the prior two-year period;

207.15 (2) one or more businesses located in the eligible project area, or within 25 miles of the
207.16 area, that employs a minimum of 20 full-time equivalent employees in aggregate have
207.17 provided a written statement to the eligible project area indicating that the lack of available
207.18 rental housing has impeded their ability to recruit and hire employees; and

207.19 (3) the eligible project area has certified that the grants or deferred loans will be used
207.20 for qualified expenditures for the development of rental housing to serve employees of
207.21 businesses located in the eligible project area or surrounding area.

207.22 (b) Preference for grants or deferred loans awarded under this section shall be given to
207.23 eligible project areas with less than 30,000 people.

207.24 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent
207.25 of the rental housing development project cost. The commissioner shall not award a grant
207.26 or deferred loans to a city without certification by the city that the amount of the grant or
207.27 deferred loans shall be matched by a local unit of government, business, or nonprofit
207.28 organization with \$1 for every \$2 provided in grant or deferred loans funds.

207.29 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually submit
207.30 a report to the chairs and ranking minority members of the senate and house of representatives
207.31 committees having jurisdiction over taxes and workforce development specifying the projects
207.32 that received grants or deferred loans under this section and the specific purposes for which
207.33 the grant funds were used.

208.1 Sec. 7. **[462C.16] HOUSING TRUST FUNDS FOR LOCAL HOUSING**
208.2 **DEVELOPMENT.**

208.3 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
208.4 the meanings given to them.

208.5 (b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

208.6 (c) "Fund" means a local housing trust fund or a regional housing trust fund.

208.7 (d) "Local government" means any statutory or home rule charter city or a county.

208.8 (e) "Local housing trust fund" means a fund established by a local government with one
208.9 or more dedicated sources of public revenue for housing.

208.10 (f) "Regional housing trust fund" means a fund established and administered under a
208.11 joint powers agreement entered into by two or more local governments with one or more
208.12 dedicated sources of public revenue for housing.

208.13 Subd. 2. Creation and administration. (a) A local government may establish a local
208.14 housing trust fund by ordinance or participate in a joint powers agreement to establish a
208.15 regional housing trust fund.

208.16 (b) A local or regional housing trust fund may be, but is not required to be, administered
208.17 through a nonprofit organization. If administered through a nonprofit organization, that
208.18 organization shall encourage private charitable donations to the fund.

208.19 Subd. 3. Authorized expenditures. Money in a local or regional housing trust fund may
208.20 be used only to:

208.21 (1) pay for administrative expenses, but not more than ten percent of the balance of the
208.22 fund may be spent on administration;

208.23 (2) make grants, loans, and loan guarantees for the development, rehabilitation, or
208.24 financing of housing;

208.25 (3) match other funds from federal, state, or private resources for housing projects; or

208.26 (4) provide down payment assistance, rental assistance, and homebuyer counseling
208.27 services.

208.28 Subd. 4. Funding. (a) A local government may finance its local or regional housing
208.29 trust fund with any money available to the local government, unless expressly prohibited
208.30 by state law. Sources of these funds include, but are not limited to:

208.31 (1) donations;

209.1 (2) bond proceeds;

209.2 (3) grants and loans from a state, federal, or private source;

209.3 (4) appropriations by a local government to the fund;

209.4 (5) investment earnings of the fund; and

209.5 (6) housing and redevelopment authority levies.

209.6 (b) The local government may alter a source of funding for the local or regional housing
 209.7 trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts
 209.8 or expenditures authorized by the fund in its budget.

209.9 Subd. 5. **Reports.** A local or regional housing trust fund established under this section
 209.10 must report annually to the local government that created the fund. The local government
 209.11 or governments must post this report on its public Web site.

209.12 Subd. 6. **Effect of legislation on existing local or regional housing trust funds.** A
 209.13 local or regional housing trust fund existing on the effective date of this section is not
 209.14 required to alter the existing terms of its governing documents or take any additional
 209.15 authorizing actions required by subdivision 2.

209.16 **Sec. 8. MINNESOTA HOUSING FINANCE AGENCY REPORT.**

209.17 By February 1, 2018, and February 1, 2019, the Housing Finance Agency shall provide
 209.18 to the chairs and ranking minority members of the house of representatives and senate
 209.19 committees with jurisdiction over the agency:

209.20 (1) a draft and final version of its affordable housing plan before and after it has been
 209.21 submitted to the agency board for consideration; and

209.22 (2) a report on the actual and anticipated funds available within the Housing Affordability
 209.23 Fund, or Pool 3, and the actual and anticipated uses of those funds.

209.24 **Sec. 9. HOUSING FINANCE AGENCY ADMINISTRATIVE COSTS.**

209.25 The cost of administering programs operated by the Housing Finance Agency that are
 209.26 funded by the general fund or other resources, including bonds and federal funding, must
 209.27 not be higher than the amount expended for direct or indirect administrative costs in fiscal
 209.28 year 2017. The Housing Finance Agency must not have more full-time equivalent positions
 209.29 than the number of full-time equivalent positions at the Housing Finance Agency on June
 209.30 30, 2017.

210.1 **EFFECTIVE DATE.** This section is effective from July 1, 2017, to July 1, 2021.

210.2 **ARTICLE 12**

210.3 **MISCELLANEOUS POLICY**

210.4 Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**
210.5 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

210.6 Subdivision 1. **Definition.** As used in this section, "residential construction" means the
210.7 new construction or remodeling of any building subject to the Minnesota Residential Code.

210.8 Subd. 2. **Impact on housing cost; agency determination.** An agency must determine
210.9 if implementation of a proposed rule, or any portion of a proposed rule, will, on average,
210.10 increase the cost of residential construction or remodeling by \$1,000 or more per unit. The
210.11 agency must make this determination before the close of the hearing record, or before the
210.12 agency submits the record to the administrative law judge if there is no hearing. The
210.13 administrative law judge must review and approve or disapprove an agency's determination
210.14 under this subdivision.

210.15 Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that
210.16 the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision
210.17 2, or if the administrative law judge disapproves the agency's determination that the impact
210.18 does not meet or exceed that threshold, the agency must notify, in writing, the chairs and
210.19 ranking minority members of the policy committees of the house of representatives and the
210.20 senate with jurisdiction over the subject matter of the proposed rule within ten days of the
210.21 determination or disapproval.

210.22 (b) If a committee of either the house of representatives or senate with jurisdiction over
210.23 the subject matter of the proposed rule votes to advise an agency that the rule should not
210.24 be adopted as proposed, the agency may not adopt the rule unless the rule is approved by
210.25 a law enacted after the vote of the committee. Section 14.126, subdivision 2, applies to a
210.26 vote of a committee under this subdivision.

210.27 Subd. 4. **Severability.** If the agency or an administrative law judge determines that part
210.28 of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a
210.29 severable portion of the proposed rule does not meet or exceed that threshold, the agency
210.30 may proceed to adopt the severable portions of the proposed rule regardless of whether a
210.31 legislative committee vote is conducted under subdivision 3.

210.32 **EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to
210.33 administrative rules proposed on or after that date.

211.1 Sec. 2. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special
211.2 Session chapter 1, article 7, section 1, and Laws 2016, chapter 189, article 7, section 42, is
211.3 amended to read:

211.4 Sec. 13. **EFFECTIVE DATE.**

211.5 Sections 1 to 3 and 6 to 11 are effective July 1, ~~2017~~ 2036. Sections 4, 5, and 12 are
211.6 effective July 1, 2014.

211.7 Sec. 3. **AGENCY ACTIVITY AND EXPENDITURE REPORTS.**

211.8 (a) The commissioners of employment and economic development, housing finance,
211.9 labor and industry, and commerce, as well as the Public Utilities Commission, must each
211.10 submit a report, as described in paragraph (b), to the chairs and ranking minority members
211.11 of the house of representatives and senate committees and divisions with jurisdiction over
211.12 their budget appropriations by October 15, 2018.

211.13 (b) The reports must include:

211.14 (1) the number of employees in each operational division and descriptions of the work
211.15 of each employee;

211.16 (2) a description of the responsibilities that fall under each operational division;

211.17 (3) a detailed list of the source of all revenue, including any fees, taxes, or other revenues
211.18 collected, as well as details of base budgets, including all prior appropriation riders;

211.19 (4) how much of each budgetary division appropriation passes through as grants, as well
211.20 as the costs related to each grant program;

211.21 (5) a detailed description of the costs related to each budgetary division, as well as the
211.22 statutory authority under which those costs are allocated; and

211.23 (6) the statutory authority for all expenditures.

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ARTICLE 5	UNEMPLOYMENT INSURANCE ADVISORY COUNCILPOLICY	Page.Ln 126.4
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3.8852 PLANNING STRATEGY FOR SUSTAINABLE ENERGY FUTURE.

(a) The Legislative Energy Commission, in consultation with the commissioner of commerce and other state agencies, shall develop a framework for the state of Minnesota to transition to a renewable energy economy that ends Minnesota's contribution to greenhouse gases from burning fossil fuels within the next few decades. The framework and strategy should aim to make Minnesota the first state in the nation to use only renewable energy.

(b) In developing the framework for this transition, the commission must consult with stakeholders, including, but not limited to, representatives from cooperative, municipal, and investor-owned utilities, natural resources and environmental advocacy groups, labor and industry, and technical and scientific experts to examine the challenges and opportunities involved to develop a strategy and timeline to protect the environment and create jobs. The timeline must establish goals and strategies to reach the state's renewable energy standards and prepare for the steps beyond reaching those standards. The Department of Commerce, Division of Energy Resources shall provide technical support.

(c) The commission and its stakeholders must consider the following in creating the framework:

- (1) the economic and environmental costs of continued reliance on fossil fuels;
- (2) the creation of jobs and industry in the state that result from moving ahead of other states in transitioning to a sustainable energy economy;
- (3) the appropriate energy efficiency and renewable energy investments in Minnesota to reduce the economic losses to the Minnesota economy from importation of fossil fuels; and
- (4) the new technologies for energy efficiency, storage, transmission, and renewable generation needed to reliably meet the demand for energy.

(d) The framework shall be modified as needed to take advantage of new technological developments to facilitate ending fossil fuel use in power generation, heating and cooling, industry, and transportation.

(e) The commission shall report to the legislative committees and divisions with jurisdiction over energy policy by January 15, 2014, and annually thereafter, on progress toward achieving the framework goals.

116C.779 FUNDING FOR RENEWABLE DEVELOPMENT.

Subd. 3. **Initiative for Renewable Energy and the Environment.** (a) Beginning July 1, 2009, and each July 1 through 2011, \$5,000,000 must be allocated from the renewable development account to fund a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment for the purposes described in paragraph (b). The Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any set-aside funds not awarded to a rural campus or experiment station at the end of the fiscal year revert back to the Initiative for Renewable Energy and the Environment for its exclusive use. This subdivision does not create an obligation to contribute funds to the account.

(b) Activities funded under this grant may include, but are not limited to:

- (1) environmentally sound production of energy from a renewable energy source, including biomass and agricultural crops;
- (2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;
- (3) development of energy conservation and efficient energy utilization technologies;
- (4) energy storage technologies; and
- (5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.

(c) For the purposes of this subdivision:

- (1) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment; and
- (2) "renewable energy source" means hydro, wind, solar, biomass, and geothermal energy, and microorganisms used as an energy source.

(d) Beginning January 15 of 2010, and each year thereafter, the director of the Initiative for Renewable Energy and the Environment at the University of Minnesota shall submit a report to the chair and ranking minority members of the senate and house of representatives committees

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with primary jurisdiction over energy finance describing the activities conducted during the previous year funded under this subdivision.

116J.549 WORKFORCE HOUSING DEVELOPMENT PROGRAM.

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish a workforce housing development program to award grants to eligible project areas to be used for qualified expenditures.

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

(b) "Eligible project area" means a home rule charter or statutory city located outside of the metropolitan area as defined in section 473.121, subdivision 2, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and excludes:

(1) properties constructed with financial assistance requiring the property to be occupied by residents that meet income limits under federal or state law of initial occupancy; and

(2) properties constructed with federal, state, or local flood recovery assistance, regardless of whether that assistance imposed income limits as a condition of receiving assistance.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing application for grants under this section. At a minimum, a city must include in its application a resolution of its governing body certifying that the matching amount as required under this section is available and committed.

Subd. 4. **Program requirements.** (a) The commissioner must not award a grant to an eligible project area under this section until the following determinations are made:

(1) the average vacancy rate for rental housing located in the eligible project area, and in any other city located within 15 miles or less of the boundaries of the area, has been five percent or less for at least the prior two-year period;

(2) one or more businesses located in the eligible project area, or within 25 miles of the area, that employs a minimum of 20 full-time equivalent employees in aggregate have provided a written statement to the eligible project area indicating that the lack of available rental housing has impeded their ability to recruit and hire employees; and

(3) the eligible project area has certified that the grants will be used for qualified expenditures for the development of rental housing to serve employees of businesses located in the eligible project area or surrounding area.

(b) Preference for grants awarded under this section shall be given to eligible project areas with less than 18,000 people.

Subd. 5. **Allocation.** The amount of a grant may not exceed 25 percent of the rental housing development project cost. The commissioner shall not award a grant to a city without certification by the city that the amount of the grant shall be matched by a local unit of government, business, or nonprofit organization with \$1 for every \$2 provided in grant funds.

Subd. 6. **Report.** Beginning January 15, 2016, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over taxes and workforce development specifying the projects that received grants under this section and the specific purposes for which the grant funds were used.

174.187 MADE IN MINNESOTA SOLAR INSTALLATIONS.

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

(b) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

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(1) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which must be physically applied to the modules at a manufacturing facility described in clause (1); and

(3) that are manufactured in Minnesota:

(i) via manufacturing processes that must include tabbing, stringing, and lamination; or

(ii) by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

(c) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

Subd. 2. Made in Minnesota solar energy system requirement. Notwithstanding any other law to the contrary, if the commissioner engages in any project for the construction, improvement, maintenance, or repair of any building, highway, road, bridge, or land owned or controlled by the department and the construction, improvement, maintenance, or repair involves installation of one or more solar photovoltaic modules, the commissioner must ensure that the solar photovoltaic modules purchased and installed are "Made in Minnesota" as defined in subdivision 1, paragraph (b).

Subd. 3. Application. Subdivision 2 does not apply if:

(1) as a condition of the receipt of federal financial assistance for a specific project, the commissioner is required to use a procurement method that might result in the award of a contract to a manufacturer that does not meet the "Made in Minnesota" criteria established in subdivision 1, paragraph (b); or

(2) no solar photovoltaic modules are available that meet the "Made in Minnesota" criteria and fulfill the function required by the project.

216B.8109 HYDROGEN ENERGY ECONOMY GOAL.

It is a goal of this state that Minnesota move to hydrogen as an increasing source of energy for its electrical power, heating, and transportation needs.

216B.811 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 216B.811 to 216B.815, the terms defined in this section have the meanings given them.

Subd. 2. **Fuel cell.** "Fuel cell" means an electrochemical device that produces useful electricity, heat, and water vapor, and operates as long as it is provided fuel.

Subd. 3. **Hydrogen.** "Hydrogen" means hydrogen produced using renewable energy sources.

Subd. 4. **Related technologies.** "Related technologies" means balance of plant components necessary to make hydrogen and fuel cell systems function; turbines, reciprocating, and other combustion engines capable of operating on hydrogen; and electrolyzers, reformers, and other equipment and processes necessary to produce, purify, store, distribute, and use hydrogen for energy.

216B.812 FOSTERING USE OF HYDROGEN ENERGY.

Subdivision 1. **State purchase and use of renewable hydrogen technologies.** (a) The Department of Commerce, in coordination with the Department of Administration and the Pollution Control Agency, shall identify opportunities for deploying renewable hydrogen, fuel cells, and related technologies within state-owned facilities, vehicle fleets, and operations in ways that demonstrate their commercial performance and economics.

(b) The Department of Commerce shall recommend to the Department of Administration the purchase and deployment of hydrogen, fuel cells, and related technologies, when feasible, in ways that strategically contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109, and which contribute to the following nonexclusive list of objectives:

(1) provide needed performance data to the marketplace;

(2) identify code and regulatory issues to be resolved;

(3) foster economic development and job creation in the state;

(4) raise public awareness of renewable hydrogen, fuel cells, and related technologies; or

(5) reduce emissions of carbon dioxide and other pollutants.

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(c) The Department of Commerce and the Pollution Control Agency shall also recommend to the Department of Administration changes to the state's procurement guidelines and contracts in order to facilitate the purchase and deployment of cost-effective renewable hydrogen, fuel cells, and related technologies by all levels of government.

Subd. 2. **Pilot projects.** (a) In consultation with appropriate representatives from state agencies, local governments, universities, businesses, and other interested parties, the Department of Commerce shall report back to the legislature by November 1, 2005, and every two years thereafter, with a slate of proposed pilot projects that contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109. The Department of Commerce must consider the following nonexclusive list of priorities in developing the proposed slate of pilot projects:

(1) deploy "bridge" technologies such as hybrid-electric, off-road, and fleet vehicles running on hydrogen or fuels blended with hydrogen;

(2) lead to cost-competitive, on-site renewable hydrogen production technologies;

(3) demonstrate nonvehicle applications for hydrogen;

(4) improve the cost and efficiency of hydrogen from renewable energy sources; and

(5) improve the cost and efficiency of hydrogen production using direct solar energy without electricity generation as an intermediate step.

(b) For deployment projects that do not involve a demonstration component, individual system components of the technology should, if feasible, meet commercial performance standards and systems modeling must be completed to predict commercial performance, risk, and synergies. In addition, the proposed pilots should meet as many of the following criteria as possible:

(1) advance energy security;

(2) capitalize on the state's native resources;

(3) result in economically competitive infrastructure being put in place;

(4) be located where it will link well with existing and related projects and be accessible to the public, now or in the future;

(5) demonstrate multiple, integrated aspects of renewable hydrogen infrastructure;

(6) include an explicit public education and awareness component;

(7) be scalable to respond to changing circumstances and market demands;

(8) draw on firms and expertise within the state where possible;

(9) include an assessment of its economic, environmental, and social impact; and

(10) serve other needs beyond hydrogen development.

Subd. 3. **Establishing multifuel hydrogen fueling stations.** The commissioner of commerce may accept federal funds, expend funds, and participate in projects to design, site, and construct multifuel hydrogen fueling stations that eventually link urban centers along key trade corridors across the jurisdictions of Manitoba, the Dakotas, Minnesota, Iowa, and Wisconsin.

These energy stations must serve the priorities listed in subdivision 2 and, as transition infrastructure, should accommodate a wide variety of vehicle technologies and fueling platforms, including hybrid, flexible-fuel, and fuel cell vehicles. They may offer, but not be limited to, gasoline, diesel, ethanol (E-85), biodiesel, and hydrogen, and may simultaneously test the integration of on-site combined heat and power technologies with the existing energy infrastructure.

The hydrogen portion of the stations may initially serve local, dedicated on- or off-road vehicles, but should eventually support long-haul transport.

216B.813 MINNESOTA RENEWABLE HYDROGEN INITIATIVE.

Subdivision 1. **Road map.** The Department of Commerce shall coordinate and administer directly or by contract the Minnesota renewable hydrogen initiative. If the department decides to contract for its duties under this section, it must contract with a nonpartisan, nonprofit organization within the state to develop the road map. The initiative may be run as a public-private partnership representing business, academic, governmental, and nongovernmental organizations. The initiative must oversee the development and implementation of a renewable hydrogen road map, including appropriate technology deployments, that achieve the hydrogen goal of section 216B.8109. The road map should be compatible with the United States Department of Energy's National Hydrogen Energy Roadmap and be based on an assessment of marketplace economics and the state's opportunities in hydrogen, fuel cells, and related technologies, so as to capitalize on strengths. The road map should establish a vision, goals, general timeline, strategies for working with industry, and measurable milestones for achieving the state's renewable hydrogen goal. The road map should describe how renewable hydrogen and fuel cells fit in Minnesota's overall energy system, and should help foster a consistent, predictable, and prudent investment environment.

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The department must report to the legislature on the progress in implementing the road map by November 1 of each odd-numbered year.

Subd. 2. **Grants.** (a) The commissioner of commerce shall operate a competitive grant program for projects to assist the state in attaining its renewable hydrogen energy goals.

(b) The commissioner shall give preference to project concepts included in the department's most recent biennial report: Strategic Demonstration Projects to Accelerate the Commercialization of Renewable Hydrogen and Related Technologies in Minnesota. Projects eligible for funding must combine one or more of the hydrogen production options listed in the department's report with an end use that has significant commercial potential, preferably high visibility, and relies on fuel cells or related technologies. Each funded technology deployment must include an explicit education and awareness-raising component, be compatible with the renewable hydrogen deployment criteria defined in section 216B.812, and receive 50 percent of its total cost from nonstate sources. The 50 percent requirement does not apply for recipients that are public institutions.

216B.815 REGIONAL ENERGY RESEARCH AND EDUCATION PARTNERSHIP.

(a) The state's public research and higher education institutions should work with one another and with similar institutions in the region to establish Minnesota and the Upper Midwest as a center of research, education, outreach, and technology transfer for the production of renewable energy and products, including hydrogen, fuel cells, and related technologies. The partnership should be designed to create a critical mass of research and education capability that can compete effectively for federal and private investment in these areas.

(b) Initiatives undertaken by the partnership may include:

(1) collaborative and interdisciplinary research, demonstration projects, and commercialization of market-ready technologies;

(2) creation of undergraduate and graduate course offerings and eventually degreed and vocational programs with reciprocity;

(3) establishment of fellows programs at the region's institutes of higher learning that provide financial incentives for relevant study, research, and exchange; and

(4) development and field-testing of relevant curricula, teacher kits for all educational levels, and widespread teacher training, in collaboration with state energy offices, teachers, nonprofits, businesses, the United States Department of Energy, and other interested parties.

216C.29 SUBPOENA POWER.

The commissioner shall have the power, for the purposes of sections 216C.05 to 216C.30, to issue subpoenas for production of books, records, correspondence and other information and to require attendance of witnesses. The subpoenas may be served anywhere in the state by any person authorized to serve processes of courts of record. If a person does not comply with a subpoena, the commissioner may apply to the District Court of Ramsey County and the court shall compel obedience to the subpoena by a proper order. A person failing to obey the order is punishable by the court as for contempt.

216C.411 DEFINITIONS.

For the purposes of sections 216C.411 to 216C.415, the following terms have the meanings given.

(a) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

(1) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which must be physically applied to the modules at a manufacturing facility described in clause (1); and

(3) that are manufactured in Minnesota:

(i) by manufacturing processes that must include tabbing, stringing, and lamination; or

(ii) by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

A solar photovoltaic module that is manufactured by attaching microinverters, direct current optimizers, or other power electronics to a laminate or solar photovoltaic module that has received UL 1703 certification marks outside Minnesota from UL,

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CSA International, Intertek, or an equivalent UL-approved independent certification agency is not "Made in Minnesota" under this paragraph.

(b) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

216C.412 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE ACCOUNT.

Subdivision 1. **Account established; account management.** A "Made in Minnesota" solar energy production incentive account is established as a separate account in the special revenue fund in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds remaining in the account at the end of a fiscal year do not cancel to the general fund but remain in the account. There is annually appropriated from the account to the commissioner of commerce money sufficient to make the incentive payments under section 216C.415, the transfers under section 216C.416, and to administer sections 216C.412 to 216C.415.

Subd. 2. **Payments from public utilities.** (a) Beginning January 1, 2014, and each January 1 thereafter, through 2023, for a total of ten years, each electric public utility subject to section 216B.241 must annually pay to the commissioner of commerce five percent of the minimum amount it is required to spend on energy conservation improvements under section 216B.241, subdivision 1a. Payments under this subdivision must be included in the calculation of whether a utility's other spending on generation exceeds the limits authorized for spending on generation under section 216B.2411, subdivision 1, for investments proposed for commissioner of commerce approval after July 1, 2013. The limits on spending in section 216B.2411 do not limit or apply to payments required by this subdivision. Payments made under this paragraph count toward satisfying expenditure obligations of a public utility under section 216B.241, subdivision 1a. The commissioner shall, upon receipt of the funds, deposit them in the account established in subdivision 1. A public utility subject to this paragraph must be credited energy savings for the purpose of satisfying its energy savings requirement under section 216B.241, subdivision 1c, based on its payment to the commissioner.

(b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), beginning January 1, 2014, and continuing through January 1, 2023, for a total of ten years, the public utility that manages the account under section 116C.779 must annually pay from that account to the commissioner an amount that, when added to the total amount paid to the commissioner of commerce under paragraph (a), totals \$15,000,000 annually. The commissioner shall, upon receipt of the payment, deposit it in the account established in subdivision 1.

216C.413 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; QUALIFICATION.

Subdivision 1. **Application.** A manufacturer of solar photovoltaic modules seeking to qualify those modules as eligible to receive the "Made in Minnesota" solar energy production incentive must submit an application to the commissioner of commerce on a form prescribed by the commissioner. The application must contain:

(1) a technical description of the solar photovoltaic module and the processes used to manufacture it, excluding proprietary details;

(2) documentation that the solar photovoltaic module meets all the required applicable parts of the "Made in Minnesota" definition in section 216C.411, including evidence of the UL 1703 right to mark for all solar photovoltaic modules seeking to qualify as "Made in Minnesota";

(3) any additional nonproprietary information requested by the commissioner of commerce; and

(4) certification signed by the chief executive officer of the manufacturing company attesting to the truthfulness of the contents of the application and supporting materials under penalty of perjury.

Subd. 2. **Certification.** If the commissioner determines that a manufacturer's solar photovoltaic module meets the definition of "Made in Minnesota" in section 216C.411, the commissioner shall issue the manufacturer a "Made in Minnesota" certificate containing the name and model numbers of the certified solar photovoltaic modules and the date of certification. The commissioner must issue or deny the issuance of a certificate within 90 days of receipt of a completed application. A copy of the certificate must be provided to each purchaser of the solar photovoltaic module.

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Subd. 3. **Revocation of certification.** The commissioner may revoke a certification of a module as "Made in Minnesota" if the commissioner finds that the module no longer meets the requirements to be certified. The revocation does not affect incentive payments awarded prior to the revocation.

216C.414 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE.

Subdivision 1. **Setting incentive.** Within 90 days of a module being certified as "Made in Minnesota" the commissioner of commerce shall set a solar energy production incentive amount for that solar photovoltaic module for the purpose of the incentive payment under section 216C.415. The incentive is a performance-based financial incentive expressed as a per kilowatt-hour amount. The amount shall be used for incentive applications approved in the year to which the incentive amount is applicable for the ten-year duration of the incentive payments. An incentive amount must be calculated for each module for each calendar year through 2023.

Subd. 2. **Criteria for determining incentive amount.** (a) The commissioner shall set the incentive payment amount by determining the average amount of incentive payment required to allow an average owner of installed solar photovoltaic modules a reasonable return on their investment. In setting the incentive amount the commissioner shall consider:

(1) an estimate of the installed cost per kilowatt-direct current, based on the cost data supplied by the manufacturer in the application submitted under section 216C.413, and an estimate of the average installation cost based on a representative sample of Minnesota solar photovoltaic installed projects;

(2) the average insolation rate in Minnesota;

(3) an estimate of the decline in the generation efficiency of the solar photovoltaic modules over time;

(4) the rate paid by public utilities to owners of solar photovoltaic modules under section 216B.164 or other law;

(5) applicable federal tax incentives for installing solar photovoltaic modules; and

(6) the estimated levelized cost per kilowatt-hour generated.

(b) The commissioner shall annually, for incentive applications received in a year, revise each incentive amount based on the factors in paragraph (a), clauses (1) to (6), general market conditions, and the availability of other incentives. In no case shall the "Made in Minnesota" incentive amount result in the "Made in Minnesota" incentives paid exceeding 40 percent, net of average applicable taxes on the ten-year incentive payments, of the average historic installation cost per kilowatt. The commissioner may exceed the 40 percent cap if the commissioner determines it is necessary to fully expend funds available for incentive payments in a particular year.

Subd. 3. **Metering of production.** A public utility must, at the expense of a customer, provide a meter to measure the production of a solar photovoltaic module system that is approved to receive incentive payments. The public utility must furnish the commissioner with information sufficient for the commissioner to determine the incentive payment. The information must be provided on a calendar year basis by no later than March 1. The commissioner shall provide a public utility with forms to use to provide the production information. A customer must attest to the accuracy of the production information.

Subd. 4. **Payment due date.** Payments must be made no later than July 1 following the year of production.

Subd. 5. **Renewable energy credits.** Renewable energy credits associated with energy provided to a public utility for which an incentive payment is made belong to the utility.

216C.415 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; PAYMENT.

Subdivision 1. **Incentive payment.** Incentive payments may be made under this section only to an owner of grid-connected solar photovoltaic modules with a total nameplate capacity below 40 kilowatts direct current who:

(1) has submitted to the commissioner, on a form established by the commissioner, an application to receive the incentive that has been approved by the commissioner;

(2) has received a "Made in Minnesota" certificate under section 216C.413 for the module; and

(3) has installed on residential or commercial property solar photovoltaic modules that are generating electricity and has received a "Made in Minnesota" certificate under section 216C.413.

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Subd. 2. **Application process.** Applications for an incentive payment must be received by the commissioner between January 1 and February 28. The commissioner shall by a random method approve the number of applications the commissioner reasonably determines will exhaust the funds available for payment for the ten-year period of incentive payments. Applications for residential and commercial installations shall be separately randomly approved.

Subd. 3. **Commissioner approval of incentive application.** The commissioner must approve an application for an incentive for an owner to be eligible for incentive payments. The commissioner must not approve an application in a calendar year if the commissioner determines there will not be sufficient funding available to pay an incentive to the applicant for any portion of the ten-year duration of payment. The commissioner shall annually establish a cap on the cumulative capacity for a program year based on funds available and historic average installation costs. Receipt of an incentive is not an entitlement and payment need only be made from available funds in the "Made in Minnesota" solar production incentive account.

Subd. 4. **Eligibility window; payment duration.** (a) Payments may be made under this section only for electricity generated from new solar photovoltaic module installations that are commissioned between January 1, 2014, and December 31, 2023.

(b) The payment eligibility window of the incentive begins and runs consecutively from the date the solar system is commissioned.

(c) An owner of solar photovoltaic modules may receive payments under this section for a particular module for a period of ten years provided that sufficient funds are available in the account.

(d) No payment may be made under this section for electricity generated after December 31, 2033.

(e) An owner of solar photovoltaic modules may not first begin to receive payments under this section after December 31, 2024.

Subd. 5. **Allocation of payments.** (a) If there are sufficient applications, approximately 50 percent of the incentive payment shall be for owners of eligible solar photovoltaic modules installed on residential property, and approximately 50 percent shall be for owners of eligible solar photovoltaic modules installed on commercial property.

(b) The commissioner shall endeavor to distribute incentives paid under this section to owners of solar photovoltaic modules installed in a manner so that the amount of payments received in an area of the state reasonably approximates the amount of payments made by a utility serving that area.

(c) For purposes of this subdivision:

(1) "residential property" means residential real estate that is occupied and used as a homestead by its owner or by a renter and includes "multifamily housing development" as defined in section 462C.02, subdivision 5, except that residential property on which solar photovoltaic modules (i) whose capacity exceeds 10 kilowatts is installed; or (ii) connected to a utility's distribution system and whose electricity is purchased by several residents, each of whom own a share of the electricity generated, shall be deemed commercial property; and

(2) "commercial property" means real property on which is located a business, government, or nonprofit establishment.

Subd. 6. **Limitation.** An owner receiving an incentive payment under this section may not receive a rebate under section 116C.7791 for the same solar photovoltaic modules.

216C.416 SOLAR THERMAL REBATES.

Subdivision 1. **Rebate program created.** The commissioner of commerce shall operate a program to provide rebates for the installation of "Made in Minnesota" solar thermal systems in the state. "Solar thermal system" means a flat plate or evacuated tube that meets the requirements of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water. A solar thermal system is "Made in Minnesota" if components of the system are manufactured in Minnesota and the solar thermal system is certified by the Solar Rating and Certification Corporation. The solar thermal system may be installed in residential and commercial facilities for, among other purposes, hot water, space heating, or pool heating purposes.

Subd. 2. **Account; funding.** (a) The solar thermal system rebate account is created as a separate account in the special revenue fund in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds in the account are appropriated to the commissioner of commerce for the purpose of making the rebate payments under this section and administering this section.

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(b) Beginning January 1, 2014, and each January 1 thereafter to January 1, 2023, the commissioner of commerce shall annually transfer \$250,000 from the account created in section 216C.412 for deposit in the account created in this subdivision.

(c) To the extent there are sufficient applications, the commissioner shall annually spend for rebates under this section from 2014 to 2023, for a total of ten years, approximately \$250,000 per year. If sufficient applications are not received to spend the money available for rebates in a year under this section, the unspent money must be returned to the account from which it was transferred, provided that funds available for 2014 applications shall remain available for 2015 applications.

Subd. 3. **Individual incentives.** The maximum rebate for a single family residential dwelling installation is the lesser of 25 percent of the installed cost of a complete system or \$2,500. The maximum rebate for a multiple family residential dwelling installation is the lesser of 25 percent of the installed cost of a complete system or \$5,000. The maximum rebate for a commercial installation is the lesser of 25 percent of the installation cost of the complete system or \$25,000. The system must be installed by a factory authorized installer. The commissioner shall allocate approximately 50 percent of the rebates in each year to solar thermal hot water and 50 percent to solar thermal air projects if sufficient applications are made for each.

Subd. 4. **Application process.** Applications for incentives must be made to the commissioner of commerce on forms provided by the commissioner. The commissioner shall use a random process for the selection of recipients of incentives except to the extent necessary to allocate rebates as required by this section.

298.22 IRON RANGE RESOURCES AND REHABILITATION.

Subd. 8. **Spending priority.** In making or approving any expenditures on programs or projects, the commissioner and the board shall give the highest priority to programs and projects that target relief to those areas of the taconite assistance area as defined in section 273.1341, that have the largest percentages of job losses and population losses directly attributable to the economic downturn in the taconite industry since the 1980s. The commissioner and the board shall compare the 1980 population and employment figures with the 2000 population and employment figures, and shall specifically consider the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company, in making or approving expenditures consistent with this subdivision, as well as the areas of residence of persons who suffered job loss for which relief is to be targeted under this subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the terms determined by the commissioner and approved by the board, surface and mineral interests owned or acquired by the state of Minnesota acting by and through the office of the commissioner of Iron Range resources and rehabilitation within those portions of the taconite assistance area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes. The payments and royalties from these leases must be deposited into the fund established in section 298.292. This subdivision supersedes any other conflicting provisions of law and does not preclude the commissioner and the board from making expenditures for programs and projects in other areas.

298.2213 NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.

Subdivision 1. **Appropriation.** \$4,000,000 is appropriated from the general fund to the commissioner of Iron Range resources and rehabilitation. \$300,000 of this appropriation must be used in the same manner as money appropriated under section 298.17.

Subd. 2. **Purpose of expenditures.** The money appropriated in this section may be used for projects and programs for which technological and economic feasibility have been demonstrated and that have the following purposes:

(1) creating and maintaining productive, permanent, skilled employment, including employment in technologically innovative businesses; and

(2) encouraging diversification of the economy and promoting the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism.

Subd. 3. **Use of money.** The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan must be no less than the lesser of eight percent or the rate of interest that is three percentage

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points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved.

Money appropriated in this section must be expended only in or for the benefit of the taconite assistance area defined in section 273.1341, and as otherwise provided in this section.

Subd. 4. **Project approval.** The board and commissioner shall by August 1 each year prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

- (1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (2) the prospective benefits of the expenditure exceed the anticipated costs; and
- (3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

Each project must be approved by the board and the commissioner of Iron Range resources and rehabilitation. The list of projects must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

Subd. 5. **Advisory committees.** Before submission to the board of a proposal for a project for expenditure of money appropriated under this section, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of at least seven persons who are knowledgeable in areas related to the objectives of the proposal. If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project. Members of the committees must be compensated as provided in section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee.

Subd. 6. **Use of repayments and earnings.** Principal and interest received in repayment of loans made under this section must be deposited in the state treasury and are appropriated to the board for the purposes of this section.

298.298 LONG-RANGE PLAN.

Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature by December 31, 2006, a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. No project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.

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.

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Laws 2005, chapter 112, article 1, section 14

Sec. 14. **MANDATORY FEDERAL IMPLEMENTATION REQUIREMENT.**

The commissioner must implement systems and processes to detect, investigate, and enforce section 268.051, subdivisions 4 and 4a.

Laws 2013, chapter 85, article 6, section 11

Sec. 11. **SOLAR PHOTOVOLTAIC MODULES.**

No solar photovoltaic module may be installed that is financed directly or indirectly, wholly or in part, with money appropriated in this act, unless the solar photovoltaic module is made in Minnesota as defined in Minnesota Statutes, section 16B.323, subdivision 1, paragraph (b).

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.

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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.