

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2611

(SENATE AUTHORS: PRATT, Westrom, Osmek and Dahms)

DATE	D-PG	OFFICIAL STATUS
03/20/2019	1066	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
04/10/2019	2260a	Comm report: To pass as amended and re-refer to Finance
04/24/2019		Comm report: To pass as amended Second reading

1.1 A bill for an act

1.2 relating to jobs; appropriating money for the Department of Employment and

1.3 Economic Development, Department of Labor and Industry, Department of

1.4 Commerce, Public Utilities Commission, the Bureau of Mediation Services, and

1.5 Workers' Compensation Court of Appeals; modifying use of Minnesota investment

1.6 fund; establishing an airport infrastructure renewal (AIR) grant program; modifying

1.7 the youth skills training program; modifying retainage requirements for certain

1.8 public contracts and building and construction contracts; providing uniformity for

1.9 employment mandates on private employers; prohibiting wage theft; adopting

1.10 recommendations from the Workers' Compensation Advisory Council; modifying

1.11 the regulation of real estate appraisers; modifying the solar energy incentive

1.12 program; modifying the community solar garden program; eliminating the size

1.13 limitation on hydropower sources that may satisfy the renewable energy standard;

1.14 abolishing the nuclear power plant certificate of need prohibition; modifying the

1.15 commercial PACE program; prohibiting use of funds for certain legal proceedings;

1.16 modifying conservation improvement program requirements; amending the

1.17 renewable development account public utility annual contribution; establishing

1.18 criteria for utility cost recovery of energy storage system pilot projects; establishing

1.19 a grant program to assist public school districts to install solar energy systems;

1.20 establishing an electric vehicle charging station revolving loan program;

1.21 establishing a net zero emissions project; establishing a process to compensate

1.22 businesses for loss of business opportunity; establishing an advisory task force on

1.23 green roofs; requiring a cost-benefit analysis; making policy and technical changes;

1.24 appropriating money; modifying fees; establishing criminal penalties; requiring

1.25 reports; amending Minnesota Statutes 2018, sections 15.72, subdivision 2; 46.131,

1.26 subdivision 11, by adding a subdivision; 82B.021, subdivisions 14, 15; 82B.073,

1.27 by adding a subdivision; 82B.09, subdivision 3; 82B.095, by adding a subdivision;

1.28 82B.11, subdivision 6, by adding a subdivision; 82B.13, subdivision 1; 82B.195,

1.29 subdivision 2; 82B.21; 116C.779, subdivision 1; 116C.7792; 116J.035, subdivision

1.30 7; 175.46, subdivisions 3, 13; 176.1812, subdivision 2; 176.231, subdivision 1;

1.31 177.23, subdivision 7; 177.27, subdivision 1; 177.32, subdivision 1; 181.03,

1.32 subdivision 1, by adding subdivisions; 216B.16, by adding a subdivision;

1.33 216B.1641; 216B.1691, subdivision 1; 216B.241, subdivisions 1c, 1d, 2, 2b, 3, 7;

1.34 216B.2422, subdivision 1, by adding a subdivision; 216B.243, subdivision 3b;

1.35 216C.435, subdivisions 3a, 8; 216C.436, subdivision 4, by adding a subdivision;

1.36 326B.821, subdivision 21; 337.10, subdivision 4; 341.30, subdivision 1; 341.32,

1.37 subdivision 1; 341.321; 469.055, by adding a subdivision; Laws 2017, chapter 94,

1.38 article 1, section 2, subdivision 3; article 10, sections 28; 29; proposing coding for

2.1 new law in Minnesota Statutes, chapters 116J; 116L; 181; 216B; 216C; repealing
 2.2 Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision
 2.3 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, 9; 82B.11, subdivision 2; 82B.12; 82B.13,
 2.4 subdivisions 1a, 3, 4, 5, 6, 7, 8; 82B.14; 82B.195, subdivision 3; 216B.241,
 2.5 subdivision 1b; 469.084, subdivision 1a.

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

2.7 **ARTICLE 1**

2.8 **APPROPRIATIONS**

2.9 Section 1. **JOBS AND ECONOMIC DEVELOPMENT, ENERGY AND UTILITIES,**
 2.10 **AND COMMERCE AND CONSUMER PROTECTION APPROPRIATIONS.**

2.11 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 2.12 and for the purposes specified in this article. The appropriations are from the general fund,
 2.13 or another named fund, and are available for the fiscal years indicated for each purpose.
 2.14 The figures "2020" and "2021" used in this article mean that the appropriations listed under
 2.15 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.
 2.16 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"
 2.17 is fiscal years 2020 and 2021.

2.18 **APPROPRIATIONS**

2.19 **Available for the Year**

2.20 **Ending June 30**

2.21 **2020**

2021

2.22 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
 2.23 **AND ECONOMIC DEVELOPMENT**

2.24 **Subdivision 1. Total Appropriation** **\$ 119,123,000 \$ 114,647,000**

2.25 **Appropriations by Fund**

2.26		<u>2020</u>	<u>2021</u>
2.27	<u>General</u>	<u>87,286,000</u>	<u>82,810,000</u>
2.28	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.29	<u>Workforce</u>		
2.30	<u>Development</u>	<u>31,137,000</u>	<u>31,137,000</u>

2.31 The amounts that may be spent for each
 2.32 purpose are specified in the following
 2.33 subdivisions.

2.34 **Subd. 2. Business and Community Development** **40,762,000** **38,286,000**

2.35 **Appropriations by Fund**

2.36	<u>General</u>	<u>38,587,000</u>	<u>36,111,000</u>
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3.1	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
3.2	<u>Workforce</u>		
3.3	<u>Development</u>	<u>1,475,000</u>	<u>1,475,000</u>

3.4 (a)(1) \$11,500,000 the first year and
3.5 \$12,500,000 the second year are for the
3.6 Minnesota investment fund under Minnesota
3.7 Statutes, section 116J.8731. Of this amount,
3.8 up to \$250,000 is for administration and
3.9 monitoring of the program. This appropriation
3.10 is available until June 30, 2023.
3.11 Notwithstanding Minnesota Statutes, section
3.12 116J.8731, funds appropriated to the
3.13 commissioner for the Minnesota investment
3.14 fund may be used for the redevelopment
3.15 program under Minnesota Statutes, sections
3.16 116J.575 and 116J.5761, at the discretion of
3.17 the commissioner. Grants under this paragraph
3.18 are not subject to the grant amount limitation
3.19 under Minnesota Statutes, section 116J.8731;
3.20 (2) of the amount appropriated in fiscal year
3.21 2020, \$2,000,000 is for a loan to a paper mill
3.22 in Duluth to support the operation and
3.23 manufacture of packaging paper grades. The
3.24 company that owns the paper mill must spend
3.25 \$25,000,000 on expansion activities by
3.26 December 31, 2020, in order to be eligible to
3.27 receive funds in this appropriation. This
3.28 appropriation is onetime and may be used for
3.29 the mill's equipment, materials, supplies, and
3.30 other operating expenses. The commissioner
3.31 of employment and economic development
3.32 shall forgive a portion of the loan each year
3.33 after verification that the mill has retained 200
3.34 full-time jobs over a period of five years and
3.35 has satisfied other performance goals and

4.1 contractual obligations as required under
4.2 Minnesota Statutes, section 116J.8731;
4.3 (3) of the amount appropriated in fiscal year
4.4 2020, \$1,000,000 is for the airport
4.5 infrastructure renewal (AIR) grant program
4.6 under Minnesota Statutes, section 116J.439;
4.7 and
4.8 (4) of the amount appropriated in fiscal year
4.9 2020, \$100,000 is for a grant to FIRST in
4.10 Upper Midwest to support competitive
4.11 robotics teams. Funds must be used to make
4.12 up to five awards of no more than \$20,000
4.13 each to Minnesota-based public entities or
4.14 private nonprofit organizations for the creation
4.15 of competitive robotics hubs. Awards may be
4.16 used for tools, equipment, and physical space
4.17 to be utilized by robotics teams. At least 50
4.18 percent of grant funds must be used outside
4.19 of the seven-county metropolitan area, as
4.20 defined under Minnesota Statutes, section
4.21 473.121, subdivision 2. The grant recipient
4.22 shall report to the chairs and ranking minority
4.23 members of the legislative committees with
4.24 jurisdiction over jobs and economic growth
4.25 by February 1, 2021, on the status of awards
4.26 and include information on the number and
4.27 amount of awards made, the number of
4.28 customers served, and any outcomes resulting
4.29 from the grant. The grant requires a 50 percent
4.30 match from nonstate sources.
4.31 (b) \$8,000,000 each year is for the Minnesota
4.32 job creation fund under Minnesota Statutes,
4.33 section 116J.8748. Of this amount, up to
4.34 \$160,000 is for administration and monitoring

5.1 of the program. This appropriation is available
5.2 until June 30, 2023.

5.3 (c) \$1,000,000 each year is for the Minnesota
5.4 emerging entrepreneur loan program under
5.5 Minnesota Statutes, section 116M.18. Funds
5.6 available under this paragraph are for transfer
5.7 into the emerging entrepreneur program
5.8 special revenue fund account created under
5.9 Minnesota Statutes, chapter 116M, and are
5.10 available until June 30, 2023.

5.11 (d) \$1,350,000 each year from the workforce
5.12 development fund is for job training costs
5.13 under Minnesota Statutes, section 116L.42.

5.14 (e) \$1,787,000 each year is for the greater
5.15 Minnesota business development public
5.16 infrastructure grant program under Minnesota
5.17 Statutes, section 116J.431. This appropriation
5.18 is available until June 30, 2023.

5.19 (f) \$139,000 each year is for the Center for
5.20 Rural Policy and Development.

5.21 (g) \$1,772,000 each year is for contaminated
5.22 site cleanup and development grants under
5.23 Minnesota Statutes, sections 116J.551 to
5.24 116J.558. This appropriation is available until
5.25 June 30, 2023.

5.26 (h) \$700,000 each year is from the remediation
5.27 fund for contaminated site cleanup and
5.28 development grants under Minnesota Statutes,
5.29 sections 116J.551 to 116J.558. This
5.30 appropriation is available until June 30, 2023.

5.31 (i) \$1,425,000 each year is for the business
5.32 development competitive grant program. Of
5.33 this amount, up to \$29,000 is for
5.34 administration and monitoring of the business

6.1 development competitive grant program. All
6.2 grant awards shall be for two consecutive
6.3 years. Grants shall be awarded in the first year.

6.4 (j) \$4,195,000 each year is for the Minnesota
6.5 job skills partnership program under
6.6 Minnesota Statutes, sections 116L.01 to
6.7 116L.17. If the appropriation for either year
6.8 is insufficient, the appropriation for the other
6.9 year is available. This appropriation is
6.10 available until June 30, 2023.

6.11 (k) \$875,000 each year is from the general
6.12 fund for the host community economic
6.13 development program established in
6.14 Minnesota Statutes, section 116J.548.

6.15 (l) \$25,000 each year is for the administration
6.16 of state aid for the Destination Medical Center
6.17 under Minnesota Statutes, sections 469.40 to
6.18 469.47.

6.19 (m) \$125,000 each year from the workforce
6.20 development fund is for a grant to the White
6.21 Earth Nation for the White Earth Nation
6.22 Integrated Business Development System to
6.23 provide business assistance with workforce
6.24 development, outreach, technical assistance,
6.25 infrastructure and operational support,
6.26 financing, and other business development
6.27 activities. This is a onetime appropriation.

6.28 (n) \$12,000 each year is from the general fund
6.29 for a grant to the Upper Minnesota Film
6.30 Office.

6.31 (o) \$163,000 each year is from the general
6.32 fund for the Minnesota Film and TV Board.
6.33 The appropriation in each year is available
6.34 only upon receipt by the board of \$1 in

7.1 matching contributions of money or in-kind
7.2 contributions from nonstate sources for every
7.3 \$3 provided by this appropriation, except that
7.4 each year up to \$50,000 is available on July
7.5 1 even if the required matching contribution
7.6 has not been received by that date.

7.7 (p) \$500,000 each year is from the general
7.8 fund for a grant to the Minnesota Film and TV
7.9 Board for the film production jobs program
7.10 under Minnesota Statutes, section 116U.26.
7.11 This appropriation is available until June 30,
7.12 2023.

7.13 (q) \$649,000 in fiscal year 2020 is for grants
7.14 to local communities to increase the supply of
7.15 quality child care providers to support
7.16 economic development. At least 60 percent of
7.17 grant funds must go to communities located
7.18 outside of the seven-county metropolitan area
7.19 as defined under Minnesota Statutes, section
7.20 473.121, subdivision 2. Grant recipients must
7.21 obtain a 50 percent nonstate match to grant
7.22 funds in either cash or in-kind contributions.
7.23 Grant funds available under this section must
7.24 be used to implement projects to reduce the
7.25 child care shortage in the state, including but
7.26 not limited to funding for child care business
7.27 start-ups or expansion, training, facility
7.28 modifications or improvements required for
7.29 licensing, and assistance with licensing and
7.30 other regulatory requirements. In awarding
7.31 grants, the commissioner must give priority
7.32 to communities that have demonstrated a
7.33 shortage of child care providers in the area.
7.34 This is a onetime appropriation. Within one
7.35 year of receiving grant funds, grant recipients

8.1 must report to the commissioner on the
8.2 outcomes of the grant program, including but
8.3 not limited to the number of new providers,
8.4 the number of additional child care provider
8.5 jobs created, the number of additional child
8.6 care slots, and the amount of cash and in-kind
8.7 local funds invested.

8.8 (r) \$1,827,000 in fiscal year 2020 is for a grant
8.9 to the Minnesota Initiative Foundations. This
8.10 is a onetime appropriation and is available
8.11 until June 30, 2023. The Minnesota Initiative
8.12 Foundations must use grant funds under this
8.13 section to:

8.14 (1) facilitate planning processes for rural
8.15 communities resulting in a community solution
8.16 action plan that guides decision making to
8.17 sustain and increase the supply of quality child
8.18 care in the region to support economic
8.19 development;

8.20 (2) engage the private sector to invest local
8.21 resources to support the community solution
8.22 action plan and ensure quality child care is a
8.23 vital component of additional regional
8.24 economic development planning processes;

8.25 (3) provide locally based training and technical
8.26 assistance to rural child care business owners
8.27 individually or through a learning cohort.

8.28 Access to financial and business development
8.29 assistance must prepare child care businesses
8.30 for quality engagement and improvement by
8.31 stabilizing operations, leveraging funding from
8.32 other sources, and fostering business acumen
8.33 that allows child care businesses to plan for
8.34 and afford the cost of providing quality child
8.35 care; or

9.1 (4) recruit child care programs to participate
9.2 in Parent Aware, Minnesota's quality and
9.3 improvement rating system, and other high
9.4 quality measurement programs. The Minnesota
9.5 Initiative Foundations must work with local
9.6 partners to provide low-cost training,
9.7 professional development opportunities, and
9.8 continuing education curricula. The Minnesota
9.9 Initiative Foundations must fund, through local
9.10 partners, an enhanced level of coaching to
9.11 rural child care providers to obtain a quality
9.12 rating through Parent Aware or other high
9.13 quality measurement programs.

9.14 (s) \$1,000,000 in fiscal year 2020 is for a grant
9.15 to the city of Minnetonka for a high-risk,
9.16 high-return jobs retention and creation
9.17 initiative to be conducted by a local
9.18 organization that produces lactic acid/lactate
9.19 to help grow and expand the bioeconomy in
9.20 Minnesota. This is a onetime appropriation
9.21 and is available until June 30, 2022. The
9.22 commissioner of employment and economic
9.23 development and the local organization
9.24 receiving the grant shall enter into an
9.25 agreement which includes, but is not limited
9.26 to, the following provisions:

9.27 (1) a minimum Minnesota job retention
9.28 requirement for the local organization for the
9.29 term of the grant agreement;

9.30 (2) commitment to continue operations in
9.31 Minnesota for a minimum of five years after
9.32 receiving the grant; and

9.33 (3) agreement to pay back the full amount of
9.34 the grant if the local organization relocates
9.35 Minnesota operations to another state.

10.1	<u>Subd. 3. Minnesota Trade Office</u>		<u>2,292,000</u>	<u>2,292,000</u>
10.2	<u>(a) \$300,000 each year is for the STEP grants</u>			
10.3	<u>in Minnesota Statutes, section 116J.979.</u>			
10.4	<u>(b) \$180,000 each year is for the Invest</u>			
10.5	<u>Minnesota Marketing Initiative in Minnesota</u>			
10.6	<u>Statutes, section 116J.9781.</u>			
10.7	<u>(c) \$270,000 each year is for the Minnesota</u>			
10.8	<u>Trade Offices under Minnesota Statutes,</u>			
10.9	<u>section 116J.978.</u>			
10.10	<u>(d) \$50,000 each year is for the trade policy</u>			
10.11	<u>advisory group under Minnesota Statutes,</u>			
10.12	<u>section 116J.9661.</u>			
10.13	<u>Subd. 4. Workforce Development</u>		<u>26,227,000</u>	<u>26,227,000</u>
10.14	<u>Appropriations by Fund</u>			
10.15	<u>General</u>	<u>4,450,000</u>	<u>4,450,000</u>	
10.16	<u>Workforce</u>			
10.17	<u>Development</u>	<u>21,777,000</u>	<u>21,777,000</u>	
10.18	<u>(a) \$4,604,000 each year from the workforce</u>			
10.19	<u>development fund is for the pathways to</u>			
10.20	<u>prosperity competitive grant program. Of this</u>			
10.21	<u>amount, up to \$92,000 is for administration</u>			
10.22	<u>and monitoring of the program.</u>			
10.23	<u>(b) \$4,050,000 each year is from the</u>			
10.24	<u>workforce development fund for the</u>			
10.25	<u>Minnesota youth program under Minnesota</u>			
10.26	<u>Statutes, sections 116L.56 and 116L.561.</u>			
10.27	<u>(c) \$1,000,000 each year is from the workforce</u>			
10.28	<u>development fund for the youthbuild program</u>			
10.29	<u>under Minnesota Statutes, sections 116L.361</u>			
10.30	<u>to 116L.366.</u>			
10.31	<u>(d) \$750,000 each year is from the general</u>			
10.32	<u>fund and \$3,348,000 each year is from the</u>			
10.33	<u>workforce development fund for the youth at</u>			

11.1 work competitive grant program under
11.2 Minnesota Statutes, section 116L.562. Of this
11.3 amount, up to \$82,000 is for administration
11.4 and monitoring of the youth workforce
11.5 development competitive grant program. All
11.6 grant awards shall be for two consecutive
11.7 years. Grants shall be awarded in the first year.

11.8 (e) \$500,000 each year from the general fund
11.9 and \$500,000 each year from the workforce
11.10 development fund are for rural career
11.11 counseling coordinators in the workforce
11.12 service areas and for the purposes specified
11.13 under Minnesota Statutes, section 116L.667.

11.14 (f) \$250,000 each year is for the higher
11.15 education career advising program.

11.16 (g) \$1,000,000 each year is for a competitive
11.17 grant program for grants to organizations
11.18 providing services to relieve economic
11.19 disparities in the Southeast Asian community
11.20 through workforce recruitment, development,
11.21 job creation, assistance of smaller
11.22 organizations to increase capacity, and
11.23 outreach. Of this amount, up to \$20,000 is for
11.24 administration and monitoring of the program.

11.25 (h) \$1,000,000 each year is for a competitive
11.26 grant program to provide grants to
11.27 organizations that provide support services for
11.28 individuals, such as job training, employment
11.29 preparation, internships, job assistance to
11.30 fathers, financial literacy, academic and
11.31 behavioral interventions for low-performing
11.32 students, and youth intervention. Grants made
11.33 under this section must focus on low-income
11.34 communities, young adults from families with
11.35 a history of intergenerational poverty, and

- 12.1 communities of color. Of this amount, up to
12.2 \$20,000 is for administration and monitoring
12.3 of the program.
- 12.4 (i) \$750,000 each year is for the high-wage,
12.5 high-demand, nontraditional jobs grant
12.6 program under Minnesota Statutes, section
12.7 116L.99. Of this amount, up to \$15,000 is for
12.8 administration and monitoring of the program.
- 12.9 (j) \$500,000 each year is from the workforce
12.10 development fund for the Opportunities
12.11 Industrialization Center programs. This
12.12 appropriation shall be divided equally among
12.13 the eligible centers.
- 12.14 (k) \$250,000 each year is from the workforce
12.15 development fund for a grant to YWCA St.
12.16 Paul to provide job training services and
12.17 workforce development programs and
12.18 services, including job skills training and
12.19 counseling. This is a onetime appropriation.
- 12.20 (l) \$750,000 each year is from the workforce
12.21 development fund for a grant to the
12.22 Minneapolis Foundation for a strategic
12.23 intervention program designed to target and
12.24 connect program participants to meaningful,
12.25 sustainable living-wage employment. This is
12.26 a onetime appropriation.
- 12.27 (m) \$800,000 each year is from the workforce
12.28 development fund for performance grants
12.29 under Minnesota Statutes, section 116J.8747,
12.30 to Twin Cities R!SE to provide training to
12.31 hard-to-train individuals. This is a onetime
12.32 appropriation.
- 12.33 (n) \$600,000 each year from the workforce
12.34 development fund is for a grant to Ujamaa

- 13.1 Place for job training, employment
13.2 preparation, internships, education, training
13.3 in the construction trades, housing, and
13.4 organizational capacity-building. This is a
13.5 onetime appropriation.
- 13.6 (o) \$200,000 each year is for a grant to
13.7 AccessAbility Incorporated to provide job
13.8 skills training to individuals who have been
13.9 released from incarceration for a felony-level
13.10 offense and are no more than 12 months from
13.11 the date of release. AccessAbility Incorporated
13.12 shall annually report to the commissioner on
13.13 how the money was spent and what results
13.14 were achieved. The report must include, at a
13.15 minimum, information and data about the
13.16 number of participants; participant
13.17 homelessness, employment, recidivism, and
13.18 child support compliance; and training
13.19 provided to program participants. This is a
13.20 onetime appropriation.
- 13.21 (p) \$450,000 each year is from the workforce
13.22 development fund for grants to Minnesota
13.23 Diversified Industries, Inc. to provide
13.24 progressive development and employment
13.25 opportunities for people with disabilities. This
13.26 is a onetime appropriation.
- 13.27 (q) \$750,000 each year is from the workforce
13.28 development fund for a grant to the Minnesota
13.29 Alliance of Boys and Girls Clubs to administer
13.30 a statewide project of youth job skills and
13.31 career development. This project, which may
13.32 have career guidance components including
13.33 health and life skills, must be designed to
13.34 encourage, train, and assist youth in early
13.35 access to education and job-seeking skills,

- 14.1 work-based learning experience including
14.2 career pathways in STEM learning, career
14.3 exploration and matching, and first job
14.4 placement through local community
14.5 partnerships and on-site job opportunities. This
14.6 grant requires a 25 percent match from
14.7 nonstate resources. This is a onetime
14.8 appropriation.
- 14.9 (r) \$500,000 each year is from the workforce
14.10 development fund for a grant to Avivo to
14.11 provide low-income individuals with career
14.12 education and job skills training that is fully
14.13 integrated with chemical and mental health
14.14 services. This is a onetime appropriation.
- 14.15 (s) \$1,500,000 each year is from the workforce
14.16 development fund for a grant to the Minnesota
14.17 High Tech Association to support
14.18 SciTechsperience, a program that supports
14.19 science, technology, engineering, and math
14.20 (STEM) internship opportunities for two- and
14.21 four-year college students and graduate
14.22 students in their field of study. The internship
14.23 opportunities must match students with paid
14.24 internships within STEM disciplines at small,
14.25 for-profit companies located in Minnesota
14.26 having fewer than 250 employees worldwide.
14.27 At least 350 students must be matched in the
14.28 first year and at least 350 students must be
14.29 matched in the second year. No more than 15
14.30 percent of the hires may be graduate students.
14.31 Selected hiring companies shall receive from
14.32 the grant 50 percent of the wages paid to the
14.33 intern, capped at \$3,000 per intern. The
14.34 program must work toward increasing the
14.35 participation among women or other

- 15.1 underserved populations. This is a onetime
15.2 appropriation.
- 15.3 (t) \$250,000 each year is from the workforce
15.4 development fund for a grant to Big Brothers
15.5 Big Sisters of the Greater Twin Cities for
15.6 workforce readiness, employment exploration,
15.7 and skills development for youth ages 12 to
15.8 21. The grant must serve youth in the Big
15.9 Brothers Big Sisters chapters in the Twin
15.10 Cities, central Minnesota, and southern
15.11 Minnesota. This is a onetime appropriation.
- 15.12 (u) \$200,000 each year is from the workforce
15.13 development fund for a grant to 180 Degrees
15.14 to expand their job readiness training program
15.15 to: young adults in group homes; sexually
15.16 exploited girls at Brittany's Place; and men
15.17 who have recently been released from prison
15.18 at the Clifton Residence. This is a onetime
15.19 appropriation.
- 15.20 (v) \$150,000 each year is from the workforce
15.21 development fund for displaced homemaker
15.22 programs under Minnesota Statutes, section
15.23 116L.96. The commissioner, through the adult
15.24 career pathways program, shall distribute the
15.25 funds to existing nonprofit and state displaced
15.26 homemaker programs. This is a onetime
15.27 appropriation.
- 15.28 (w) \$500,000 each year is from the workforce
15.29 development fund for a grant to Goodwill
15.30 Easter Seals Minnesota and its partners. The
15.31 grant shall be used to continue the FATHER
15.32 Project in Rochester, Park Rapids, St. Cloud,
15.33 Minneapolis, and the surrounding areas to
15.34 assist fathers in overcoming barriers that
15.35 prevent fathers from supporting their children

- 16.1 economically and emotionally. This is a
16.2 onetime appropriation.
- 16.3 (x) \$500,000 each year is from the workforce
16.4 development fund for a grant to Summit
16.5 Academy OIC to expand their contextualized
16.6 GED and employment placement program and
16.7 STEM program. This is a onetime
16.8 appropriation.
- 16.9 (y) \$250,000 each year is from the workforce
16.10 development fund for a grant to Bridges to
16.11 Healthcare to provide career education,
16.12 wraparound support services, and job skills
16.13 training in high-demand health care fields to
16.14 low-income parents, nonnative speakers of
16.15 English, and other hard-to-train individuals,
16.16 helping families build secure pathways out of
16.17 poverty while also addressing worker
16.18 shortages in one of Minnesota's most
16.19 innovative industries. Funds may be used for
16.20 program expenses, including but not limited
16.21 to hiring instructors and navigators; space
16.22 rental; and supportive services to help
16.23 participants attend classes, including assistance
16.24 with course fees, child care, transportation,
16.25 and safe and stable housing. In addition, up to
16.26 five percent of grant funds may be used for
16.27 Bridges to Healthcare's administrative costs.
16.28 This is a onetime appropriation.
- 16.29 (z) \$75,000 each year is from the workforce
16.30 development fund for grants to the Minnesota
16.31 Grocers Association Foundation for Carts to
16.32 Careers, a statewide initiative to promote
16.33 careers, conduct outreach, provide job skills
16.34 training, and grant scholarships for careers in

17.1 the retail food industry. This is a onetime
 17.2 appropriation.

17.3 (aa) \$250,000 each year is from the workforce
 17.4 development fund for grants to the American
 17.5 Indian Opportunities and Industrialization
 17.6 Center, in collaboration with the Northwest
 17.7 Indian Community Development Center, to
 17.8 reduce academic disparities for American
 17.9 Indian students and adults. The grant funds
 17.10 may be used to provide:

17.11 (1) student tutoring and testing support
 17.12 services;

17.13 (2) training and employment placement in
 17.14 information technology;

17.15 (3) training and employment placement within
 17.16 trades;

17.17 (4) assistance in obtaining a GED;

17.18 (5) remedial training leading to enrollment or
 17.19 to sustain enrollment in a postsecondary higher
 17.20 education institution;

17.21 (6) real-time work experience in information
 17.22 technology fields and in the trades;

17.23 (7) contextualized adult basic education;

17.24 (8) career and educational counseling for
 17.25 clients with significant and multiple barriers;
 17.26 and

17.27 (9) reentry services and counseling for adults
 17.28 and youth.

17.29 After notification to the legislature, the
 17.30 commissioner may transfer this appropriation
 17.31 to the commissioner of education.

17.32 **Subd. 5. Vocational Rehabilitation**

38,691,00036,961,000

- 18.1 Appropriations by Fund
- | | | | |
|------|--------------------|-------------------|-------------------|
| 18.2 | <u>General</u> | <u>30,861,000</u> | <u>28,861,000</u> |
| 18.3 | <u>Workforce</u> | | |
| 18.4 | <u>Development</u> | <u>7,830,000</u> | <u>7,830,000</u> |
- 18.5 (a) \$14,300,000 each year is for the state's
- 18.6 vocational rehabilitation program under
- 18.7 Minnesota Statutes, chapter 268A.
- 18.8 (b) \$3,011,000 each year is from the general
- 18.9 fund for grants to centers for independent
- 18.10 living under Minnesota Statutes, section
- 18.11 268A.11.
- 18.12 (c) \$8,995,000 each year from the general fund
- 18.13 and \$6,830,000 each year from the workforce
- 18.14 development fund are for extended
- 18.15 employment services for persons with severe
- 18.16 disabilities under Minnesota Statutes, section
- 18.17 268A.15. Of the amounts appropriated from
- 18.18 the general fund, \$2,000,000 each year is for
- 18.19 rate increases to providers of extended
- 18.20 employment services for persons with severe
- 18.21 disabilities under Minnesota Statutes, section
- 18.22 268A.15.
- 18.23 (d) \$1,000,000 each year is from the
- 18.24 workforce development fund for grants under
- 18.25 Minnesota Statutes, section 268A.16, for
- 18.26 employment services for persons, including
- 18.27 transition-aged youth, who are deaf, deafblind,
- 18.28 or hard-of-hearing. If the amount in the first
- 18.29 year is insufficient, the amount in the second
- 18.30 year is available in the first year. Of this
- 18.31 amount, up to \$20,000 is for administration
- 18.32 and monitoring of the program.
- 18.33 (e) \$4,555,000 in the first year and \$2,555,000
- 18.34 in the second year are for grants to programs
- 18.35 that provide employment support services to

19.1 persons with mental illness under Minnesota
 19.2 Statutes, sections 268A.13 and 268A.14. Of
 19.3 the amount appropriated in the first year,
 19.4 \$2,000,000 is available until June 30, 2023,
 19.5 and must first be used to expand programs to
 19.6 areas of the state without an existing
 19.7 employment support program, and secondly
 19.8 to expand existing programs.

19.9 **Subd. 6. Services for the Blind** 6,425,000 6,425,000

19.10 \$500,000 each year is to provide services for
 19.11 senior citizens who are becoming blind. At
 19.12 least half of the funds appropriated must be
 19.13 used to provide training services for seniors
 19.14 who are becoming blind. Training services
 19.15 must provide independent living skills to
 19.16 seniors who are becoming blind to allow them
 19.17 to continue to live independently in their
 19.18 homes.

19.19 **Subd. 7. General Support Services** 4,726,000 4,726,000

19.20 (a) \$250,000 each year is for the publication,
 19.21 dissemination, and use of labor market
 19.22 information under Minnesota Statutes, section
 19.23 116J.4011.

19.24 (b) \$1,269,000 each year is for transfer to the
 19.25 Minnesota Housing Finance Agency for
 19.26 operating the Olmstead Implementation
 19.27 Office.

19.28 (c) \$500,000 each year is for the
 19.29 capacity-building grant program to assist
 19.30 nonprofit organizations offering or seeking to
 19.31 offer workforce development and economic
 19.32 development programming.

19.33 (d) \$55,000 each year is from the workforce
 19.34 development fund.

20.1 Subd. 8. Competitive Grant Limitations

20.2 An organization that receives a direct
 20.3 appropriation under this section is not eligible
 20.4 to participate in competitive grant programs
 20.5 under this section for substantially the same
 20.6 program or purpose as the direct appropriation
 20.7 received during the fiscal years in which the
 20.8 direct appropriations are received.

20.9 Sec. 3. DEPARTMENT OF LABOR AND
20.10 INDUSTRY

20.11	<u>Subdivision 1. Total Appropriation</u>	\$	<u>28,787,000</u>	\$	<u>25,787,000</u>
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	<u>Appropriations by Fund</u>				
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20.13		<u>2020</u>	<u>2021</u>		
20.14	<u>General</u>	<u>3,048,000</u>	<u>3,048,000</u>		
20.15	<u>Workers'</u>				
20.16	<u>Compensation</u>	<u>23,005,000</u>	<u>20,005,000</u>		
20.17	<u>Workforce</u>				
20.18	<u>Development</u>	<u>2,734,000</u>	<u>2,734,000</u>		

20.19 The amounts that may be spent for each
 20.20 purpose are specified in the following
 20.21 subdivisions.

20.22	<u>Subd. 2. Workers' Compensation</u>		<u>14,882,000</u>		<u>11,882,000</u>
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20.23 This appropriation is from the workers'
 20.24 compensation fund.
 20.25 \$3,000,000 in fiscal year 2020 is for workers'
 20.26 compensation system upgrades. This amount
 20.27 is available until June 30, 2021. This is a
 20.28 onetime appropriation.

20.29	<u>Subd. 3. Labor Standards and Apprenticeship</u>		<u>4,732,000</u>		<u>4,732,000</u>
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	<u>Appropriations by Fund</u>				
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20.31	<u>General</u>	<u>3,048,000</u>	<u>3,048,000</u>		
20.32	<u>Workforce</u>				
20.33	<u>Development</u>	<u>1,684,000</u>	<u>1,684,000</u>		

21.1 (a) \$1,500,000 each year is for wage theft
21.2 prevention. Beginning in fiscal year 2022, the
21.3 base amount for this appropriation is
21.4 \$1,000,000.

21.5 (b) \$250,000 each year is to develop an open
21.6 and competitive grant process in consultation
21.7 with the Office of Justice Programs in the
21.8 Department of Public Safety, law enforcement
21.9 organizations, and the Minnesota County
21.10 Attorneys Association to award a grant to a
21.11 nonprofit organization identifying and serving
21.12 victims of labor trafficking to: (1) develop a
21.13 statewide model protocol for law enforcement,
21.14 prosecutors, and other persons who in their
21.15 professional capacity encounter labor
21.16 trafficking to identify and intervene with
21.17 victims of labor trafficking; (2) conduct
21.18 statewide training for law enforcement and
21.19 prosecutors including, at a minimum, methods
21.20 under Minnesota Statutes, section 299A.79,
21.21 subdivision 2; and (3) develop and disseminate
21.22 investigative best practices to identify victims
21.23 of labor trafficking and traffickers to law
21.24 enforcement, prosecutors, and other persons
21.25 who in their professional capacity encounter
21.26 labor trafficking. The grant recipient may use
21.27 the money appropriated in this paragraph to
21.28 partner with other entities to implement
21.29 clauses (1) to (3).

21.30 (c) By January 15, 2021, the grant recipient
21.31 shall report to the chairs and ranking minority
21.32 members of the senate and house of
21.33 representatives committees and divisions with
21.34 jurisdiction over criminal justice and labor and
21.35 industry policy and funding on the grant

22.1 process and how the grant money was spent
22.2 and details and results of the implementation
22.3 of paragraph (a), clauses (1) to (3). This
22.4 appropriation is onetime.

22.5 (d) \$1,133,000 each year is from the
22.6 workforce development fund for the
22.7 apprenticeship program under Minnesota
22.8 Statutes, chapter 178.

22.9 (e) \$151,000 each year is from the workforce
22.10 development fund for prevailing wage
22.11 enforcement.

22.12 (f) \$100,000 each year is from the workforce
22.13 development fund for labor education and
22.14 advancement program grants under Minnesota
22.15 Statutes, section 178.11, to expand and
22.16 promote registered apprenticeship training for
22.17 minorities and women.

22.18 (g) \$300,000 each year is from the workforce
22.19 development fund for grants to the
22.20 Construction Careers Foundation for the
22.21 Helmets to Hard Hats Minnesota initiative.
22.22 Grant funds must be used to recruit, retain,
22.23 assist, and support National Guard, reserve,
22.24 and active duty military members' and
22.25 veterans' participation into apprenticeship
22.26 programs registered with the Department of
22.27 Labor and Industry and connect them with
22.28 career training and employment in the building
22.29 and construction industry. The recruitment,
22.30 selection, employment, and training must be
22.31 without discrimination due to race, color,
22.32 creed, religion, national origin, sex, sexual
22.33 orientation, marital status, physical or mental
22.34 disability, receipt of public assistance, or age.
22.35 This is a onetime appropriation.

23.1	<u>Subd. 4. Workplace Safety</u>		<u>4,167,000</u>	<u>4,167,000</u>
23.2	<u>This appropriation is from the workers'</u>			
23.3	<u>compensation fund.</u>			
23.4	<u>Subd. 5. General Support</u>		<u>7,089,000</u>	<u>7,089,000</u>
23.5	<u>Appropriations by Fund</u>			
23.6	<u>Workers'</u>			
23.7	<u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>	
23.8	<u>Workforce</u>			
23.9	<u>Development</u>	<u>1,050,000</u>	<u>1,050,000</u>	
23.10	<u>(a) \$300,000 each year is from the workforce</u>			
23.11	<u>development fund for the PIPELINE program.</u>			
23.12	<u>(b) \$750,000 each year is from the workforce</u>			
23.13	<u>development fund for youth skills training</u>			
23.14	<u>grants under Minnesota Statutes, section</u>			
23.15	<u>175.46. The commissioner shall award grants</u>			
23.16	<u>not to exceed \$100,000 per local partnership</u>			
23.17	<u>grant. \$100,000 each year is from the</u>			
23.18	<u>workforce development fund for the</u>			
23.19	<u>administration of the grant program.</u>			
23.20	<u>Sec. 4. BUREAU OF MEDIATION SERVICES</u>		<u>\$ 2,404,000</u>	<u>\$ 2,404,000</u>
23.21	<u>(a) \$68,000 each year is for grants to area</u>			
23.22	<u>labor management committees. Grants may</u>			
23.23	<u>be awarded for a 12-month period beginning</u>			
23.24	<u>July 1 each year. Any unencumbered balance</u>			
23.25	<u>remaining at the end of the first year does not</u>			
23.26	<u>cancel but is available for the second year.</u>			
23.27	<u>(b) \$394,000 each year is for the Office of</u>			
23.28	<u>Collaboration and Dispute Resolution under</u>			
23.29	<u>Minnesota Statutes, section 179.90. Of this</u>			
23.30	<u>amount, \$160,000 each year is for grants under</u>			
23.31	<u>Minnesota Statutes, section 179.91.</u>			
23.32	<u>Sec. 5. WORKERS' COMPENSATION COURT</u>			
23.33	<u>OF APPEALS</u>		<u>\$ 1,952,000</u>	<u>\$ 1,952,000</u>

24.1 This appropriation is from the workers'
 24.2 compensation fund.

24.3 **Sec. 6. DEPARTMENT OF COMMERCE**

24.4 **Subdivision 1. Total Appropriation** \$ **26,607,000** \$ **26,610,000**

24.5 Appropriations by Fund

	<u>2020</u>	<u>2021</u>
24.6		
24.7 <u>General</u>	<u>22,733,000</u>	<u>22,735,000</u>
24.8 <u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>
24.9 <u>Petroleum Tank</u>	<u>1,056,000</u>	<u>1,056,000</u>
24.10 <u>Workers'</u>		
24.11 <u>Compensation Fund</u>	<u>758,000</u>	<u>758,000</u>

24.12 The amounts that may be spent for each
 24.13 purpose are specified in the following
 24.14 subdivisions.

24.15 **Subd. 2. Petroleum Tank Release Compensation**
 24.16 **Board** 1,056,000 1,056,000

24.17 This appropriation is from the petroleum tank
 24.18 fund to account for base adjustments provided
 24.19 in Minnesota Statutes, section 115C.13, the
 24.20 base for the petroleum tank release cleanup
 24.21 fund in fiscal year 2023 is \$0.

24.22 **Subd. 3. Telecommunications** 3,069,000 3,069,000

24.23 Appropriations by Fund

24.24 <u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>
24.25 <u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>

24.26 \$2,060,000 each year is from the
 24.27 telecommunications access Minnesota fund
 24.28 account in the special revenue fund for the
 24.29 following transfers. This appropriation is
 24.30 added to the department's base.

24.31 (1) \$1,620,000 each year is to the
 24.32 commissioner of human services to
 24.33 supplement the ongoing operational expenses
 24.34 of the Commission of Deaf, DeafBlind, and

25.1 Hard-of-Hearing Minnesotans. This
 25.2 appropriation is available until June 30, 2021,
 25.3 and any unexpended amount on that date must
 25.4 be returned to the telecommunications access
 25.5 Minnesota fund;
 25.6 (2) \$290,000 each year is to the chief
 25.7 information officer for the purpose of
 25.8 coordinating technology accessibility and
 25.9 usability;
 25.10 (3) \$100,000 each year is to the Legislative
 25.11 Coordinating Commission for captioning of
 25.12 legislative coverage. This transfer is subject
 25.13 to Minnesota Statutes, section 16A.281; and
 25.14 (4) \$50,000 each year is to the Office of
 25.15 MN.IT Services for a consolidated access fund
 25.16 to provide grants or services to other state
 25.17 agencies related to accessibility of their
 25.18 web-based services.

25.19 **Subd. 4. Energy Resources**

4,276,000

4,276,000

25.20 (a) \$150,000 each year is to remediate
 25.21 vermiculate insulation from households that
 25.22 are eligible for weatherization assistance under
 25.23 Minnesota's weatherization assistance program
 25.24 state plan under Minnesota Statutes, section
 25.25 216C.264. Remediation must be done in
 25.26 conjunction with federal weatherization
 25.27 assistance program services.

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

25.30 **Subd. 5. Administrative Services**

7,397,000

7,399,000

25.31 (a) \$100,000 each year is for the support of
 25.32 broadband development.

26.1 (b) \$384,000 each year is for additional
 26.2 compliance efforts with unclaimed property.
 26.3 The commissioner may issue contracts for
 26.4 these services.

26.5 (c) \$5,000 each year is for Real Estate
 26.6 Appraisal Advisory Board compensation
 26.7 pursuant to Minnesota Statutes, section
 26.8 82B.073, subdivision 2a.

26.9 **Subd. 6. Enforcement** 5,777,000 5,807,000

26.10 Appropriations by Fund

26.11 General 5,577,000 5,607,000

26.12 Workers'
 26.13 Compensation 200,000 200,000

26.14 (a) \$547,000 in the first year and \$577,000 in
 26.15 the second year are for health care
 26.16 enforcement.

26.17 (b) \$200,000 in each year is from the workers'
 26.18 compensation fund. Beginning in fiscal year
 26.19 2022, this amount is \$201,000.

26.20 **Subd. 7. Insurance** 5,032,000 5,003,000

26.21 Appropriations by Fund

26.22 General 4,474,000 4,444,000

26.23 Workers'
 26.24 Compensation 558,000 559,000

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

26.27 (b) \$412,000 each year is for actuarial work
 26.28 to prepare for implementation of
 26.29 principle-based reserves.

26.30 (c) \$30,000 in fiscal year 2020 is for payment
 26.31 of two years of membership dues for
 26.32 Minnesota to the National Conference of
 26.33 Insurance Legislators. This is a onetime
 26.34 appropriation.

28.1 costs of redevelopment of an existing facility or construction of a new facility; and for public
28.2 or private infrastructure costs, including broadband infrastructure costs, necessary for an
28.3 eligible airport infrastructure renewal economic development project.

28.4 (b) The purpose of the grants made under this section is to keep or enhance jobs in the
28.5 area, increase the tax base, or expand or create new economic development.

28.6 (c) In awarding grants under this section, the commissioner must adhere to the criteria
28.7 under subdivision 5.

28.8 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
28.9 meanings given.

28.10 (b) "City" means a statutory or home rule charter city located outside the metropolitan
28.11 area as defined in section 473.121, subdivision 2.

28.12 (c) "County" means a county located outside the metropolitan area as defined in section
28.13 473.121, subdivision 2.

28.14 (d) "Airport authority" means an authority created pursuant to section 360.0426.

28.15 Subd. 3. **Eligible projects.** An economic development project for which a county, airport
28.16 authority, or city may be eligible to receive a grant under this section includes: (1)
28.17 manufacturing; (2) technology; (3) warehousing and distribution; or (4) research and
28.18 development.

28.19 Subd. 4. **Ineligible projects.** The following projects are not eligible for a grant under
28.20 this section: (1) retail development; or (2) office space development, except as incidental
28.21 to an eligible purpose.

28.22 Subd. 5. **Application.** (a) The commissioner must develop forms and procedures for
28.23 soliciting and reviewing applications for grants under this section. At a minimum, a county,
28.24 airport authority, or city must include in its application a resolution of the governing body
28.25 of the county, airport authority, or city certifying that half of the cost of the project is
28.26 committed from nonstate sources. The commissioner must evaluate complete applications
28.27 for eligible projects using the following criteria:

28.28 (1) the project is an eligible project as defined under subdivision 3;

28.29 (2) the project is expected to result in or will attract substantial public and private capital
28.30 investment and provide substantial economic benefit to the county, airport authority, or city
28.31 in which the project would be located; and

28.32 (3) the project is expected to or will create or retain full-time jobs.

29.1 (b) The determination of whether to make a grant for a site is within the discretion of
 29.2 the commissioner, subject to this section. The commissioner's decisions and application of
 29.3 the criteria are not subject to judicial review except for abuse of discretion.

29.4 Subd. 6. **Maximum grant amount.** A county, airport authority, or city may receive no
 29.5 more than \$250,000 in two years for one or more projects.

29.6 Subd. 7. **Cancellation of grant; return of grant money.** If after five years the
 29.7 commissioner determines that a project has not proceeded in a timely manner and is unlikely
 29.8 to be completed, the commissioner must cancel the grant and require the grantee to return
 29.9 all grant money awarded for that project.

29.10 Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to
 29.11 the commissioner to make additional grants under this section.

29.12 Sec. 3. **[116L.35] INVENTORY OF ECONOMIC DEVELOPMENT PROGRAMS.**

29.13 (a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the
 29.14 commissioner of employment and economic development must submit a report to the chairs
 29.15 of the legislative committees with jurisdiction over economic development that provides
 29.16 an inventory of all economic development programs, including any workforce development
 29.17 programs, either provided by or overseen by any agency of the state of Minnesota.

29.18 (b) Programs related to economic development that must be included in the report include
 29.19 those that:

29.20 (1) receive federal funds or state funds;

29.21 (2) provide assistance to either businesses or individuals; or

29.22 (3) support internships, apprenticeships, career and technical education, or any form of
 29.23 employment training.

29.24 (c) For each economic development program, the report must include, at a minimum,
 29.25 the following information:

29.26 (1) details of program costs;

29.27 (2) the number of staff, both within the department and any outside organization;

29.28 (3) the number of program participants;

29.29 (4) the demographic information including, but not limited to, race, age, gender, and
 29.30 income of program participants;

30.1 (5) a list of any and all subgrantees receiving funds from the program, as well as the
 30.2 amount of funding received;

30.3 (6) information about other sources of funding including other public or private funding
 30.4 or in-kind donations;

30.5 (7) evidence that: (i) the organization administering a program; (ii) a business receiving
 30.6 a loan for a new or expanded business from a program; or (iii) a subgrantee of a program
 30.7 is in good standing with the Minnesota Secretary of State and the Minnesota Department
 30.8 of Revenue;

30.9 (8) a short description of what each program does; and

30.10 (9) to the extent practical, quantifiable measures of program success.

30.11 (d) In addition to the information required under paragraph (c), a program related to
 30.12 economic development under paragraph (b) that requests an increase in state funding over
 30.13 the previous biennium must provide the following:

30.14 (1) detailed information regarding the need for increased funds; and

30.15 (2) the planned uses of the increased funds.

30.16 (e) A program related to economic development under paragraph (b) is ineligible for
 30.17 state funding in the following biennium if it does not submit the information required under
 30.18 paragraph (c).

30.19 Sec. 4. Minnesota Statutes 2018, section 469.055, is amended by adding a subdivision to
 30.20 read:

30.21 Subd. 2a. **Meetings by telephone or other electronic means.** A port authority may
 30.22 conduct meetings as provided by section 13D.015.

30.23 Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

30.24 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

30.25 Appropriations by Fund

30.26 General \$6,239,000 \$5,889,000

30.27 Workforce
 30.28 Development \$25,259,000 \$24,342,000

30.29 (a) \$500,000 each year is for the
 30.30 youth-at-work competitive grant program
 30.31 under Minnesota Statutes, section 116L.562.

31.1 Of this amount, up to five percent is for
31.2 administration and monitoring of the youth
31.3 workforce development competitive grant
31.4 program. All grant awards shall be for two
31.5 consecutive years. Grants shall be awarded in
31.6 the first year. In fiscal year 2020 and beyond,
31.7 the base amount is \$750,000.

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

31.11 (c) \$500,000 each year is for rural career
31.12 counseling coordinator positions in the
31.13 workforce service areas and for the purposes
31.14 specified in Minnesota Statutes, section
31.15 116L.667. The commissioner of employment
31.16 and economic development, in consultation
31.17 with local workforce investment boards and
31.18 local elected officials in each of the service
31.19 areas receiving funds, shall develop a method
31.20 of distributing funds to provide equitable
31.21 services across workforce service areas.

31.22 (d) \$1,000,000 each year is for a grant to the
31.23 Construction Careers Foundation for the
31.24 construction career pathway initiative to
31.25 provide year-round educational and
31.26 experiential learning opportunities for teens
31.27 and young adults under the age of 21 that lead
31.28 to careers in the construction industry. This is
31.29 a onetime appropriation. Grant funds must be
31.30 used to:

31.31 (1) increase construction industry exposure
31.32 activities for middle school and high school
31.33 youth, parents, and counselors to reach a more
31.34 diverse demographic and broader statewide
31.35 audience. This requirement includes, but is

32.1 not limited to, an expansion of programs to
32.2 provide experience in different crafts to youth
32.3 and young adults throughout the state;

32.4 (2) increase the number of high schools in
32.5 Minnesota offering construction classes during
32.6 the academic year that utilize a multicraft
32.7 curriculum;

32.8 (3) increase the number of summer internship
32.9 opportunities;

32.10 (4) enhance activities to support graduating
32.11 seniors in their efforts to obtain employment
32.12 in the construction industry;

32.13 (5) increase the number of young adults
32.14 employed in the construction industry and
32.15 ensure that they reflect Minnesota's diverse
32.16 workforce; and

32.17 (6) enhance an industrywide marketing
32.18 campaign targeted to youth and young adults
32.19 about the depth and breadth of careers within
32.20 the construction industry.

32.21 Programs and services supported by grant
32.22 funds must give priority to individuals and
32.23 groups that are economically disadvantaged
32.24 or historically underrepresented in the
32.25 construction industry, including but not limited
32.26 to women, veterans, and members of minority
32.27 and immigrant groups.

32.28 (e) \$1,539,000 each year from the general fund
32.29 and \$4,604,000 each year from the workforce
32.30 development fund are for the Pathways to
32.31 Prosperity adult workforce development
32.32 competitive grant program. Of this amount,
32.33 up to four percent is for administration and
32.34 monitoring of the program. When awarding

33.1 grants under this paragraph, the commissioner
33.2 of employment and economic development
33.3 may give preference to any previous grantee
33.4 with demonstrated success in job training and
33.5 placement for hard-to-train individuals. In
33.6 fiscal year 2020 and beyond, the general fund
33.7 base amount for this program is \$4,039,000.

33.8 (f) \$750,000 each year is for a competitive
33.9 grant program to provide grants to
33.10 organizations that provide support services for
33.11 individuals, such as job training, employment
33.12 preparation, internships, job assistance to
33.13 fathers, financial literacy, academic and
33.14 behavioral interventions for low-performing
33.15 students, and youth intervention. Grants made
33.16 under this section must focus on low-income
33.17 communities, young adults from families with
33.18 a history of intergenerational poverty, and
33.19 communities of color. Of this amount, up to
33.20 four percent is for administration and
33.21 monitoring of the program. In fiscal year 2020
33.22 and beyond, the base amount is \$1,000,000.

33.23 (g) \$500,000 each year is for the women and
33.24 high-wage, high-demand, nontraditional jobs
33.25 grant program under Minnesota Statutes,
33.26 section 116L.99. Of this amount, up to five
33.27 percent is for administration and monitoring
33.28 of the program. In fiscal year 2020 and
33.29 beyond, the base amount is \$750,000.

33.30 (h) \$500,000 each year is for a competitive
33.31 grant program for grants to organizations
33.32 providing services to relieve economic
33.33 disparities in the Southeast Asian community
33.34 through workforce recruitment, development,
33.35 job creation, assistance of smaller

34.1 organizations to increase capacity, and
34.2 outreach. Of this amount, up to five percent
34.3 is for administration and monitoring of the
34.4 program. In fiscal year 2020 and beyond, the
34.5 base amount is \$1,000,000.

34.6 (i) \$250,000 each year is for a grant to the
34.7 American Indian Opportunities and
34.8 Industrialization Center, in collaboration with
34.9 the Northwest Indian Community
34.10 Development Center, to reduce academic
34.11 disparities for American Indian students and
34.12 adults. This is a onetime appropriation. The
34.13 grant funds may be used to provide:

34.14 (1) student tutoring and testing support
34.15 services;

34.16 (2) training in information technology;

34.17 (3) assistance in obtaining a GED;

34.18 (4) remedial training leading to enrollment in
34.19 a postsecondary higher education institution;

34.20 (5) real-time work experience in information
34.21 technology fields; and

34.22 (6) contextualized adult basic education.

34.23 After notification to the legislature, the
34.24 commissioner may transfer this appropriation
34.25 to the commissioner of education.

34.26 (j) \$100,000 each year is for the getting to
34.27 work grant program. This is a onetime
34.28 appropriation and is available until June 30,
34.29 2021.

34.30 (k) \$525,000 each year is from the workforce
34.31 development fund for a grant to the YWCA
34.32 of Minneapolis to provide economically
34.33 challenged individuals the job skills training,

- 35.1 career counseling, and job placement
- 35.2 assistance necessary to secure a child
- 35.3 development associate credential and to have
- 35.4 a career path in early childhood education.
- 35.5 This is a onetime appropriation.
- 35.6 (l) \$1,350,000 each year is from the workforce
- 35.7 development fund for a grant to the Minnesota
- 35.8 High Tech Association to support
- 35.9 SciTechsperience, a program that supports
- 35.10 science, technology, engineering, and math
- 35.11 (STEM) internship opportunities for two- and
- 35.12 four-year college students and graduate
- 35.13 students in their field of study. The internship
- 35.14 opportunities must match students with paid
- 35.15 internships within STEM disciplines at small,
- 35.16 for-profit companies located in Minnesota,
- 35.17 having fewer than 250 employees worldwide.
- 35.18 At least 300 students must be matched in the
- 35.19 first year and at least 350 students must be
- 35.20 matched in the second year. No more than 15
- 35.21 percent of the hires may be graduate students.
- 35.22 Selected hiring companies shall receive from
- 35.23 the grant 50 percent of the wages paid to the
- 35.24 intern, capped at \$2,500 per intern. The
- 35.25 program must work toward increasing the
- 35.26 participation of women or other underserved
- 35.27 populations. This is a onetime appropriation.
- 35.28 (m) \$450,000 each year is from the workforce
- 35.29 development fund for grants to Minnesota
- 35.30 Diversified Industries, Inc. to provide
- 35.31 progressive development and employment
- 35.32 opportunities for people with disabilities. This
- 35.33 is a onetime appropriation.
- 35.34 (n) \$500,000 each year is from the workforce
- 35.35 development fund for a grant to Resource, Inc.

36.1 to provide low-income individuals career
36.2 education and job skills training that are fully
36.3 integrated with chemical and mental health
36.4 services. This is a onetime appropriation.

36.5 (o) \$750,000 each year is from the workforce
36.6 development fund for a grant to the Minnesota
36.7 Alliance of Boys and Girls Clubs to administer
36.8 a statewide project of youth job skills and
36.9 career development. This project, which may
36.10 have career guidance components including
36.11 health and life skills, is designed to encourage,
36.12 train, and assist youth in early access to
36.13 education and job-seeking skills, work-based
36.14 learning experience including career pathways
36.15 in STEM learning, career exploration and
36.16 matching, and first job placement through
36.17 local community partnerships and on-site job
36.18 opportunities. This grant requires a 25 percent
36.19 match from nonstate resources. This is a
36.20 onetime appropriation.

36.21 (p) \$215,000 each year is from the workforce
36.22 development fund for grants to Big Brothers,
36.23 Big Sisters of the Greater Twin Cities for
36.24 workforce readiness, employment exploration,
36.25 and skills development for youth ages 12 to
36.26 21. The grant must serve youth in the Twin
36.27 Cities, Central Minnesota, and Southern
36.28 Minnesota Big Brothers, Big Sisters chapters.
36.29 This is a onetime appropriation.

36.30 (q) \$250,000 each year is from the workforce
36.31 development fund for a grant to YWCA St.
36.32 Paul to provide job training services and
36.33 workforce development programs and
36.34 services, including job skills training and
36.35 counseling. This is a onetime appropriation.

37.1 (r) \$1,000,000 each year is from the workforce
37.2 development fund for a grant to EMERGE
37.3 Community Development, in collaboration
37.4 with community partners, for services
37.5 targeting Minnesota communities with the
37.6 highest concentrations of African and
37.7 African-American joblessness, based on the
37.8 most recent census tract data, to provide
37.9 employment readiness training, credentialed
37.10 training placement, job placement and
37.11 retention services, supportive services for
37.12 hard-to-employ individuals, and a general
37.13 education development fast track and adult
37.14 diploma program. This is a onetime
37.15 appropriation.

37.16 (s) \$1,000,000 each year is from the workforce
37.17 development fund for a grant to the
37.18 Minneapolis Foundation for a strategic
37.19 intervention program designed to target and
37.20 connect program participants to meaningful,
37.21 sustainable living-wage employment. This is
37.22 a onetime appropriation.

37.23 (t) \$750,000 each year is from the workforce
37.24 development fund for a grant to Latino
37.25 Communities United in Service (CLUES) to
37.26 expand culturally tailored programs that
37.27 address employment and education skill gaps
37.28 for working parents and underserved youth by
37.29 providing new job skills training to stimulate
37.30 higher wages for low-income people, family
37.31 support systems designed to reduce
37.32 intergenerational poverty, and youth
37.33 programming to promote educational
37.34 advancement and career pathways. At least
37.35 50 percent of this amount must be used for

- 38.1 programming targeted at greater Minnesota.
- 38.2 This is a onetime appropriation.
- 38.3 (u) \$600,000 each year is from the workforce
- 38.4 development fund for a grant to Ujamaa Place
- 38.5 for job training, employment preparation,
- 38.6 internships, education, training in the
- 38.7 construction trades, housing, and
- 38.8 organizational capacity building. This is a
- 38.9 onetime appropriation.
- 38.10 (v) \$1,297,000 in the first year and \$800,000
- 38.11 in the second year are from the workforce
- 38.12 development fund for performance grants
- 38.13 under Minnesota Statutes, section 116J.8747,
- 38.14 to Twin Cities R!SE to provide training to
- 38.15 hard-to-train individuals. Of the amounts
- 38.16 appropriated, \$497,000 in fiscal year 2018 is
- 38.17 for a grant to Twin Cities R!SE, in
- 38.18 collaboration with Metro Transit and Hennepin
- 38.19 Technical College for the Metro Transit
- 38.20 technician training program. This is a onetime
- 38.21 appropriation and funds are available until
- 38.22 June 30, 2020.
- 38.23 (w) \$230,000 in fiscal year 2018 is from the
- 38.24 workforce development fund for a grant to the
- 38.25 Bois Forte Tribal Employment Rights Office
- 38.26 (TERO) for an American Indian workforce
- 38.27 development training pilot project. This is a
- 38.28 onetime appropriation and is available until
- 38.29 June 30, 2019. Funds appropriated the first
- 38.30 year are available for use in the second year
- 38.31 of the biennium.
- 38.32 (x) \$40,000 in fiscal year 2018 is from the
- 38.33 workforce development fund for a grant to the
- 38.34 Cook County Higher Education Board to
- 38.35 provide educational programming and

39.1 academic support services to remote regions
39.2 in northeastern Minnesota. This appropriation
39.3 is in addition to other funds previously
39.4 appropriated to the board.

39.5 (y) \$250,000 each year is from the workforce
39.6 development fund for a grant to Bridges to
39.7 Healthcare to provide career education,
39.8 wraparound support services, and job skills
39.9 training in high-demand health care fields to
39.10 low-income parents, nonnative speakers of
39.11 English, and other hard-to-train individuals,
39.12 helping families build secure pathways out of
39.13 poverty while also addressing worker
39.14 shortages in one of Minnesota's most
39.15 innovative industries. Funds may be used for
39.16 program expenses, including, but not limited
39.17 to, hiring instructors and navigators; space
39.18 rental; and supportive services to help
39.19 participants attend classes, including assistance
39.20 with course fees, child care, transportation,
39.21 and safe and stable housing. In addition, up to
39.22 five percent of grant funds may be used for
39.23 Bridges to Healthcare's administrative costs.
39.24 This is a onetime appropriation and is
39.25 available until June 30, 2020.

39.26 (z) \$500,000 each year is from the workforce
39.27 development fund for a grant to the Nonprofits
39.28 Assistance Fund to provide capacity-building
39.29 grants to small, culturally specific
39.30 organizations that primarily serve historically
39.31 underserved cultural communities. Grants may
39.32 only be awarded to nonprofit organizations
39.33 that have an annual organizational budget of
39.34 less than \$500,000 and are culturally specific
39.35 organizations that primarily serve historically

40.1 underserved cultural communities. Grant funds
40.2 awarded must be used for:

40.3 (1) organizational infrastructure improvement,
40.4 including developing database management
40.5 systems and financial systems, or other
40.6 administrative needs that increase the
40.7 organization's ability to access new funding
40.8 sources;

40.9 (2) organizational workforce development,
40.10 including hiring culturally competent staff,
40.11 training and skills development, and other
40.12 methods of increasing staff capacity; or

40.13 (3) creation or expansion of partnerships with
40.14 existing organizations that have specialized
40.15 expertise in order to increase the capacity of
40.16 the grantee organization to improve services
40.17 for the community. Of this amount, up to five
40.18 percent may be used by the Nonprofits
40.19 Assistance Fund for administration costs and
40.20 providing technical assistance to potential
40.21 grantees. This is a onetime appropriation.

40.22 (aa) \$4,050,000 each year is from the
40.23 workforce development fund for the
40.24 Minnesota youth program under Minnesota
40.25 Statutes, sections 116L.56 and 116L.561.

40.26 (bb) \$1,000,000 each year is from the
40.27 workforce development fund for the
40.28 youthbuild program under Minnesota Statutes,
40.29 sections 116L.361 to 116L.366.

40.30 (cc) \$3,348,000 each year is from the
40.31 workforce development fund for the "Youth
40.32 at Work" youth workforce development
40.33 competitive grant program. Of this amount,
40.34 up to five percent is for administration and

- 41.1 monitoring of the youth workforce
- 41.2 development competitive grant program. All
- 41.3 grant awards shall be for two consecutive
- 41.4 years. Grants shall be awarded in the first year.
- 41.5 (dd) \$500,000 each year is from the workforce
- 41.6 development fund for the Opportunities
- 41.7 Industrialization Center programs.
- 41.8 (ee) \$750,000 each year is from the workforce
- 41.9 development fund for a grant to Summit
- 41.10 Academy OIC to expand its contextualized
- 41.11 GED and employment placement program.
- 41.12 This is a onetime appropriation.
- 41.13 (ff) \$500,000 each year is from the workforce
- 41.14 development fund for a grant to
- 41.15 Goodwill-Easter Seals Minnesota and its
- 41.16 partners. The grant shall be used to continue
- 41.17 the FATHER Project in Rochester, Park
- 41.18 Rapids, St. Cloud, Minneapolis, and the
- 41.19 surrounding areas to assist fathers in
- 41.20 overcoming barriers that prevent fathers from
- 41.21 supporting their children economically and
- 41.22 emotionally. This is a onetime appropriation.
- 41.23 (gg) \$150,000 each year is from the workforce
- 41.24 development fund for displaced homemaker
- 41.25 programs under Minnesota Statutes, section
- 41.26 116L.96. The commissioner shall distribute
- 41.27 the funds to existing nonprofit and state
- 41.28 displaced homemaker programs. This is a
- 41.29 onetime appropriation.
- 41.30 (hh)(1) \$150,000 in fiscal year 2018 is from
- 41.31 the workforce development fund for a grant
- 41.32 to Anoka County to develop and implement
- 41.33 a pilot program to increase competitive

42.1 employment opportunities for transition-age
42.2 youth ages 18 to 21.

42.3 (2) The competitive employment for
42.4 transition-age youth pilot program shall
42.5 include career guidance components, including
42.6 health and life skills, to encourage, train, and
42.7 assist transition-age youth in job-seeking
42.8 skills, workplace orientation, and job site
42.9 knowledge.

42.10 (3) In operating the pilot program, Anoka
42.11 County shall collaborate with schools,
42.12 disability providers, jobs and training
42.13 organizations, vocational rehabilitation
42.14 providers, and employers to build upon
42.15 opportunities and services, to prepare
42.16 transition-age youth for competitive
42.17 employment, and to enhance employer
42.18 connections that lead to employment for the
42.19 individuals served.

42.20 (4) Grant funds may be used to create an
42.21 on-the-job training incentive to encourage
42.22 employers to hire and train qualifying
42.23 individuals. A participating employer may
42.24 receive up to 50 percent of the wages paid to
42.25 the employee as a cost reimbursement for
42.26 on-the-job training provided.

42.27 (ii) \$500,000 each year is from the workforce
42.28 development fund for rural career counseling
42.29 coordinator positions in the workforce service
42.30 areas and for the purposes specified in
42.31 Minnesota Statutes, section 116L.667. The
42.32 commissioner of employment and economic
42.33 development, in consultation with local
42.34 workforce investment boards and local elected
42.35 officials in each of the service areas receiving

43.1 funds, shall develop a method of distributing
 43.2 funds to provide equitable services across
 43.3 workforce service areas.

43.4 (jj) In calendar year 2017, the public utility
 43.5 subject to Minnesota Statutes, section
 43.6 116C.779, must withhold \$1,000,000 from the
 43.7 funds required to fulfill its financial
 43.8 commitments under Minnesota Statutes,
 43.9 section 116C.779, subdivision 1, and pay such
 43.10 amounts to the commissioner of employment
 43.11 and economic development for deposit in the
 43.12 Minnesota 21st century fund under Minnesota
 43.13 Statutes, section 116J.423.

43.14 (kk) \$350,000 in fiscal year 2018 is for a grant
 43.15 to AccessAbility Incorporated to provide job
 43.16 skills training to individuals who have been
 43.17 released from incarceration for a felony-level
 43.18 offense and are no more than 12 months from
 43.19 the date of release. AccessAbility Incorporated
 43.20 shall annually report to the commissioner on
 43.21 how the money was spent and the results
 43.22 achieved. The report must include, at a
 43.23 minimum, information and data about the
 43.24 number of participants; participant
 43.25 homelessness, employment, recidivism, and
 43.26 child support compliance; and training
 43.27 provided to program participants.

43.28 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

43.29 **Sec. 6. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
 43.30 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

43.31 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
 43.32 statutory city, county, or town that has uncommitted money received from repayment of
 43.33 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
 43.34 percent of the balance of that money to the state general fund before June 30, 2020. Any

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

44.3 (b) By February 15, 2021, a home rule charter or statutory city, county, or town that
 44.4 exercises the option under paragraph (a) shall submit to the chairs of the legislative
 44.5 committees with jurisdiction over economic development policy and finance an accounting
 44.6 and explanation of the use and distribution of the funds.

44.7 **Sec. 7. REPEALER.**

44.8 Minnesota Statutes 2018, section 469.084, subdivision 1a, is repealed.

44.9 **ARTICLE 3**

44.10 **LABOR AND INDUSTRY POLICY**

44.11 Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

44.12 Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any
 44.13 progress payment on a public contract for a public improvement an amount not to exceed
 44.14 five percent of the payment. ~~A~~ The public contracting agency may reduce the amount of
 44.15 the retainage and may eliminate retainage on any monthly contract payment if, in the agency's
 44.16 opinion, the work is progressing satisfactorily.

44.17 (b) For all construction contracts greater than \$5,000,000, the public contracting agency
 44.18 must reduce retainage to no more than 2.5 percent if the public contracting agency determines
 44.19 the work is 75 percent or more complete, that work is progressing satisfactorily, and all
 44.20 contract requirements are being met.

44.21 (c) The public contracting agency must release any remaining retainage no later than 60
 44.22 days after substantial completion.

44.23 (d) A contractor on a public contract for a public improvement must pay out any
 44.24 remaining retainage to its subcontractors no later than ten days after receiving payment of
 44.25 retainage from the public contracting agency, unless there is a dispute about the work under
 44.26 a subcontract. If there is a dispute about the work under a subcontract, the contractor must
 44.27 pay out retainage to any subcontractor whose work is not involved in the dispute, and must
 44.28 provide a written statement detailing the amount and reason for the withholding to the
 44.29 affected subcontractor and the public agency.

44.30 (e) A contractor may not reserve as retainage from a subcontractor an amount that exceeds
 44.31 the amount reserved by the public contracting agency under this subdivision. Upon written
 44.32 request of a subcontractor who has not been paid for work in accordance with section

45.1 16A.1245 or 471.425, subdivision 4a, the public contracting agency shall notify the
 45.2 subcontractor of a progress payment, retainage payment, or final payment made to the
 45.3 contractor. A contractor must include in any contract with a subcontractor the name, address,
 45.4 and telephone number of a responsible official at the public contracting agency that may
 45.5 be contacted for purposes of making a request under this paragraph.

45.6 (f) After substantial completion, a public contracting agency may withhold no more
 45.7 than:

45.8 (1) 250 percent of the value of incomplete or defective work; and

45.9 (2) one percent of the value of the contract or \$500, whichever is greater, pending
 45.10 completion and submission of all final paperwork by the contractor, provided that an amount
 45.11 withheld under this clause may not exceed \$10,000.

45.12 If the public contracting agency withholds payment under this paragraph, the public
 45.13 contracting agency must promptly provide a written statement detailing the amount and
 45.14 basis of withholding to the contractor. The public contracting agency must provide a copy
 45.15 of this statement to any subcontractor that requests it. Any amounts withheld for incomplete
 45.16 or defective work shall be paid within 45 days after the completion of the work. Any amounts
 45.17 withheld under clause (1) must be paid within 45 days after completion of the work. Any
 45.18 amounts withheld under clause (2) must be paid within 45 days after submission of all final
 45.19 paperwork.

45.20 (g) As used in this subdivision, "substantial completion" shall be determined as provided
 45.21 in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or
 45.22 improvement of streets and highways, including bridges, substantial completion means the
 45.23 date when construction-related traffic devices and ongoing inspections are no longer required.

45.24 (h) The maximum retainage percentage allowed for a building and construction contract
 45.25 is the retainage percentage withheld by the public contracting agency from the contractor.

45.26 (i) Withholding retainage for warranties or warranty work is prohibited.

45.27 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
 45.28 1, 2019.

45.29 Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

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

45.31 (1) approve youth skills training programs that train student learners for careers in
 45.32 high-growth, high-demand occupations that provide:

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

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

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

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

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

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

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

46.13 (3) issue requests for proposals for grants;

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

46.16 (5) develop model program guides;

46.17 (6) monitor youth skills training programs;

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

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

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

46.22 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,
46.23 representatives of secondary school institutions, career and technical education instructors,
46.24 postsecondary institutions, businesses, and labor, in developing youth skills training
46.25 programs, and identifying and approving occupations and competencies for youth skills
46.26 training programs.

46.27 Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

46.28 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
46.29 for youth skills training programs that train student learners for careers in high-growth,

47.1 high-demand occupations. Grant awards may not exceed \$100,000 per local partnership
 47.2 grant.

47.3 (b) A local partnership awarded a grant under this section must use the grant award for
 47.4 any of the following implementation and coordination activities:

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

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

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

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

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

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

47.19 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student
 47.20 learner.

47.21 Sec. 4. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

47.22 Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each
 47.23 licensee must, during each continuing education reporting period, complete and report one
 47.24 hour of continuing education relating to energy codes or energy conservation measures
 47.25 applicable to residential buildings and one hour of business management strategies applicable
 47.26 to residential construction businesses.

47.27 (b) Immediately following the adoption date of a new residential code, the commissioner
 47.28 may prescribe that up to seven of the required 14 hours of continuing education credit per
 47.29 licensure period include education hours specifically designated to instruct licensees on
 47.30 new or existing State Building Code provisions.

48.1 Sec. 5. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

48.2 Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction
48.3 contract provides otherwise, the owner or other persons making payments under the contract
48.4 must make progress payments monthly as the work progresses. Payments shall be based
48.5 upon estimates of work completed as approved by the owner or the owner's agent. A progress
48.6 payment shall not be considered acceptance or approval of any work or waiver of any defects
48.7 therein.

48.8 (b) Retainage on a building and construction contract may not exceed five percent. An
48.9 owner or owner's agent may reduce the amount of retainage and may eliminate retainage
48.10 on any monthly contract payment if, in the owner's opinion, the work is progressing
48.11 satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld
48.12 in any building or construction contract. For all construction contracts greater than
48.13 \$5,000,000, the owner or the owner's agent must reduce retainage to no more than 2.5
48.14 percent if the owner or the owner's agent determines the work is 75 percent or more complete,
48.15 that work is progressing satisfactorily, and all contract requirements are being met.

48.16 (c) The owner or the owner's agent must release any remaining retainage no later than
48.17 60 days after substantial completion. For purposes of this subdivision, "substantial
48.18 completion" shall be determined as provided in section 541.051, subdivision 1, paragraph
48.19 (a).

48.20 ~~(e)~~ (d) Any contractor holding retainage must reduce that retainage at the same rate
48.21 reduced by the owner or the owner's agent. A contractor must pay out any remaining retainage
48.22 no later than ten days after receiving payment of retainage, unless there is a dispute about
48.23 the work under a subcontract, in which case the contractor must pay out retainage to any
48.24 party whose work is not involved in the dispute. Nothing in this subdivision is intended to
48.25 require that retainage be withheld in any building or construction contract.

48.26 (e) After substantial completion, an owner or owner's agent may withhold no more than:

48.27 (1) 250 percent of the value of incomplete or defective work; and

48.28 (2) one percent of the value of the contract or \$500, whichever is greater, pending
48.29 completion and submission of all final paperwork by the contractor, provided that an amount
48.30 withheld under this clause may not exceed \$10,000.

48.31 If the owner or the owner's agent withholds payment under this paragraph, the owner or the
48.32 owner's agent must promptly provide a written statement detailing the amount and basis of
48.33 withholding to the contractor. The owner or the owner's agent and the contractor must

49.1 provide a copy of this statement to any subcontractor that requests it. Any amounts withheld
 49.2 for incomplete or defective work shall be paid within 45 days after the completion of the
 49.3 work. Any amounts withheld under clause (1) must be paid within 45 days after completion
 49.4 of the work. Any amounts withheld under clause (2) must be paid within 45 days after
 49.5 submission of all final paperwork.

49.6 (f) The maximum retainage percentage allowed for a building and construction contract
 49.7 is the retainage percentage withheld by the owner from the contractor.

49.8 (g) Withholding retainage for warranties or warranty work is prohibited.

49.9 (h) Retainage must not be used as collateral for the owner, owner's agent, or contractor.

49.10 (i) This subdivision does not apply to a public agency as defined in section 15.71,
 49.11 subdivision 3.

49.12 (j) This subdivision does not apply to contracts for professional services as defined in
 49.13 sections 326.02 to 326.15.

49.14 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
 49.15 1, 2019.

49.16 Sec. 6. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

49.17 Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring~~
 49.18 ~~announcers~~, timekeepers, ringside physicians, combatants, ~~managers~~, and seconds are
 49.19 required to be licensed by the commissioner. The commissioner shall not permit any of
 49.20 these persons to participate in any matter with any combative sport contest unless the
 49.21 commissioner has first issued the person a license.

49.22 Sec. 7. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

49.23 Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual
 49.24 licenses subject to the collection of advance fees by the commissioner for promoters,
 49.25 ~~managers~~, judges, referees, ~~ring announcers~~, ringside physicians, timekeepers, combatants,
 49.26 trainers, and seconds.

49.27 Sec. 8. Minnesota Statutes 2018, section 341.321, is amended to read:

49.28 **341.321 FEE SCHEDULE.**

49.29 (a) The fee schedule for professional and amateur licenses issued by the commissioner
 49.30 is as follows:

50.1 (1) referees, ~~\$80~~ \$25;

50.2 (2) promoters, \$700;

50.3 (3) judges and knockdown judges, ~~\$80~~ \$25;

50.4 (4) trainers and seconds, \$80;

50.5 ~~(5) ring announcers, \$80;~~

50.6 ~~(6)~~ (5) timekeepers, ~~\$80~~ \$25;

50.7 ~~(7)~~ (6) professional combatants, \$70;

50.8 ~~(8)~~ (7) amateur combatants, \$50;

50.9 ~~(9) managers, \$80;~~ and

50.10 ~~(10)~~ (8) ringside physicians, ~~\$80~~ \$25.

50.11 License fees for promoters are due at least six weeks prior to the combative sport contest.

50.12 All other license fees shall be paid no later than the weigh-in prior to the contest. No license
50.13 may be issued until all precicensure requirements are satisfied and fees are paid.

50.14 (b) The commissioner shall establish a contest fee for each combative sport contest and
50.15 shall consider the size and type of venue when establishing a contest fee. The combative
50.16 sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales,
50.17 whichever is greater, as determined by the commissioner when the combative sport contest
50.18 is scheduled.

50.19 (c) A professional or amateur combative sport contest fee is nonrefundable and shall be
50.20 paid as follows:

50.21 (1) \$500 at the time the combative sport contest is scheduled; and

50.22 (2) \$1,000 at the weigh-in prior to the contest.

50.23 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the
50.24 commissioner within seven days of the completed contest.

50.25 (d) The commissioner may establish the maximum number of complimentary tickets
50.26 allowed for each event by rule.

50.27 (e) All fees and penalties collected by the commissioner must be deposited in the
50.28 commissioner account in the special revenue fund.

51.1 Sec. 9. **CONTRACTOR RECOVERY FUND; CONSUMER AWARENESS**
51.2 **CAMPAIGN.**

51.3 In fiscal years 2020 and 2021 the commissioner of labor and industry must conduct a
51.4 statewide consumer awareness campaign highlighting the importance of hiring licensed
51.5 contractors as well as the consequences of hiring unlicensed contractors, and may spend up
51.6 to \$500,000 each year from the contractor recovery fund to conduct the campaign.

51.7 **ARTICLE 4**

51.8 **EMPLOYMENT POLICY**

51.9 Section 1. Minnesota Statutes 2018, section 177.23, subdivision 7, is amended to read:

51.10 Subd. 7. **Employee.** "Employee" means any individual employed by an employer but
51.11 does not include:

51.12 (1) two or fewer specified individuals employed at any given time in agriculture on a
51.13 farming unit or operation who are paid a salary;

51.14 (2) any individual employed in agriculture on a farming unit or operation who is paid a
51.15 salary greater than the individual would be paid if the individual worked 48 hours at the
51.16 state minimum wage plus 17 hours at 1-1/2 times the state minimum wage per week;

51.17 (3) an individual under 18 who is employed in agriculture on a farm to perform services
51.18 other than corn detasseling or hand field work when one or both of that minor hand field
51.19 worker's parents or physical custodians are also hand field workers;

51.20 (4) for purposes of section 177.24, an individual under 18 who is employed as a corn
51.21 detasseler;

51.22 (5) any staff member employed on a seasonal basis by an organization for work in an
51.23 organized resident or day camp operating under a permit issued under section 144.72;

51.24 (6) any individual employed in a bona fide executive, administrative, or professional
51.25 capacity, or a salesperson who conducts no more than 20 percent of sales on the premises
51.26 of the employer;

51.27 (7) any individual who renders service gratuitously for a nonprofit organization;

51.28 (8) any individual who serves as an elected official for a political subdivision or who
51.29 serves on any governmental board, commission, committee or other similar body, or who
51.30 renders service gratuitously for a political subdivision;

52.1 (9) any individual employed by a political subdivision to provide police or fire protection
 52.2 services or employed by an entity whose principal purpose is to provide police or fire
 52.3 protection services to a political subdivision;

52.4 (10) any individual employed by a political subdivision who is ineligible for membership
 52.5 in the Public Employees Retirement Association under section 353.01, subdivision 2b,
 52.6 clause (1), (2), (4), or (9), item (i);

52.7 (11) any driver employed by an employer engaged in the business of operating taxicabs;

52.8 (12) any individual engaged in babysitting as a sole practitioner;

52.9 (13) for the purpose of section 177.25, any individual employed on a seasonal basis in
 52.10 a carnival, circus, fair, or ski facility;

52.11 (14) any individual under 18 working less than 20 hours per workweek for a municipality
 52.12 as part of a recreational program;

52.13 (15) any individual employed by the state as a natural resource manager 1, 2, or 3
 52.14 (conservation officer);

52.15 (16) any individual in a position for which the United States Department of Transportation
 52.16 has power to establish qualifications and maximum hours of service under United States
 52.17 Code, title 49, section 31502;

52.18 (17) any individual employed as a seafarer. The term "seafarer" means a master of a
 52.19 vessel or any person subject to the authority, direction, and control of the master who is
 52.20 exempt from federal overtime standards under United States Code, title 29, section 213(b)(6),
 52.21 including but not limited to pilots, sailors, engineers, radio operators, firefighters, security
 52.22 guards, pursers, surgeons, cooks, and stewards;

52.23 (18) any individual employed by a county in a single-family residence owned by a county
 52.24 home school as authorized under section 260B.060 if the residence is an extension facility
 52.25 of that county home school, and if the individual as part of the employment duties resides
 52.26 at the residence for the purpose of supervising children as defined by section 260C.007,
 52.27 subdivision 4; ~~or~~

52.28 (19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members
 52.29 of religious orders who serve pursuant to their religious obligations in schools, hospitals,
 52.30 and other nonprofit institutions operated by the church or religious order; or

52.31 (20) any individual employed on a seasonal basis who has entered into a contract to play
 52.32 baseball at the minor league level.

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

53.2 Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 1, is amended to read:

53.3 Subdivision 1. **Examination of records.** The commissioner may enter during reasonable
 53.4 office hours or upon request and inspect the place of business or employment of any employer
 53.5 of employees working in the state, to examine and inspect books, registers, payrolls, and
 53.6 other records of any employer that in any way relate to wages, hours, and other conditions
 53.7 of employment of any employees. The commissioner may transcribe any or all of the books,
 53.8 registers, payrolls, and other records as the commissioner deems necessary or appropriate
 53.9 and may question the employees to ascertain compliance with sections 177.21 to 177.435.
 53.10 The commissioner may investigate wage claims or complaints by an employee against an
 53.11 employer if: (1) the failure to pay a wage may violate Minnesota law or an order or rule of
 53.12 the department; and (2) the employee making the wage claim or complaint has provided a
 53.13 written demand for payment to the employer at least five days prior to the commissioner
 53.14 initiating an investigation.

53.15 Sec. 3. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

53.16 Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty
 53.17 of a misdemeanor:

53.18 (1) hinders or delays the commissioner in the performance of duties required under
 53.19 sections 177.21 to 177.435, or sections 181.01 to 181.72;

53.20 (2) refuses to admit the commissioner to the place of business or employment of the
 53.21 employer, as required by section 177.27, subdivision 1;

53.22 (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

53.23 (4) falsifies any record;

53.24 (5) refuses to make any record available, or to furnish a sworn statement of the record
 53.25 or any other information as required by section 177.27;

53.26 (6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary
 53.27 of the applicable rules as required by section 177.31;

53.28 (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21
 53.29 to 177.44;

53.30 (8) refuses to allow adequate time from work as required by section 177.253; ~~or~~

53.31 (9) otherwise violates any provision of sections 177.21 to 177.44; or

54.1 (10) commits wage theft as described in section 181.03, subdivision 1.

54.2 (b) An employer who violates paragraph (a), clause (10), after having been previously
 54.3 convicted of violating that clause is guilty of a gross misdemeanor.

54.4 (c) Nothing in paragraph (a), clause (10), or paragraph (b), or section 609.035 or 609.04
 54.5 shall limit the power of the state to prosecute or punish a person for conduct that constitutes
 54.6 any other crime under any other law of this state.

54.7 **EFFECTIVE DATE.** This section is effective August 1, 2019, and applies to crimes
 54.8 committed on or after that date.

54.9 Sec. 4. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

54.10 Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and~~
 54.11 ~~with intent to defraud:~~

54.12 (a) No employer shall commit wage theft.

54.13 (b) For purposes of this section, wage theft is committed if an employer, with intent to
 54.14 defraud:

54.15 (1) fails to pay an employee all wages to which that employee is entitled;

54.16 ~~(1) cause~~ (2) directly or indirectly causes any employee to give a receipt for wages for
 54.17 a greater amount than that actually paid to the employee for services rendered;

54.18 ~~(2) (3) directly or indirectly demand demands or receive receives~~ from any employee
 54.19 any rebate or refund from the wages owed the employee under contract of employment with
 54.20 the employer; ~~or~~

54.21 ~~(3) in any manner make~~ (4) makes or ~~attempt attempts~~ to make it appear in any manner
 54.22 that the wages paid to any employee were greater than the amount actually paid to the
 54.23 employee; or

54.24 (5) retaliates against an employee for asserting rights or remedies under this section,
 54.25 including but not limited to filing a complaint with the Department of Labor and Industry,
 54.26 telling the employer of intention to file a complaint, or making a written demand for payment
 54.27 to the employer as provided under section 177.27, subdivision 1.

55.1 Sec. 5. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
55.2 read:

55.3 Subd. 4. **Enforcement.** The commissioner may enforce this section. The use of an
55.4 enforcement provision in this section shall not preclude the use of any other enforcement
55.5 provision provided by law.

55.6 Sec. 6. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
55.7 read:

55.8 Subd. 5. **Effect on other laws.** Nothing in this section shall be construed to limit the
55.9 application of other state or federal laws.

55.10 Sec. 7. [181.741] **EXPRESS PREEMPTION; UNIFORMITY OF PRIVATE**
55.11 **EMPLOYER MANDATES.**

55.12 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
55.13 subdivision have the meanings given them.

55.14 (b) "Employer" means a private person employing one or more employees in the state.

55.15 (c) "Local government" means a home rule charter city, statutory city, town, county, the
55.16 Metropolitan Council, a metropolitan agency as defined in section 473.121, subdivision 5a,
55.17 or a special district.

55.18 Subd. 2. **Express preemption.** (a) A local government must not adopt, enforce, or
55.19 administer an ordinance, local resolution, or local policy requiring an employer to pay an
55.20 employee a wage higher than the applicable state minimum wage rate provided in section
55.21 177.24.

55.22 (b) A local government must not adopt, enforce, or administer an ordinance, local
55.23 resolution, or local policy requiring an employer to provide either paid or unpaid leave time.

55.24 (c) A local government must not adopt, enforce, or administer an ordinance, local
55.25 resolution, or local policy regulating the hours or scheduling of work time that an employer
55.26 provides to an employee. This paragraph does not preempt an ordinance, local resolution,
55.27 or local policy limiting the hours a business may operate.

55.28 (d) A local government must not adopt, enforce, or administer an ordinance, local
55.29 resolution, or local policy requiring an employer to provide an employee a particular benefit
55.30 or terms of employment.

56.1 Subd. 3. Local governments as employers and contractors. This section does not
 56.2 regulate wages, hours, benefits, paid or unpaid leave, attendance policies, or other terms of
 56.3 employment that a local government:

56.4 (1) provides to its own employee;

56.5 (2) requires an employer to provide to its employee to the extent that employer is
 56.6 providing goods or services to the local government, and the requirement applies specifically
 56.7 to work performed in providing goods or services to the local government; or

56.8 (3) requires an employer to provide to its employee, to the extent that employer is
 56.9 receiving funding from the local government or is providing goods or services funded in
 56.10 whole or in part by the local government, when the requirement is an express condition of
 56.11 the funding.

56.12 **EFFECTIVE DATE.** This section is effective upon final enactment and applies to
 56.13 ordinances, local policies, and local resolutions enacted on or after January 1, 2017.

56.14 **ARTICLE 5**

56.15 **WORKERS' COMPENSATION ADVISORY COUNCIL RECOMMENDATIONS**

56.16 Section 1. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

56.17 Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number
 56.18 of employees who will be covered under it must be filed with the commissioner. Within 21
 56.19 days of receipt of an agreement, the commissioner shall review the agreement for compliance
 56.20 with this section and the benefit provisions of this chapter and notify the parties of any
 56.21 additional information required or any recommended modification that would bring the
 56.22 agreement into compliance. Upon receipt of any requested information or modification, the
 56.23 commissioner must notify the parties within 21 days whether the agreement is in compliance
 56.24 with this section and the benefit provisions of this chapter.

56.25 (b) After an agreement is approved by the commissioner under paragraph (a), a qualified
 56.26 employer may join or withdraw from a qualified group of employers without commissioner
 56.27 review or approval. The commissioner must be notified within 30 days when a qualified
 56.28 employer joins or withdraws from a qualified group of employers.

56.29 (c) In order for any agreement to remain in effect, it must provide for a timely and
 56.30 accurate method of reporting to the commissioner ~~necessary information regarding service~~
 56.31 ~~cost and utilization~~ the individual claims covered by the agreement and claim-specific
 56.32 dispute resolution data, in the form and manner prescribed by the commissioner. Dispute

57.1 resolution data includes information about facilitation, mediation, and arbitration and shall
 57.2 be provided annually to the commissioner to enable the commissioner to annually report
 57.3 aggregate dispute data to the legislature. The information provided to the commissioner
 57.4 must include aggregate data on the:

57.5 (i) ~~person hours and payroll covered by agreements filed;~~

57.6 (ii) ~~number of claims filed;~~

57.7 (iii) ~~average cost per claim;~~

57.8 (iv) ~~number of litigated claims, including the number of claims submitted to arbitration,~~
 57.9 ~~the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the~~
 57.10 ~~district court, the Minnesota Court of Appeals or the supreme court;~~

57.11 (v) ~~number of contested claims resolved prior to arbitration;~~

57.12 (vi) ~~projected incurred costs and actual costs of claims;~~

57.13 (vii) ~~employer's safety history;~~

57.14 (viii) ~~number of workers participating in vocational rehabilitation; and~~

57.15 (ix) ~~number of workers participating in light-duty programs.~~

57.16 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c)
 57.17 is effective August 1, 2020.

57.18 Sec. 2. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

57.19 Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee
 57.20 during the course of employment, the employer shall report the injury or death to the
 57.21 commissioner and insurer within 48 hours after its occurrence. Where any other injury
 57.22 occurs which wholly or partly incapacitates the employee from performing labor or service
 57.23 for more than three calendar days, the employer shall report the injury to the insurer on a
 57.24 form prescribed by the commissioner within ten days from its occurrence. An insurer and
 57.25 self-insured employer shall report the injury to the commissioner no later than 14 days from
 57.26 its occurrence. Where an injury has once been reported but subsequently death ensues, the
 57.27 employer shall report the death to the commissioner and insurer within 48 hours after the
 57.28 employer receives notice of this fact. An employer who provides notice to the Occupational
 57.29 Safety and Health Division of the Department of Labor and Industry of a fatality within the
 57.30 eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour
 57.31 time frame required by law, has satisfied the employer's obligation under this section.

58.1 (b) At the time an injury is required to be reported to the commissioner, the insurer or
 58.2 self-insured employer must also specify whether the injury is covered by a collective
 58.3 bargaining agreement approved by the commissioner under section 176.1812. Notice must
 58.4 be provided in the format and manner prescribed by the commissioner.

58.5 **EFFECTIVE DATE.** This section is effective August 1, 2020.

58.6 **ARTICLE 6**
 58.7 **COMMERCE**

58.8 Section 1. Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:

58.9 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
 58.10 account is created as a separate account in the special revenue fund. ~~The account consists~~
 58.11 ~~of funds received from assessments under subdivision 7, examination fees under subdivision~~
 58.12 ~~8, and license and renewal fees under section 216C.437, subdivision 12. Earnings, including~~
 58.13 interest, dividends, and any other earnings arising from account assets, must be credited to
 58.14 the account.

58.15 (b) The account consists of funds received from assessments under subdivision 7,
 58.16 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and
 58.17 the following provisions: sections 53B.09; 53B.11, subdivision 1; and 58A.045, subdivision
 58.18 2.

58.19 ~~(b)~~ (c) Funds in the account are annually appropriated to the commissioner of commerce
 58.20 for activities under this section.

58.21 **EFFECTIVE DATE.** This section is effective July 1, 2019.

58.22 Sec. 2. Minnesota Statutes 2018, section 46.131, is amended by adding a subdivision to
 58.23 read:

58.24 Subd. 12. **Limitations on assessments.** The sum of the assessments levied under
 58.25 subdivision 7 for a fiscal period beginning on July 1 and ending June 30 thereafter shall not
 58.26 exceed 100 percent of the sum of the assessments levied for the fiscal period beginning one
 58.27 year prior.

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

59.1 **ARTICLE 7**

59.2 **REAL ESTATE APPRAISER REGULATION**

59.3 Section 1. Minnesota Statutes 2018, section 82B.021, subdivision 14, is amended to read:

59.4 Subd. 14. ~~**Federal Appraisal Subcommittee.**~~ "Federal Appraisal Subcommittee" means
59.5 the appraisal subcommittee of the Federal Financial Institutions Examinations Council under
59.6 United States Code, title 12, section 3301 et seq.

59.7 Sec. 2. Minnesota Statutes 2018, section 82B.021, subdivision 15, is amended to read:

59.8 Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial
59.9 institutions regulatory agency" means the Board of Governors of the Federal Reserve System,
59.10 Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the
59.11 Office of the Comptroller of the Currency, ~~the Office of Thrift Supervision,~~ or the National
59.12 Credit Union Administration.

59.13 Sec. 3. Minnesota Statutes 2018, section 82B.073, is amended by adding a subdivision to
59.14 read:

59.15 Subd. 2a. **Compensation.** Members of the board must be compensated in accordance
59.16 with section 15.059.

59.17 Sec. 4. Minnesota Statutes 2018, section 82B.09, subdivision 3, is amended to read:

59.18 Subd. 3. ~~**Fees to Federal Appraisal Subcommittee.**~~ In addition to the fees required for
59.19 licensure under this section, the commissioner must collect and remit such other fees as are
59.20 required by the ~~Federal~~ Appraisal Subcommittee.

59.21 Sec. 5. Minnesota Statutes 2018, section 82B.095, is amended by adding a subdivision to
59.22 read:

59.23 Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The
59.24 requirements to obtain a trainee real property appraiser, licensed real property appraiser,
59.25 certified residential real property appraiser, or certified general real property appraiser
59.26 license are the education, examination, and experience requirements established by the
59.27 Appraiser Qualifications Board of the Appraisal Foundation and published in the most
59.28 recent version of the Real Property Appraiser Qualification Criteria.

59.29 (b) An applicant must complete the applicable education and experience requirements
59.30 before taking the required examination.

60.1 Sec. 6. Minnesota Statutes 2018, section 82B.11, is amended by adding a subdivision to
60.2 read:

60.3 Subd. 2a. **Trainee real property appraiser.** The scope of practice for a trainee real
60.4 property appraiser is the appraisal of properties which a certified residential real property
60.5 appraiser or certified general real property appraiser acting as the supervisory appraiser is
60.6 permitted and competent to appraise.

60.7 Sec. 7. Minnesota Statutes 2018, section 82B.11, subdivision 6, is amended to read:

60.8 Subd. 6. **Temporary practice.** (a) The commissioner shall issue a license for temporary
60.9 practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed
60.10 by another state if:

60.11 ~~(1) the property to be appraised is part of a federally related transaction and the person~~
60.12 ~~is licensed to appraise property limited to the same transaction value or complexity provided~~
60.13 ~~in subdivision 3, 4, or 5;~~

60.14 ~~(2)~~ (1) the appraiser's business is of a temporary nature; and

60.15 ~~(3)~~ (2) the appraiser registers with the commissioner to obtain a temporary license before
60.16 conducting appraisals within the state.

60.17 (b) The term of a temporary practice license is the lesser of:

60.18 (1) the time required to complete the assignment; or

60.19 (2) 12 months.

60.20 If more than 12 months are necessary to complete the assignment, a new temporary
60.21 application and fee is required.

60.22 Sec. 8. Minnesota Statutes 2018, section 82B.13, subdivision 1, is amended to read:

60.23 Subdivision 1. **Trainee real property appraiser.** ~~(a)~~ As a prerequisite for licensing as
60.24 a trainee real property appraiser, an applicant must present evidence satisfactory to the
60.25 commissioner that the person has successfully completed:

60.26 ~~(1) at least 75 hours of prelicense courses approved by the commissioner. Fifteen of the~~
60.27 ~~75 hours must include successful completion of the 15-hour national USPAP course; and~~

60.28 ~~(2) in addition to the required hours under clause (1),~~ a six-hour course that is specifically
60.29 oriented to the requirements and responsibilities of supervisory appraisers and trainee
60.30 appraisers. A course approved by the commissioner for the purposes of this subdivision

61.1 must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This
61.2 course must not be counted toward qualifying education to upgrade to a higher level appraiser
61.3 license.

61.4 ~~(b) All qualifying education must be completed within the five-year period prior to the~~
61.5 ~~date of submission of a trainee real property appraiser license application.~~

61.6 Sec. 9. Minnesota Statutes 2018, section 82B.195, subdivision 2, is amended to read:

61.7 Subd. 2. **Disclosure requirements.** In addition to the requirements of the standards of
61.8 professional appraisal practice as defined by section 82B.021, subdivision 31, an appraiser
61.9 must, prior to performing any appraisal service which requires licensing pursuant to this
61.10 chapter, disclose in writing to the person contracting for the appraisal service the information
61.11 identified in clause (4). In addition, an appraiser must prepare a written disclosure providing
61.12 the information identified in clauses (1) to (13). The written disclosure must be included as
61.13 part of the final written appraisal report. As specified in this subdivision, an appraiser must:

61.14 (1) disclose who has employed the appraiser;

61.15 (2) disclose who the appraisal is rendered for, if not the person who employed the
61.16 appraiser;

61.17 (3) disclose the purpose of the appraisal, including an explanation of the difference
61.18 between the appraisal being given and an appraisal of fee simple market valuation;

61.19 (4) disclose any conflict of interest or situation which might reasonably be perceived to
61.20 be a conflict of interest which must include, but not be limited to, the following situations:

61.21 (i) whether the appraiser has any ownership interest in the subject property or contiguous
61.22 properties;

61.23 (ii) whether there is an ownership interest by a spouse, parent, or child of the appraiser
61.24 in the property or contiguous properties; and

61.25 (iii) whether the appraiser has a continuing business relationship with one of the parties,
61.26 for example, any part-time or full-time employment of the appraiser, spouse, children living
61.27 at home, or dependent children.

61.28 Failure to promptly give notification of a conflict must be considered a violation of the
61.29 standards of professional appraisal practice;

61.30 (5) disclose that the appraisal is a reevaluation and identify the areas of difference
61.31 between the two appraisals and the justification for the changes;

62.1 (6) disclose any facts concerning the valuation needed for loan purposes or similar
62.2 information that was provided to the appraiser before or during the appraisal;

62.3 (7) disclose that the appraiser has not performed appraisals of the type requested or for
62.4 the type of property to be appraised as a regular part of the appraiser's business in the
62.5 preceding five-year period, provided that if the appraiser asserts qualification by training
62.6 or related experience to perform the appraisal, the appraiser must set forth the training or
62.7 experience and how it is applicable to the appraisal;

62.8 (8) disclose the license classification of the appraiser and the types of appraisals that the
62.9 appraiser is authorized to conduct under the licensure;

62.10 (9) disclose any lack of experience or training that would affect the ability of the appraiser
62.11 to perform the appraisal or could cause rejection of the appraisal by the party requiring the
62.12 appraisal;

62.13 (10) disclose any appraisal on the same property made by the appraiser in the last three
62.14 years;

62.15 (11) disclose all pertinent assumptions upon which a valuation based upon income from
62.16 the property is derived such as expected occupancy rates, rental rates, construction of future
62.17 improvements, roads, or highways; and

62.18 ~~(12) prior to performing the appraisal, disclose whether the appraiser has previously~~
62.19 ~~been to the property; and~~

62.20 ~~(13)~~ disclose any other fact or circumstance that could bring the reliability of the appraisal
62.21 or the impartiality of the appraiser into question.

62.22 Sec. 10. Minnesota Statutes 2018, section 82B.21, is amended to read:

62.23 **82B.21 CLASSIFICATION OF SERVICES.**

62.24 A client or employer may retain or employ a licensed real estate appraiser to act as a
62.25 disinterested third party in giving an unbiased estimate of value or analysis; to provide a
62.26 market analysis to facilitate the client's or employer's objectives; ~~or to perform a limited~~
62.27 ~~appraisal~~. The appraisal and the appraisal report must comply with the provisions of this
62.28 chapter and the uniform standards of professional appraisal practice.

63.1 Sec. 11. **REPEALER.**

63.2 Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2;
 63.3 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, and 9; 82B.11, subdivision 2; 82B.12; 82B.13,
 63.4 subdivisions 1a, 3, 4, 5, 6, 7, and 8; 82B.14; and 82B.195, subdivision 3, are repealed.

63.5 Sec. 12. **EFFECTIVE DATE.**

63.6 Sections 1 to 11 are effective January 1, 2020.

63.7 **ARTICLE 8**63.8 **ENERGY POLICY**

63.9 Section 1. Minnesota Statutes 2018, section 116C.7792, is amended to read:

63.10 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

63.11 The utility subject to section 116C.779 shall operate a program to provide solar energy
 63.12 production incentives for solar energy systems of no more than a total aggregate nameplate
 63.13 capacity of 40 kilowatts ~~direct~~ alternating current per premise. The owner of a solar energy
 63.14 system installed before June 1, 2018, is eligible to receive a production incentive under this
 63.15 section for any additional solar energy systems constructed at the same customer location,
 63.16 provided that the aggregate capacity of all systems at the customer location does not exceed
 63.17 40 kilowatts. The program shall be operated for eight consecutive calendar years commencing
 63.18 in 2014. \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the
 63.19 fifth year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth
 63.20 year from funds withheld from transfer to the renewable development account under section
 63.21 116C.779, subdivision 1, paragraphs (b) and (e), and placed in a separate account for the
 63.22 purpose of the solar production incentive program operated by the utility and not for any
 63.23 other program or purpose. Any unspent amount allocated in the fifth year is available until
 63.24 December 31 of the sixth year. Any unspent amount remaining at the end of any other
 63.25 allocation year must be transferred to the renewable development account. The solar system
 63.26 must be sized to less than 120 percent of the customer's on-site annual energy consumption
 63.27 when combined with other distributed generation resources and subscriptions provided
 63.28 under section 216B.1641 associated with the premise. The production incentive must be
 63.29 paid for ten years commencing with the commissioning of the system. The utility must file
 63.30 a plan to operate the program with the commissioner of commerce. The utility may not
 63.31 operate the program until it is approved by the commissioner. A change to the program to
 63.32 include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility
 63.33 to file a plan with the commissioner. Any plan approved by the commissioner of commerce

64.1 must not provide an increased incentive scale over prior years unless the commissioner
64.2 demonstrates that changes in the market for solar energy facilities require an increase.

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

64.4 Sec. 2. Minnesota Statutes 2018, section 216B.1641, is amended to read:

64.5 **216B.1641 COMMUNITY SOLAR GARDEN.**

64.6 (a) The public utility subject to section 116C.779 shall file by September 30, ~~2013~~ 2019,
64.7 a plan with the commission to operate a community solar garden program which shall begin
64.8 operations within 90 days after commission approval of the plan. Upon approval of the
64.9 program required under this section, a program approved under this section before September
64.10 30, 2019, must cease operations, except that a community solar garden for which an
64.11 application is deemed complete under a prior program may continue to operate under that
64.12 program. Other public utilities may file an application at their election. The community
64.13 solar garden program must be designed to offset the energy use of not less than five
64.14 subscribers in each community solar garden facility of which no single subscriber has more
64.15 than a 40 percent interest. The owner of the community solar garden may be a public utility
64.16 or any other entity or organization that contracts to sell the output from the community solar
64.17 garden to the utility under section 216B.164. ~~There shall be no limitation on the number or~~
64.18 ~~cumulative generating capacity of community solar garden facilities other than the limitations~~
64.19 ~~imposed under section 216B.164, subdivision 4c, or other limitations provided in law or~~
64.20 ~~regulations.~~ The public utility must accept qualified proposals for community solar gardens
64.21 each year in a form and on a schedule specified in the program approved by the commission.
64.22 The public utility subject to this section may submit qualified proposals to the program.

64.23 (b) The public utility must submit evaluations of all qualified proposals to the
64.24 commission, along with recommendations regarding which qualified proposals should be
64.25 accepted. The commission must select the qualified proposals the public utility must accept.
64.26 The qualified proposals with the lowest cost to the public utility's customers must be selected.
64.27 The total nameplate capacity of qualified proposals selected by the commission must not
64.28 exceed 25 megawatts per year.

64.29 (c) A solar garden is a facility that generates electricity by means of a ground-mounted
64.30 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the
64.31 electricity generated in proportion to the size of their subscription. The solar garden must
64.32 have a nameplate capacity of no more than one megawatt. When determining the size of a
64.33 community solar garden under this paragraph, the nameplate capacity of the community

65.1 solar garden must be combined with the nameplate capacity of any other community solar
 65.2 garden that:

65.3 (1) is constructed within the same 12-month period as the community solar garden; and

65.4 (2) exhibits characteristics indicating a single development with the community solar
 65.5 garden, including but not limited to ownership structure, shared interconnection, revenue
 65.6 sharing arrangements, and common debt or equity financing.

65.7 Each subscription shall be sized to represent at least 200 watts of the community solar
 65.8 garden's generating capacity and to supply, when combined with other distributed generation
 65.9 resources serving the premises, no more than 120 percent of the average annual consumption
 65.10 of electricity by each subscriber at the premises to which the subscription is attributed.

65.11 ~~(e)~~ (d) The solar generation facility must be located in the service territory of the public
 65.12 utility filing the plan. Subscribers must be retail customers of the public utility located in
 65.13 the same county or a county contiguous to where the facility is located.

65.14 ~~(d)~~ (e) The public utility must purchase from the community solar garden all energy
 65.15 generated by the community solar garden. The purchase shall be at the rate ~~calculated under~~
 65.16 ~~section 216B.164, subdivision 10, or, until that rate for the public utility has been approved~~
 65.17 ~~by the commission, the applicable retail rate. A solar garden is eligible for any incentive~~
 65.18 ~~programs offered under either section 116C.7792 or section 216C.415 proposed in the~~
 65.19 qualified proposal submitted under paragraph (a). A subscriber's portion of the purchase
 65.20 shall be provided by a credit on the subscriber's bill. Notwithstanding any other provision
 65.21 of law, the commission must not increase the rate paid for energy from the community solar
 65.22 garden from the amount contained in the proposal.

65.23 ~~(e)~~ (f) The commission may approve, disapprove, or modify a community solar garden
 65.24 program. Any plan approved by the commission must:

65.25 (1) reasonably allow for the creation, financing, and accessibility of community solar
 65.26 gardens;

65.27 (2) establish uniform standards, fees, and processes for the interconnection of community
 65.28 solar garden facilities that allow the public utility to recover reasonable interconnection
 65.29 costs for each community solar garden;

65.30 (3) not apply different requirements to utility and nonutility community solar garden
 65.31 facilities;

65.32 (4) be consistent with the public interest;

- 66.1 (5) identify the information that must be provided to potential subscribers to ensure fair
66.2 disclosure of future costs and benefits of subscriptions;
- 66.3 (6) include a program implementation schedule;
- 66.4 (7) identify all proposed rules, fees, and charges; ~~and~~
- 66.5 (8) identify the means by which the program will be promoted;
- 66.6 (9) certify that the following information is contained in any promotional materials
66.7 developed by the solar garden owner or the utility purchasing the solar garden's generation
66.8 and is provided separately in writing to prospective subscribers at least 15 days prior to the
66.9 date a contract is entered into by the subscriber and the community solar garden owner:
- 66.10 (i) an estimate of the annual generation of electricity by the community solar garden,
66.11 calculated using the formula developed by the commission under paragraph (l);
- 66.12 (ii) an estimate of the length of time required to fully recover a subscriber's initial
66.13 lump-sum payments made to the owner of the solar garden prior to the delivery of electricity
66.14 to the subscriber by the solar garden, calculated using the formula developed by the
66.15 commission under paragraph (l); and
- 66.16 (iii) a commission-approved, standardized method for calculating the effect of future
66.17 electricity prices on community solar garden subscriptions based on the average residential
66.18 customer electric bill;
- 66.19 (10) require a solar garden owner to provide to prospective subscribers a completed
66.20 community solar garden subscriber disclosure checklist standard form at least 15 days prior
66.21 to the date a contract is entered into by the subscriber and the community solar garden
66.22 owner. The disclosure checklist shall include the following statement, in at least 12 point
66.23 type "utility rates and other federal, state, or local tax subsidies are subject to change. These
66.24 changes cannot be accurately predicted. Projected savings from your solar power subscription
66.25 are, therefore, subject to change;
- 66.26 (11) certify that the utility and the solar garden owner must submit copies of all marketing
66.27 and promotional material and sample contracts to the commission, and that the materials
66.28 are updated periodically;
- 66.29 (12) certify that the solar garden owner has placed sufficient financial resources into an
66.30 escrow account in order to reimburse subscribers for any financial losses incurred if the
66.31 project fails to meet the contract provisions;

67.1 (13) provide a mechanism for subscribers to transfer subscriptions to other new or current
 67.2 subscribers, or to cancel subscriptions for a full refund;

67.3 (14) require a solar garden owner and the utility purchasing electricity generated by the
 67.4 solar garden to forward customer complaints regarding the operation and administration of
 67.5 the solar garden to the commission;

67.6 (15) require that the contract between a subscriber and the solar garden owner contains
 67.7 a warranty for a minimum level of electricity to be delivered to the subscriber from the
 67.8 community garden; and

67.9 (16) reflect the commission's determination that:

67.10 (i) the plan is financially viable; and

67.11 (ii) the contract between a subscriber and the solar garden owner is fair, reasonable, and
 67.12 not discriminatory.

67.13 ~~(f)~~ (g) Notwithstanding any other law, neither the manager of nor the subscribers to a
 67.14 community solar garden facility shall be considered a utility solely as a result of their
 67.15 participation in the community solar garden facility.

67.16 ~~(g)~~ (h) Within 180 days of commission approval of a plan under this section, a public
 67.17 utility shall begin crediting subscriber accounts for each community solar garden facility
 67.18 in its service territory, and shall file with the commissioner of commerce a description of
 67.19 its crediting system.

67.20 (i) The nonprofit partnership established under section 216C.385, must develop a
 67.21 community solar garden subscriber disclosure checklist standard form for use under paragraph
 67.22 (f), clause (10).

67.23 (j) The commission shall require a community solar garden developer to submit a
 67.24 registration form. A registration form shall include:

67.25 (1) the name, street address, mailing address, electronic mail address, and telephone
 67.26 number of the registrant;

67.27 (2) the name and contact information of any registered agency or any person designated
 67.28 by the registrant to receive notices and other communications from the commission;

67.29 (3) the name, address, and title of each officer or director;

67.30 (4) if the company is publicly traded, the company's most recent annual report filed with
 67.31 the United States Securities and Exchange Commission;

68.1 (5) if the company is not publicly traded, the company's current balance sheet;

68.2 (6) a statement describing each jurisdiction where the registrant or its affiliate operates;

68.3 and

68.4 (7) any other information required by the commission.

68.5 The commission may reject an application that does not contain all of the information

68.6 required by this paragraph. The commission must approve or deny any application for

68.7 registration within 30 days of receiving the application. The commission may suspend or

68.8 revoke a registration and impose fees or penalties upon complaint by any interested party

68.9 or upon the commission's own motion after notice and opportunity for hearing. A community

68.10 solar garden developer registered under this paragraph must cooperate with commission

68.11 hearings and proceedings regarding customer complaints. A registered community solar

68.12 garden developer shall keep confidential customer-specific or private information relating

68.13 to the customer's electricity usage, financial situation, credit history, and other

68.14 residence-specific information obtained to implement the subscription contract.

68.15 ~~(h)~~ (k) For the purposes of this section, the following terms have the meanings given:

68.16 (1) "subscriber" means a retail customer of a public utility who owns one or more

68.17 subscriptions of a community solar garden facility interconnected with that public utility;

68.18 ~~and~~

68.19 (2) "subscription" means a contract between a subscriber and the owner of a solar garden;

68.20 and

68.21 (3) "qualified proposal" means a proposal that meets the requirements of the community

68.22 solar garden program approved by the commission and that:

68.23 (i) provides evidence the proposer is able to construct, own, and operate the community

68.24 solar garden for its proposed life;

68.25 (ii) delivers at least 60 percent of the energy generated by the community solar garden

68.26 facility to residential customers;

68.27 (iii) includes a plan to seek low-income residential customers in the community solar

68.28 garden;

68.29 (iv) provides a firm rate that customers of the public utility must pay for energy from

68.30 the community solar garden for the life of the community solar garden; and

68.31 (v) describes any benefits the community solar garden provides to the public utility, the

68.32 public utility's customers, the electric utility grid, the environment, and Minnesota.

69.1 (l) By July 30, 2019, the commission must develop a formula to be used by all solar
 69.2 garden owners to estimate the annual amount of electricity generated by the solar garden.

69.3 (m) By July 30, 2019, the commission must develop a formula used by all solar garden
 69.4 owners to estimate the length of time required to fully recover a subscriber's lump-sum
 69.5 payments made to the solar garden owner prior to the delivery of electricity to the subscriber
 69.6 by the solar garden.

69.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 69.8 applies to any plan submitted to the commission for approval on or after that date.

69.9 Sec. 3. Minnesota Statutes 2018, section 216B.1691, subdivision 1, is amended to read:

69.10 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
 69.11 technology" means an energy technology that generates electricity from the following
 69.12 renewable energy sources:

69.13 (1) solar;

69.14 (2) wind;

69.15 (3) hydroelectric ~~with a capacity of less than 100 megawatts;~~

69.16 (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from
 69.17 the resources listed in this paragraph; or

69.18 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester
 69.19 system; the predominantly organic components of wastewater effluent, sludge, or related
 69.20 by-products from publicly owned treatment works, but not including incineration of
 69.21 wastewater sludge to produce electricity; and an energy recovery facility used to capture
 69.22 the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal
 69.23 solid waste as a primary fuel.

69.24 (b) "Electric utility" means a public utility providing electric service, a generation and
 69.25 transmission cooperative electric association, a municipal power agency, or a power district.

69.26 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by
 69.27 an electric utility to retail customers of the electric utility or to a distribution utility for
 69.28 distribution to the retail customers of the distribution utility. "Total retail electric sales"
 69.29 does not include the sale of hydroelectricity supplied by a federal power marketing
 69.30 administration or other federal agency, regardless of whether the sales are directly to a
 69.31 distribution utility or are made to a generation and transmission utility and pooled for further
 69.32 allocation to a distribution utility.

70.1 Sec. 4. Minnesota Statutes 2018, section 216B.243, subdivision 3b, is amended to read:

70.2 Subd. 3b. ~~Nuclear power plant; new construction prohibited; relicensing~~ **Additional**
 70.3 **storage of spent nuclear fuel.** ~~(a) The commission may not issue a certificate of need for~~
 70.4 ~~the construction of a new nuclear-powered electric generating plant.~~

70.5 ~~(b)~~ Any certificate of need for additional storage of spent nuclear fuel for a facility
 70.6 seeking a license extension shall address the impacts of continued operations over the period
 70.7 for which approval is sought.

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

70.9 Sec. 5. Minnesota Statutes 2018, section 216C.435, subdivision 3a, is amended to read:

70.10 Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements"
 70.11 mean:

70.12 (1) any new construction, renovation, or retrofitting of ~~(i)~~ qualifying commercial real
 70.13 property to improve energy efficiency that is permanently affixed to the property, results
 70.14 in a net reduction in energy consumption without altering the principal source of energy,
 70.15 and has been identified in an energy audit as repaying the purchase and installation costs
 70.16 in 20 years or less, based on the amount of future energy saved and estimated future energy
 70.17 prices; ~~or~~

70.18 ~~(ii)~~ (2) any renovation or retrofitting of qualifying residential real property that is
 70.19 permanently affixed to the property and is eligible to receive an incentive through a program
 70.20 offered by the electric or natural gas utility that provides service under section 216B.241
 70.21 to the property or is otherwise determined to be a cost-effective energy improvement by
 70.22 the commissioner under section 216B.241, subdivision 1d, paragraph (a);

70.23 ~~(2)~~ (3) permanent installation of new or upgraded electrical circuits and related equipment
 70.24 to enable electrical vehicle charging; or

70.25 ~~(3)~~ (4) a solar voltaic or solar thermal energy system attached to, installed within, or
 70.26 proximate to a building that generates electrical or thermal energy from a renewable energy
 70.27 source that has been identified in an energy audit or renewable energy system feasibility
 70.28 study as repaying their purchase and installation costs in 20 years or less, based on the
 70.29 amount of future energy saved and estimated future energy prices.

71.1 Sec. 6. Minnesota Statutes 2018, section 216C.435, subdivision 8, is amended to read:

71.2 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
71.3 means a multifamily residential dwelling, or a commercial or industrial building, that the
71.4 implementing entity has determined, after review of an energy audit or renewable energy
71.5 system feasibility study, can be benefited by installation of cost-effective energy
71.6 improvements. Qualifying commercial real property includes new construction.

71.7 Sec. 7. Minnesota Statutes 2018, section 216C.436, subdivision 4, is amended to read:

71.8 Subd. 4. **Financing terms.** Financing provided under this section must have:

71.9 (1) a cost-weighted average maturity not exceeding the useful life of the energy
71.10 improvements installed, as determined by the implementing entity, but in no event may a
71.11 term exceed 20 years;

71.12 (2) a principal amount not to exceed the lesser of:

71.13 (i) the greater of 20 percent of the assessed value of the real property on which the
71.14 improvements are to be installed or 20 percent of the real property's appraised value, accepted
71.15 or approved by the mortgage lender; or

71.16 (ii) the actual cost of installing the energy improvements, including the costs of necessary
71.17 equipment, materials, and labor, the costs of each related energy audit or renewable energy
71.18 system feasibility study, and the cost of verification of installation; and

71.19 (3) an interest rate sufficient to pay the financing costs of the program, including the
71.20 issuance of bonds and any financing delinquencies.

71.21 Sec. 8. Minnesota Statutes 2018, section 216C.436, is amended by adding a subdivision
71.22 to read:

71.23 Subd. 10. **Improvements; real property or fixture.** A cost-effective energy improvement
71.24 financed under a PACE loan program, including all equipment purchased in whole or in
71.25 part with loan proceeds under a loan program, is deemed real property or a fixture attached
71.26 to the real property.

72.1 Sec. 9. Laws 2017, chapter 94, article 10, section 28, is amended to read:

72.2 Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
72.3 **THERMAL REBATES.**

72.4 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner
72.5 of a solar thermal system whose application was approved by the commissioner of commerce
72.6 after the effective date of this act.

72.7 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,
72.8 section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable
72.9 development account established under Minnesota Statutes 2016, section 116C.779,
72.10 subdivision 1.

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

72.12 Sec. 10. Laws 2017, chapter 94, article 10, section 29, is amended to read:

72.13 Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**
72.14 **UNEXPENDED GRANT FUNDS.**

72.15 (a) No later than 30 days after the effective date of this section, the utility subject to
72.16 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person
72.17 who received a grant funded from the renewable development account previously established
72.18 under that subdivision:

72.19 (1) after January 1, 2012; and

72.20 (2) before January 1, 2012, if the funded project remains incomplete as of the effective
72.21 date of this section.

72.22 The notice must contain the provisions of this section and instructions directing grant
72.23 recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~
72.24 renewable development account.

72.25 (b) A recipient of a grant from the renewable development account previously established
72.26 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after
72.27 receiving the notice required under paragraph (a), transfer any grant funds that remain
72.28 unexpended as of the effective date of this section to the ~~clean energy advancement fund~~
72.29 renewable development account if, by that effective date, all of the following conditions
72.30 are met:

72.31 (1) the grant was awarded more than five years before the effective date of this section;

73.1 (2) the grant recipient has failed to obtain control of the site on which the project is to
73.2 be constructed;

73.3 (3) the grant recipient has failed to secure all necessary permits or approvals from any
73.4 unit of government with respect to the project; and

73.5 (4) construction of the project has not begun.

73.6 (c) A recipient of a grant from the renewable development account previously established
73.7 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds
73.8 that remain unexpended five years after the grant funds are received by the grant recipient
73.9 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant
73.10 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary
73.11 of the receipt of the grant funds.

73.12 (d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable
73.13 development account under this section is eligible to apply for funding from the ~~clean energy~~
73.14 ~~advancement fund~~ renewable development account.

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

73.16 Sec. 11. **DEPARTMENT OF COMMERCE; USE OF APPROPRIATIONS;**
73.17 **PROHIBITION.**

73.18 The commissioner of commerce is prohibited from using appropriations to the Department
73.19 of Commerce to fund any activities related to, or supporting the preparation or filing of, an
73.20 appeal of a Public Utilities Commission order issuing a certificate of need in Docket No.
73.21 PL-9/CN-14-916 to the court of appeals or supreme court.

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

73.23 **ARTICLE 9**

73.24 **CONSERVATION IMPROVEMENT PROGRAMS**

73.25 Section 1. **[216B.2402] CONSERVATION IMPROVEMENT PROGRAMS FOR**
73.26 **CONSUMER-OWNED UTILITIES.**

73.27 Subdivision 1. **Definitions.** For the purpose of this section, the terms defined in this
73.28 subdivision have the meanings given to them:

73.29 (a) "Consumer-owned utility" means a municipal gas utility, a municipal electric utility,
73.30 or a cooperative electric association.

74.1 (b) "Cumulative lifetime savings" means the total electric energy or natural gas savings
74.2 in a given year from energy conservation improvements installed that year or in previous
74.3 years that are still operational and providing savings in that year because the measures have
74.4 not reached the end of their useful lives.

74.5 (c) "Efficient electrification or conversion improvement" means a project that (1) results
74.6 in converting a customer from use of a fuel to the use of electric energy or natural gas sold
74.7 at retail by a utility subject to this section, resulting in a net increase of the use of electric
74.8 energy or natural gas and a net decrease in energy consumption overall on a fuel-neutral
74.9 basis, and (2) otherwise meets the criteria established in subdivision 8. An efficient
74.10 electrification improvement requires the installation of equipment that utilizes electric energy
74.11 or natural gas, resulting in a reduction or elimination of use of the previous fuel.

74.12 (d) "Electric utility infrastructure projects" means projects owned by a consumer-owned
74.13 utility that replace or modify existing electric utility infrastructure, including utility-owned
74.14 buildings, if the replacement or modification conserves energy or uses energy more
74.15 efficiently.

74.16 (e) "Energy conservation" means an action that results in a net reduction in electric
74.17 energy or natural gas consumption.

74.18 (f) "Energy conservation improvement" means a project that results in energy efficiency
74.19 or energy conservation. Energy conservation improvement may include waste heat that is
74.20 recovered and converted into electricity, but does not include electric utility infrastructure
74.21 projects approved by the commission under section 216B.1636. Energy conservation
74.22 improvement includes waste heat recovered and used as thermal energy.

74.23 (g) "Energy efficiency" means measures or programs, including energy conservation
74.24 measures or programs, that target consumer behavior, equipment, processes, or devices
74.25 designed to produce either an absolute decrease in consumption of electric energy or natural
74.26 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
74.27 basis, without a reduction in the quality level of service provided to the energy consumer.

74.28 (h) "Fuel" means energy consumed by a retail utility customer. Fuel includes electricity,
74.29 propane, natural gas, heating oil, gasoline, or diesel fuel.

74.30 (i) "Fuel neutral" means an approach that compares the use of various fuels for a given
74.31 end use, using a common metric.

74.32 (j) "Gross annual retail energy sales" means the total annual sale of electric to all retail
74.33 customers in a utility's or association's Minnesota service territory or, natural gas throughput

75.1 to all retail customers, including natural gas transportation customers, on a utility's
75.2 distribution system in Minnesota. Gross annual retail energy sales does not include:

75.3 (1) gas sales to:

75.4 (i) a large energy facility;

75.5 (ii) a large customer facility whose natural gas utility has been exempted by the
75.6 commissioner under subdivision 13, with respect to natural gas sales made to the large
75.7 customer facility; and

75.8 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
75.9 the commissioner under subdivision 13, with respect to natural gas sales made to the
75.10 commercial gas customer facility;

75.11 (2) electric sales to a large customer facility whose electric utility has been exempted
75.12 by the commissioner under subdivision 13, with respect to electric sales made to the large
75.13 facility; and

75.14 (3) increased electric or natural gas sales from efficient electrification or conversion
75.15 caused by a utility program.

75.16 (k) "Large customer facility" means all buildings, structures, equipment, and installations
75.17 at a single site that collectively (1) impose a peak electrical demand on an electric utility's
75.18 system of at least 20,000 kilowatts, measured in the same way as the utility that serves the
75.19 customer facility measures electric demand for billing purposes, or (2) consume at least
75.20 500,000,000 cubic feet of natural gas annually. When calculating peak electrical demand,
75.21 a large customer facility may include demand offset by on-site cogeneration facilities and,
75.22 if engaged in mineral extraction, may aggregate peak energy demand from the large customer
75.23 facility's mining processing operations.

75.24 (l) "Large energy facility" has the meaning given it in section 216B.2421, subdivision
75.25 2, clause (1).

75.26 (m) "Load management" means an activity, service, or technology to change the timing
75.27 or the efficiency of a customer's use of energy that allows a utility or a customer to respond
75.28 to local and regional energy system conditions, or to reduce peak demand for electric energy
75.29 or natural gas. Load management that reduces overall energy use is also energy conservation.

75.30 (n) "Low-income programs" means energy conservation improvement programs that
75.31 directly serve the needs of low-income persons, including low-income renters and entities
75.32 that serve low-income customers."Low-income" is defined as 60 percent of state median
75.33 income, notwithstanding the criteria established in subdivision 5, paragraph (e). Multifamily

76.1 buildings of five units or more that are rented by low-income persons are eligible to be
76.2 served through low-income programs, which may include the upgrading of appliances,
76.3 heating and air conditioning equipment, and building envelope improvements.

76.4 (o) "Member" has the meaning given to it in section 308B.005, subdivision 15.

76.5 (p) "Qualifying utility" means a utility that supplies energy to a customer that enables
76.6 the customer to qualify as a large customer facility.

76.7 (q) "Source energy" means the total amount of fuel required for a given purpose,
76.8 considering energy losses in the production, transmission, and delivery of that energy.

76.9 (r) "Waste heat recovered and used as thermal energy" means capturing heat energy that
76.10 would be exhausted or dissipated to the environment from machinery, buildings, or industrial
76.11 processes, and productively using the recovered thermal energy where it is used to reduce
76.12 demand-side consumption of natural gas, electric energy, or both.

76.13 (s) "Waste heat recovery converted into electricity" means an energy recovery process
76.14 that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines
76.15 or manufacturing or industrial processes, or the reduction of high pressure in water or gas
76.16 pipelines.

76.17 Subd. 2. **Applicability.** This section applies to:

76.18 (1) a cooperative electric association that provides retail service to more than 5,000
76.19 members;

76.20 (2) a municipality that provides electric service to more than 1,000 retail customers; and

76.21 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales
76.22 to natural gas retail customers.

76.23 Subd. 3. **Savings goal.** (a) Each individual consumer-owned utility subject to this section
76.24 has an annual energy savings goal equivalent to 1.5 percent of gross annual retail energy
76.25 sales.

76.26 (b) A consumer-owned utility's savings goal is satisfied when the consumer-owned
76.27 utility achieves a savings equivalent of at least three-quarters of one percent of the
76.28 consumer-owned utility's gross annual retail energy sales from energy conservation
76.29 improvements, and up to three-quarters of one percent from the following utility activities:

76.30 (1) energy savings from additional energy conservation improvements;

76.31 (2) electric utility infrastructure projects;

77.1 (3) net energy savings from efficient electrification and conversion improvements that
77.2 meet the criteria under subdivision 8; or

77.3 (4) CIP solar rebates that meet the criteria provided under subdivision 9.

77.4 (c) The energy savings goals specified must be calculated based on the most recent
77.5 three-year, weather-normalized average. When determining compliance with this subdivision,
77.6 a consumer-owned utility may elect to average annual energy savings over a period not to
77.7 exceed five years, as specified in the plan filed under subdivision 4. A consumer-owned
77.8 utility that uses annual plans may carry forward for up to five years any energy savings
77.9 exceeding 1.5 percent in a single year.

77.10 (d) Nothing in this subdivision limits a utility's ability to report and recognize savings
77.11 in excess of three-quarters of one percent of the utility's gross annual retail energy sales
77.12 generated under paragraph (b), clauses (1), (2), and (3), provided the utility has satisfied
77.13 the three-quarters of one percent savings required under paragraph (b).

77.14 (e) A consumer-owned utility subject to this section is not required to make energy
77.15 conservation improvements that are not cost-effective, even if the improvement is necessary
77.16 to attain the energy savings goal.

77.17 (f) A consumer-owned utility may request that the commissioner adjust its annual energy
77.18 savings goal based on its historical conservation investment experience, customer class
77.19 makeup, load growth, a conservation potential study, impact on utility revenue that threatens
77.20 necessary system investment, or other factors the commissioner and consumer-owned utility
77.21 determines warrants an adjustment. The commissioner must adjust the savings goal to a
77.22 level the commissioner determines is supported by the record.

77.23 **Subd. 4. Consumer-owned utility; energy conservation and optimization plans. (a)**
77.24 By June 1, 2021, each consumer-owned utility must file an energy conservation and
77.25 optimization plan with the commissioner. The plan must identify and outline the utility's
77.26 intended conservation improvement program, efficient electrification or conversion
77.27 improvement plans, load management plans, and other processes and programs to achieve
77.28 the energy savings goal. The plan may cover a period of time not to exceed five years. For
77.29 plans with a duration greater than one year, the consumer-owned utility's plan may include
77.30 years where the consumer-owned utility may not achieve the annual savings goal, provided
77.31 the total savings at the end of the plan meets, at a minimum, the otherwise applicable annual
77.32 savings goal for the utility. Beginning June 1, 2022, and each June 1 thereafter, each
77.33 consumer-owned utility must file an annual update identifying the status of, including total
77.34 expenditures and investments made to date, and any intended changes to its multiyear plan

78.1 filed under this subdivision. For consumer-owned utilities whose plans were completed the
78.2 prior June 1, a summary of the plan's result must be filed. A summary for a completed plan's
78.3 result must also be filed. The summary for a completed plan must include: (1) the total
78.4 savings achieved under the plan; (2) a breakdown of total expenditures and investments
78.5 made; and (3) a brief discussion regarding where the utility achieved the greatest savings
78.6 and, if areas exist where savings were less than anticipated under the plan, where the shortage
78.7 occurred and what the suspected reason for the shortage is. For consumer-owned utilities
78.8 that fall short of the total applicable savings goal, the final report or update on that plan
78.9 must indicate where the actual savings differed from anticipated savings, any known reasons
78.10 for the shortfall, and any identified changes that utility will make in future plans filed under
78.11 this subdivision to reach the identified savings goal. A consumer-owned utility must file a
78.12 new plan under this paragraph by June 1 of the year following the completion of the
78.13 consumer-owned utility's most recently completed plan.

78.14 (b) Energy savings from electric utility infrastructure projects or waste heat recovery
78.15 converted into electricity projects that may count as energy savings may be included in a
78.16 plan submitted under paragraph (a). A consumer-owned electric facility's infrastructure
78.17 project must result in increased energy efficiency greater than would have occurred during
78.18 normal maintenance activities.

78.19 (c) Energy savings from thermal-to-electric efficient electrification or conversion
78.20 improvement programs must be stated in kilowatt-hours, using a conversion rate of 3,412
78.21 British thermal units to one kilowatt-hour.

78.22 (d) A consumer-owned utility must not spend or invest in energy conservation
78.23 improvements that directly benefit large energy facility or a large electric customer facility
78.24 the commissioner has issued an exemption to under subdivision 13.

78.25 (e) A generation and transmission cooperative electric association, a municipal power
78.26 agency, or a comparable organization that provides energy services to consumer-owned
78.27 utilities may invest in energy conservation improvements on behalf of the consumer-owned
78.28 utilities it serves and may fulfill all aspects of the conservation, reporting, and energy-saving
78.29 goals for any of the consumer-owned utilities on an aggregate basis.

78.30 Subd. 5. **Low-income programs.** (a) Each consumer-owned utility subject to this section
78.31 must provide low-income energy conservation programs. When approving spending and
78.32 energy-savings goals for low-income energy conservation programs, the consumer-owned
78.33 utility must consider historic spending and participation levels, energy savings for low-income
78.34 programs, and the number of low-income persons residing in the utility's service territory.

79.1 A municipal utility that furnishes gas service must spend at least 0.2 percent off its most
79.2 recent three-year average gross operating revenue from residential customers in Minnesota
79.3 on low-income programs. A consumer-owned utility that furnishes electric service must
79.4 spend at least 0.2 percent of its gross operating revenue from residential customers in
79.5 Minnesota on low-income programs. This requirement applies to each generation and
79.6 transmission cooperative association's members' aggregate gross operating revenue from
79.7 the sale of electricity to residential customers in Minnesota.

79.8 (b) To meet the requirements of paragraph (a), a consumer-owned utility may contribute
79.9 money to the energy and conservation account in section 216B.241, subdivision 2a. An
79.10 energy conservation improvement plan must state the amount, if any, of low-income energy
79.11 conservation improvement funds the utility plans to contribute to the energy and conservation
79.12 account. Contributions must be remitted to the commissioner by February 1 each year.

79.13 (c) The commissioner must establish low-income programs to use money contributed
79.14 to the energy and conservation account under paragraph (b). When establishing low-income
79.15 programs, the commissioner must consult political subdivisions, utilities, and nonprofit and
79.16 community organizations, including organizations engaged in providing energy and
79.17 weatherization assistance to low-income persons. Money contributed to the energy and
79.18 conservation account under paragraph (b) must provide programs for low-income persons,
79.19 including low-income renters, located in the service territory of the utility or association
79.20 providing the money. The commissioner must record and report expenditures and energy
79.21 savings achieved as a result of low-income programs funded through the energy and
79.22 conservation account in the report required under section 216B.241, subdivision 1c, paragraph
79.23 (g). The commissioner may contract with a political subdivision, nonprofit or community
79.24 organization, public utility, municipality, or cooperative electric association to implement
79.25 low-income programs funded through the energy and conservation account.

79.26 (d) A consumer-owned utility may petition the commissioner to modify its required
79.27 spending under this subdivision if the utility and the commissioner were unable to expend
79.28 the amount required for three consecutive years.

79.29 (e) For purposes of this subdivision, "multifamily building" is defined as a residential
79.30 building with five or more dwelling units. For purposes of determining eligibility for
79.31 multifamily buildings in low-income programs, a utility or association may use one or more
79.32 of the following:

79.33 (1) information showing that a multifamily building's units are rented to households
79.34 meeting one or more of the following criteria:

80.1 (i) at or below 200 percent of federal poverty level;

80.2 (ii) at or below 60 percent of area median income;

80.3 (iii) occupancy within a building that is certified on the low-income renter classification
80.4 (LIRC) assessor report compiled annually by the Minnesota Housing Finance Agency; or

80.5 (iv) occupancy within a building which has a declaration against the property requiring
80.6 that a portion of the units will be rented to tenants with an annual income of less than or
80.7 equal to 60 percent of area median income;

80.8 (2) a property's participation in an affordable housing program, including Low-Income
80.9 Housing Tax Credits (LIHTC), United States Department of Housing and Urban Development
80.10 (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing
80.11 finance agency assistance, or local tax abatement for low-income properties; or

80.12 (3) documentation demonstrating that the property is on the waiting list for or currently
80.13 participating in the United States Department of Energy Weatherization Assistance Program.

80.14 Subd. 6. **Recovery of expenses.** The commission must allow a cooperative electric
80.15 association subject to rate regulation under section 216B.026 to recover expenses resulting
80.16 from (1) a plan under this subdivision, and (2) assessments and contributions to the energy
80.17 and conservation account under section 216B.241, subdivision 2a.

80.18 Subd. 7. **Ownership of energy conservation improvement.** An energy conservation
80.19 improvement to or installed in a building under this section, except systems owned by the
80.20 consumer-owned utility and designed to turn off, limit, or vary the delivery of energy, is
80.21 the exclusive property of the building owner, except to the extent that the improvement is
80.22 subject to a security interest in favor of the utility in case of a loan to the building owner.
80.23 The utility has no liability for loss, damage, or injury caused directly or indirectly by an
80.24 energy conservation improvement, except for negligence by the utility in purchase,
80.25 installation, or modification of the product.

80.26 Subd. 8. **Criteria for efficient electrification or conversion improvements and load**
80.27 **management.** (a) Each consumer-owned utility subject to this section may form a technical
80.28 consumer-owned utility working group to define and establish proposed programs for
80.29 efficient electrification or conversion improvements and load management. A proposed
80.30 program may be included in an energy conservation and optimization plan filed by the
80.31 consumer-owned utility under subdivision 4. The technical consumer-owned utility working
80.32 group may approve a proposed program for efficient electrification or conversion

81.1 improvements if it finds the investment is cost-effective after considering the costs and
 81.2 benefits of the proposed investment to rate payers, the utility, participants, and society.

81.3 (b) The commission may permit a consumer-owned utility subject to rate regulation to
 81.4 file rate schedules providing for annual recovery of the costs of (1) efficient electrification
 81.5 or conversion improvement programs, and (2) cost-effective load management approved
 81.6 by the technical consumer-owned utility working group under subdivision 6, including
 81.7 reasonable and prudent costs associated with promoting and implementing a program
 81.8 approved under this subdivision.

81.9 (c) An efficient electrification or conversion improvement is deemed efficient if the
 81.10 technical consumer-owned utility working group finds the improvement, relative to the fuel
 81.11 that is being displaced:

81.12 (1) results in a net reduction in the cost and amount of source energy consumed for a
 81.13 particular use, measured on a fuel-neutral basis;

81.14 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
 81.15 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient electrification
 81.16 or conversion improvement installed by an electric utility, the reduction in emissions must
 81.17 be measured based on the emissions profile of the utility or the utility's wholesale provider
 81.18 over the life of the improvement. Where applicable, the emissions profile used must be the
 81.19 most recent resource plan accepted by the commission under section 216B.2422;

81.20 (3) is cost-effective from a societal perspective, considering the costs associated with
 81.21 both the fuel used in the past and the fuel used in the future; and

81.22 (4) is planned to be installed and operated in a manner that does not unduly increase the
 81.23 utility's system peak demand or require significant new investment in utility infrastructure.

81.24 Subd. 9. **Criteria for CIP solar rebates.** (a) Each consumer-owned utility subject to
 81.25 this section may claim energy savings credit equal to the amount of energy produced by
 81.26 solar photovoltaic facilities for which the utility has issued a CIP solar rebate. For purposes
 81.27 of this section, a "CIP solar rebate" is a payment from a utility subject to this section to a
 81.28 customer for the purchase or installation of solar photovoltaic equipment used on the
 81.29 customer's premise.

81.30 (b) The total solar photovoltaic generation system annual energy production kilowatt
 81.31 hours alternating current is limited to 100 percent of the customer's on-site annual electric
 81.32 energy consumption based on standard 15-minute intervals, measured during the previous
 81.33 12 calendar months, or on a reasonable estimate of the average monthly maximum demand

82.1 or average annual consumption if the customer has either: (1) less than 12 calendar months
82.2 of actual electric usage; or (2) no demand metering available.

82.3 Subd. 10. **Manner of filing and service.** (a) A consumer-owned utility must submit the
82.4 filings required by this section to the department using the department's electronic filing
82.5 system. The commissioner may exempt a consumer-owned utility from this requirement if
82.6 the utility is unable to submit filings using the department's electronic filing system. All
82.7 other interested parties must submit filings to the department using the department's electronic
82.8 filing system whenever practicable, but may also file by personal delivery or by mail.

82.9 (b) The submission of a document to the department's electronic filing system constitutes
82.10 service on the department. If a department rule requires service of a notice, order, or other
82.11 document by the department, utility, or interested party upon persons on a service list
82.12 maintained by the department, service may be made by personal delivery, mail, or electronic
82.13 service, except that electronic service may only be made to persons on the service list that
82.14 have previously agreed in writing to accept electronic service at an electronic address
82.15 provided to the department for electronic service purposes.

82.16 Subd. 11. **Assessment.** (a) The commission or department may assess utilities subject
82.17 to this section to carry out the purposes of section 216B.241, subdivision 1d. An assessment
82.18 under this paragraph must be proportionate to the utility's respective gross operating revenue
82.19 from sales of gas or electric service in Minnesota during the previous calendar year.

82.20 (b) The commission or department may annually assess a utility subject to this section
82.21 to carry out the purposes of section 216B.241, subdivisions 1e and 1f, upon notice from the
82.22 utility of its desire to continue the assessment. An assessment under this paragraph must be
82.23 proportionate to the utility's respective gross revenue from sales of gas or electric service
82.24 in Minnesota during the previous calendar year. Assessments under this paragraph are not
82.25 subject to the cap on assessments provided by section 216B.62, or any other law.

82.26 Subd. 12. **Waste heat recovery; thermal energy distribution.** Subject to department
82.27 approval, demand-side natural gas or electric energy displaced by use of waste heat recovered
82.28 and used as thermal energy, including the recovered thermal energy from a cogeneration
82.29 or combined heat and power facility, is eligible to be counted toward a consumer-owned
82.30 utility's natural gas or electric savings goals.

82.31 Subd. 13. **Large customer facilities.** (a) The owner of a large customer facility may
82.32 petition the commissioner to exempt municipal electric utilities, municipal gas utilities, and
82.33 cooperative electric associations serving the large customer facility from the investment
82.34 and expenditure requirements of the municipal electric utility, municipal gas utility, or

83.1 cooperative electric association's plan under this section with respect to retail revenues
83.2 attributable to the large customer facility. The filing must include a discussion of the
83.3 competitive or economic pressures facing the owner of the facility and the efforts taken to
83.4 identify, evaluate, and implement energy conservation and efficiency improvements. A
83.5 filing submitted on or before October 1 of any year must be approved within 90 days and
83.6 becomes effective January 1 of the year following the filing, unless the commissioner finds
83.7 the owner of the large customer facility has failed to take reasonable measures to identify,
83.8 evaluate, and implement energy conservation and efficiency improvements. If a facility
83.9 qualifies as a large customer facility solely due to its peak electrical demand or annual
83.10 natural gas usage, the exemption may be limited to the qualifying utility if the commissioner
83.11 finds that the owner of the large customer facility has failed to take reasonable measures to
83.12 identify, evaluate, and implement energy conservation and efficiency improvements with
83.13 respect to the nonqualifying utility. Once an exemption is approved, the commissioner may
83.14 request the owner of a large customer facility to submit a report demonstrating the large
83.15 customer facility's ongoing commitment to energy conservation and efficiency improvement
83.16 after the exemption filing. The commissioner may request a report under this paragraph not
83.17 more than once every five years for up to ten years after the effective date of the exemption.
83.18 If the majority ownership of the large customer facility changes, the commissioner may
83.19 request additional reports for up to ten years after the change in ownership occurs. The
83.20 commissioner may, within 180 days of receiving a report submitted under this paragraph,
83.21 rescind any exemption granted under this paragraph upon a determination that the large
83.22 customer facility is not continuing to make reasonable efforts to identify, evaluate, and
83.23 implement energy conservation improvements. A large customer facility that is exempt
83.24 from the investment and expenditure requirements of this section under an order from the
83.25 commissioner as of December 31, 2010, is not required to submit a report to retain its exempt
83.26 status, except as otherwise provided in this paragraph with respect to ownership changes.
83.27 An exempt large customer facility is prohibited from participating in a municipal electric,
83.28 municipal gas, or cooperative electric association utility's conservation improvement program
83.29 unless the owner of the facility files with the commissioner to withdraw its exemption.

83.30 (b) A commercial gas customer that is not a large customer facility and that purchases
83.31 or acquires natural gas from a municipal gas utility may petition the commissioner to exempt
83.32 the commercial gas customer from the municipal gas customer from the municipal gas
83.33 utility's plan under this section with respect to gas sales attributable to the commercial gas
83.34 customer. The petition must be supported by evidence demonstrating that the commercial
83.35 gas customer has acquired or can reasonably acquire the capability to bypass use of the
83.36 municipal utility's gas distribution system by obtaining natural gas directly from a supplier

84.1 other than the municipal gas utility. The commissioner must grant the exemption if the
 84.2 commissioner finds the petitioner has made the demonstration required by this paragraph.

84.3 (c) A municipal electric utility, municipal gas utility, cooperative electric association,
 84.4 or the owner of a large customer facility may appeal the commissioner's decision under
 84.5 paragraph (a) or (b) to the commissioner under subdivision 2. When reviewing a decision
 84.6 of the commissioner under paragraph (a) or (b), the commission must rescind the decision
 84.7 if it finds the decision is not in the public's interest.

84.8 (d) A municipal electric utility, municipal gas utility, or cooperative electric association
 84.9 is prohibited from spending for or investing in energy conservation improvements that
 84.10 directly benefit a large facility or a large electric customer facility that the commissioner
 84.11 has issued an exemption for under this section.

84.12 Sec. 2. Minnesota Statutes 2018, section 216B.241, subdivision 1c, is amended to read:

84.13 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
 84.14 energy-saving goals for energy conservation improvement expenditures and shall evaluate
 84.15 an energy conservation improvement program on how well it meets the goals set.

84.16 (b) Each individual public utility and association shall have an annual energy-savings
 84.17 goal equivalent to 1.5 percent of gross annual retail energy sales ~~unless modified by the~~
 84.18 ~~commissioner under paragraph (d).~~ The savings goals must be calculated based on the most
 84.19 recent three-year weather-normalized average. A public utility or association may elect to
 84.20 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three
 84.21 calendar years, except that savings from electric utility infrastructure projects allowed under
 84.22 paragraph ~~(d)~~ (c) may be carried forward for five years. A particular energy savings can be
 84.23 used only for one year's goal.

84.24 ~~(e) The commissioner must adopt a filing schedule that is designed to have all utilities~~
 84.25 ~~and associations operating under an energy-savings plan by calendar year 2010.~~

84.26 ~~(d)~~ (c) In its energy conservation improvement plan filing, a public utility or association
 84.27 may request the commissioner to adjust its annual energy-savings percentage goal based
 84.28 on its historical conservation investment experience, customer class makeup, load growth,
 84.29 a conservation potential study, or other factors the commissioner determines warrants an
 84.30 adjustment. The commissioner may not approve a plan of a public utility that provides for
 84.31 an annual energy-savings goal of less than one percent of gross annual retail energy sales
 84.32 from energy conservation improvements.

85.1 A public utility or association may include in its energy conservation plan energy savings
 85.2 from electric utility infrastructure projects approved by the commission under section
 85.3 216B.1636 or waste heat recovery converted into electricity projects that may count as
 85.4 energy savings in addition to a minimum energy-savings goal of at least one percent for
 85.5 energy conservation improvements. ~~Energy savings from electric utility infrastructure~~
 85.6 ~~projects, as defined in section 216B.1636, may be included in the energy conservation plan~~
 85.7 ~~of a municipal utility or cooperative electric association.~~ Electric utility infrastructure projects
 85.8 must result in increased energy efficiency greater than that which would have occurred
 85.9 through normal maintenance activity.

85.10 ~~(e) An~~ (d) A public utility's energy-savings goal is not satisfied by attaining the revenue
 85.11 expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting
 85.12 the energy-savings goal established in this subdivision.

85.13 ~~(f) An association or~~ (e) A public utility is not required to make energy conservation
 85.14 investments to attain the energy-savings goals of this subdivision that are not cost-effective
 85.15 even if the investment is necessary to attain the energy-savings goals. For the purpose of
 85.16 this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs
 85.17 and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner
 85.18 shall consider the rate at which ~~an association or~~ municipal utility is increasing its energy
 85.19 savings and its expenditures on energy conservation.

85.20 ~~(g) (f)~~ On an annual basis, the commissioner shall produce and make publicly available
 85.21 a report on the annual energy savings and estimated carbon dioxide reductions achieved by
 85.22 the energy conservation improvement programs for the two most recent years for which
 85.23 data is available. The commissioner shall report on program performance both in the
 85.24 aggregate and for each entity filing an energy conservation improvement plan for approval
 85.25 or review by the commissioner.

85.26 ~~(h) By January 15, 2010, the commissioner shall report to the legislature whether the~~
 85.27 ~~spending requirements under subdivisions 1a and 1b are necessary to achieve the~~
 85.28 ~~energy-savings goals established in this subdivision.~~

85.29 ~~(i) This subdivision does not apply to:~~

85.30 ~~(1) a cooperative electric association with fewer than 5,000 members;~~

85.31 ~~(2) a municipal utility with fewer than 1,000 retail electric customers; or~~

85.32 ~~(3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales~~
 85.33 ~~to retail natural gas customers.~~

86.1 Sec. 3. Minnesota Statutes 2018, section 216B.241, subdivision 1d, is amended to read:

86.2 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
86.3 improvement programs under this section and section 216B.2402 on the basis of
86.4 cost-effectiveness and the reliability of the technologies employed. The commissioner shall,
86.5 by order, establish, maintain, and update energy-savings assumptions that must be used
86.6 when filing energy conservation improvement programs. The commissioner shall establish
86.7 an inventory of the most effective energy conservation programs, techniques, and
86.8 technologies, and encourage all Minnesota utilities to implement them, where appropriate,
86.9 in their service territories. The commissioner shall describe these programs in sufficient
86.10 detail to provide a utility reasonable guidance concerning implementation. The commissioner
86.11 shall prioritize the opportunities in order of potential energy savings and in order of
86.12 cost-effectiveness. The commissioner may contract with a third party to carry out any of
86.13 the commissioner's duties under this subdivision, and to obtain technical assistance to
86.14 evaluate the effectiveness of any conservation improvement program. The commissioner
86.15 may assess up to \$850,000 annually for the purposes of this subdivision. The assessments
86.16 must be deposited in the state treasury and credited to the energy and conservation account
86.17 created under subdivision 2a. An assessment made under this subdivision is not subject to
86.18 the cap on assessments provided by section 216B.62, or any other law.

86.19 (b) Of the assessment authorized under paragraph (a), the commissioner may expend
86.20 up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing
86.21 technical support for a uniform electronic data reporting and tracking system available to
86.22 all utilities subject to this section, in order to enable accurate measurement of the cost and
86.23 energy savings of the energy conservation improvements required by this section. This
86.24 paragraph expires June 30, 2018.

86.25 Sec. 4. Minnesota Statutes 2018, section 216B.241, subdivision 2, is amended to read:

86.26 Subd. 2. **Programs.** (a) The commissioner may require public utilities to make
86.27 investments and expenditures in energy conservation improvements, explicitly setting forth
86.28 the interest rates, prices, and terms under which the improvements must be offered to the
86.29 customers. The required programs must cover no more than a three-year period. Public
86.30 utilities shall file conservation improvement plans by June 1, on a schedule determined by
86.31 order of the commissioner, but at least every three years. Plans received by a public utility
86.32 by June 1 must be approved or approved as modified by the commissioner by December 1
86.33 of that same year. The commissioner shall evaluate the program on the basis of
86.34 cost-effectiveness and the reliability of technologies employed. The commissioner's order

87.1 must provide to the extent practicable for a free choice, by consumers participating in the
87.2 program, of the device, method, material, or project constituting the energy conservation
87.3 improvement and for a free choice of the seller, installer, or contractor of the energy
87.4 conservation improvement, provided that the device, method, material, or project seller,
87.5 installer, or contractor is duly licensed, certified, approved, or qualified, including under
87.6 the residential conservation services program, where applicable.

87.7 (b) The commissioner may require a utility subject to subdivision 1c to make an energy
87.8 conservation improvement investment or expenditure whenever the commissioner finds
87.9 that the improvement will result in energy savings at a total cost to the utility less than the
87.10 cost to the utility to produce or purchase an equivalent amount of new supply of energy.
87.11 The commissioner shall nevertheless ensure that every public utility operate one or more
87.12 programs under periodic review by the department.

87.13 (c) Each public utility subject to subdivision 1a may spend and invest annually up to ten
87.14 percent of the total amount required to be spent and invested on energy conservation
87.15 improvements under this section by the utility on research and development projects that
87.16 meet the definition of energy conservation improvement in subdivision 1 and that are funded
87.17 directly by the public utility.

87.18 (d) A public utility may not spend for or invest in energy conservation improvements
87.19 that directly benefit a large energy facility or a large electric customer facility for which the
87.20 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The
87.21 commissioner shall consider and may require a public utility to undertake a program
87.22 suggested by an outside source, including a political subdivision, a nonprofit corporation,
87.23 or community organization.

87.24 (e) A utility, a political subdivision, or a nonprofit or community organization that has
87.25 suggested a program, the attorney general acting on behalf of consumers and small business
87.26 interests, or a utility customer that has suggested a program and is not represented by the
87.27 attorney general under section 8.33 may petition the commission to modify or revoke a
87.28 department decision under this section, and the commission may do so if it determines that
87.29 the program is not cost-effective, does not adequately address the residential conservation
87.30 improvement needs of low-income persons, has a long-range negative effect on one or more
87.31 classes of customers, or is otherwise not in the public interest. The commission shall reject
87.32 a petition that, on its face, fails to make a reasonable argument that a program is not in the
87.33 public interest.

88.1 (f) The commissioner may order a public utility to include, with the filing of the utility's
88.2 annual status report, the results of an independent audit of the utility's conservation
88.3 improvement programs and expenditures performed by the department or an auditor with
88.4 experience in the provision of energy conservation and energy efficiency services approved
88.5 by the commissioner and chosen by the utility. The audit must specify the energy savings
88.6 or increased efficiency in the use of energy within the service territory of the utility that is
88.7 the result of the spending and investments. The audit must evaluate the cost-effectiveness
88.8 of the utility's conservation programs.

88.9 (g) A gas utility may not spend for or invest in energy conservation improvements that
88.10 directly benefit a large customer facility or commercial gas customer facility for which the
88.11 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or
88.12 (e). The commissioner shall consider and may require a utility to undertake a program
88.13 suggested by an outside source, including a political subdivision, a nonprofit corporation,
88.14 or a community organization.

88.15 Sec. 5. Minnesota Statutes 2018, section 216B.241, subdivision 2b, is amended to read:

88.16 Subd. 2b. **Recovery of expenses.** The commission shall allow a public utility to recover
88.17 expenses resulting from a conservation improvement program required by the department
88.18 and contributions and assessments to the energy and conservation account, unless the
88.19 recovery would be inconsistent with a financial incentive proposal approved by the
88.20 commission. The commission shall allow a cooperative electric association subject to rate
88.21 regulation under section 216B.026, to recover expenses resulting from energy conservation
88.22 improvement programs, load management programs, and assessments and contributions to
88.23 the energy and conservation account unless the recovery would be inconsistent with a
88.24 financial incentive proposal approved by the commission. In addition, a public utility may
88.25 file annually, or the Public Utilities Commission may require the utility to file, and the
88.26 commission may approve, rate schedules containing provisions for the automatic adjustment
88.27 of charges for utility service in direct relation to changes in the expenses of the utility for
88.28 real and personal property taxes, fees, and permits, the amounts of which the utility cannot
88.29 control. A public utility is eligible to file for adjustment for real and personal property taxes,
88.30 fees, and permits under this subdivision only if, in the year previous to the year in which it
88.31 files for adjustment, it has spent or invested at least 1.75 percent of its gross revenues from
88.32 provision of electric service, excluding gross operating revenues from electric service
88.33 provided in the state to large electric customer facilities for which the commissioner has
88.34 issued an exemption under subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues
88.35 from provision of gas service, excluding gross operating revenues from gas services provided

89.1 in the state to large electric customer facilities for which the commissioner has issued an
 89.2 exemption under subdivision 1a, paragraph (b), for that year for energy conservation
 89.3 improvements under this section.

89.4 Sec. 6. Minnesota Statutes 2018, section 216B.241, subdivision 3, is amended to read:

89.5 Subd. 3. **Ownership of energy conservation improvement.** ~~An~~ A preweatherization
 89.6 measure or energy conservation improvement made to or installed in a building in accordance
 89.7 with this section, except systems owned by the utility and designed to turn off, limit, or vary
 89.8 the delivery of energy, are the exclusive property of the owner of the building except to the
 89.9 extent that the improvement is subjected to a security interest in favor of the utility in case
 89.10 of a loan to the building owner. The utility has no liability for loss, damage or injury caused
 89.11 directly or indirectly by ~~an~~ a preweatherization measure or energy conservation improvement
 89.12 except for negligence by the utility in purchase, installation, or modification of the product.

89.13 Sec. 7. Minnesota Statutes 2018, section 216B.241, subdivision 7, is amended to read:

89.14 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each public
 89.15 utility and association subject to subdivision 1c provides low-income programs. When
 89.16 approving spending and energy-savings goals for low-income programs, the commissioner
 89.17 shall consider historic spending and participation levels, energy savings for low-income
 89.18 programs, and the number of low-income persons residing in the utility's service territory.
 89.19 ~~A municipal utility that furnishes gas service must spend at least 0.2 percent, and a public~~
 89.20 ~~utility furnishing gas service must spend at least 0.4~~ 0.8 percent, of its most recent three-year
 89.21 average gross operating revenue from residential customers in the state on low-income
 89.22 programs. A public utility or association that furnishes electric service must spend at least
 89.23 ~~0.4~~ 0.4 percent of its gross operating revenue from residential customers in the state on
 89.24 low-income programs. ~~For a generation and transmission cooperative association, this~~
 89.25 ~~requirement shall apply to each association's members' aggregate gross operating revenue~~
 89.26 ~~from sale of electricity to residential customers in the state. Beginning in 2010, A utility or~~
 89.27 ~~association that furnishes electric service must spend 0.2 percent of its gross operating~~
 89.28 ~~revenue from residential customers in the state on low-income programs.~~

89.29 (b) To meet the requirements of paragraph (a), a public utility or association may
 89.30 contribute money to the energy and conservation account. An energy conservation
 89.31 improvement plan must state the amount, if any, of low-income energy conservation
 89.32 improvement funds the public utility or association will contribute to the energy and

90.1 conservation account. Contributions must be remitted to the commissioner by February 1
90.2 of each year.

90.3 (c) The commissioner shall establish low-income programs to utilize money contributed
90.4 to the energy and conservation account under paragraph (b). In establishing low-income
90.5 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and
90.6 community organizations, especially organizations engaged in providing energy and
90.7 weatherization assistance to low-income persons. Money contributed to the energy and
90.8 conservation account under paragraph (b) must provide programs for low-income persons,
90.9 including low-income renters, in the service territory of the public utility or association
90.10 providing the money. The commissioner shall record and report expenditures and energy
90.11 savings achieved as a result of low-income programs funded through the energy and
90.12 conservation account in the report required under subdivision 1c, paragraph (g). The
90.13 commissioner may contract with a political subdivision, nonprofit or community organization,
90.14 public utility, municipality, or cooperative electric association to implement low-income
90.15 programs funded through the energy and conservation account.

90.16 (d) A public utility or association may petition the commissioner to modify its required
90.17 spending under paragraph (a) if the utility or association and the commissioner have been
90.18 unable to expend the amount required under paragraph (a) for three consecutive years.

90.19 (e) For purposes of this subdivision, "multifamily building" is defined as a residential
90.20 building with five or more dwelling units. For purposes of determining eligibility for
90.21 multifamily buildings in low-income programs, a utility or association may use one or more
90.22 of the following:

90.23 (1) information showing that a multifamily building's units are rented to households
90.24 meeting one of the following criteria:

90.25 (i) are at or below 200 percent of federal poverty level;

90.26 (ii) are at or below 60 percent of area median income;

90.27 (iii) have occupancy within a building that is certified on the low-income renter
90.28 classification (LIRC) assessor report compiled annually by Minnesota Housing Finance
90.29 Agency; or

90.30 (iv) have occupancy within a building which has a declaration against the property
90.31 requiring that a portion of the units will be rented to tenants with an annual income of less
90.32 than or equal to 60 percent of area median income;

91.1 (2) a property's participation in an affordable housing program, including Low-Income
 91.2 Housing Tax Credits (LIHTC), United States Department of Housing and Urban Development
 91.3 (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing
 91.4 finance agency assistance, or local tax abatement for low-income properties; or

91.5 (3) documentation demonstrating that the property is on the waiting list for or currently
 91.6 participating in the United States Department of Energy Weatherization Assistance Program.

91.7 (f) Up to 15 percent of a public utility's spending on low-income programs may be used
 91.8 for preweatherization measures. For purposes of this section, "preweatherization measures"
 91.9 are improvements necessary to allow energy conservation improvements to be installed in
 91.10 a home:

91.11 (1) the commissioner shall, by order, establish a list of qualifying preweatherization
 91.12 measures eligible for inclusion in low-income programs no later than March 15, 2020; and

91.13 (2) a public utility may elect to contribute money to the Healthy AIR program. Money
 91.14 contributed to the fund will count toward the minimum low-income spending requirement
 91.15 in paragraph (a) and toward the cap on preweatherization measures.

91.16 ~~(e)~~ (g) The costs and benefits associated with any approved low-income gas or electric
 91.17 conservation improvement program that is not cost-effective when considering the costs
 91.18 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation
 91.19 of net economic benefits for purposes of calculating the financial incentive to the utility.
 91.20 The energy and demand savings may, at the discretion of the utility, be applied toward the
 91.21 calculation of overall portfolio energy and demand savings for purposes of determining
 91.22 progress toward annual goals and in the financial incentive mechanism.

91.23 Sec. 8. **REPEALER.**

91.24 Minnesota Statutes 2018, section 216B.241, subdivision 1b, is repealed.

91.25 **ARTICLE 10**

91.26 **RENEWABLE DEVELOPMENT**

91.27 Section 1. Minnesota Statutes 2018, section 116C.779, subdivision 1, is amended to read:

91.28 Subdivision 1. **Renewable development account.** (a) The renewable development
 91.29 account is established as a separate account in the special revenue fund in the state treasury.
 91.30 Appropriations and transfers to the account shall be credited to the account. Earnings, such
 91.31 as interest, dividends, and any other earnings arising from assets of the account, shall be
 91.32 credited to the account. Funds remaining in the account at the end of a fiscal year are not

92.1 canceled to the general fund but remain in the account until expended. The account shall
 92.2 be administered by the commissioner of management and budget as provided under this
 92.3 section.

92.4 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
 92.5 plant must transfer all funds in the renewable development account previously established
 92.6 under this subdivision and managed by the public utility to the renewable development
 92.7 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
 92.8 that have not yet been expended and unencumbered funds required to be paid in calendar
 92.9 year 2017 under paragraphs (e) and (f) and (g), and sections 116C.7792 and 216C.41, are
 92.10 not subject to transfer under this paragraph.

92.11 (c) ~~Except as provided in subdivision 1a, Beginning January 15, 2018 2020, and~~
 92.12 ~~continuing each January 15 thereafter, the public utility that owns the Prairie Island and~~
 92.13 ~~Monticello nuclear generating plant plants~~ must transfer to the renewable development
 92.14 account ~~\$500,000 each year for each dry cask containing spent fuel that is located at the~~
 92.15 ~~Prairie Island power plant for the following amounts each year the either plant is in operation;~~
 92.16 ~~and \$7,500,000 each year the plant is not in operation: (1) \$33,000,000 in 2020; (2)~~
 92.17 ~~\$31,000,000 in 2021; and (3) \$20,000,000 in 2022 and each year thereafter.~~ If ordered by
 92.18 the commission pursuant to paragraph ~~(i):~~ (h), the public utility must transfer \$7,500,000
 92.19 each year the Prairie Island plant is not in operation and \$5,250,000 each year the Monticello
 92.20 plant is not in operation. The fund transfer must be made if nuclear waste is stored in a dry
 92.21 cask at the independent spent-fuel storage facility at Prairie Island or Monticello for any
 92.22 part of a year.

92.23 (d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~
 92.24 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~
 92.25 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~
 92.26 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~
 92.27 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~
 92.28 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~
 92.29 ~~waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for~~
 92.30 ~~any part of a year.~~

92.31 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the
 92.32 renewable development account under ~~paragraphs~~ paragraph (c) and (d) the amount necessary
 92.33 to pay its obligations for that calendar year under paragraphs (e), (f) and (g), (j), and (n),
 92.34 and sections 116C.7792 and 216C.41, ~~for that calendar year.~~

93.1 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the
 93.2 termination of a power purchase agreement, or the purchase and closure of a facility under
 93.3 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
 93.4 the public utility subject to this section shall enter into a contract with the city in which the
 93.5 poultry litter plant is located to provide grants to the city for the purposes of economic
 93.6 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
 93.7 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
 93.8 by the public utility from funds withheld from the transfer to the renewable development
 93.9 account, as provided in paragraphs (b) and ~~(e)~~ (d).

93.10 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the
 93.11 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
 93.12 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
 93.13 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
 93.14 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
 93.15 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
 93.16 30 days after the commission approves the new or amended power purchase agreement, or
 93.17 the termination of the power purchase agreement, and on each June 1 thereafter through
 93.18 2021, to assist the transition required by the new, amended, or terminated power purchase
 93.19 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
 93.20 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

93.21 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs
 93.22 (e) and (f) ~~and (g)~~ is limited to the amount deposited into the renewable development account,
 93.23 and its predecessor, the renewable development account, established under this section, that
 93.24 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,
 93.25 section 10.

93.26 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the
 93.27 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
 93.28 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
 93.29 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
 93.30 facility for any year in which the commission finds, by the preponderance of the evidence,
 93.31 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored
 93.32 at the facility to a permanent or interim storage site out of the state. This determination shall
 93.33 be made at least every two years.

93.34 (i) The public utility must annually file with the commission a petition to recover through
 93.35 a rider mechanism all funds it is required to transfer or withhold under paragraphs (c) to (f)

94.1 for the next year. The commission must approve a reasonable cost recovery schedule for
 94.2 all funds under this paragraph.

94.3 (j) On or before January 15 of each year, the public utility must file a petition with the
 94.4 commission identifying the amounts withheld by the public utility the prior year under
 94.5 paragraph (d) and the amount actually paid the prior year for obligations identified in
 94.6 paragraph (d). If the amount actually paid is less than the amount withheld, the public utility
 94.7 must deduct the surplus from the amount withheld for the current year under paragraph (d).
 94.8 If the amount actually paid is more than the amount withheld, the public utility must add
 94.9 the deficiency amount to the amount withheld for the current year under paragraph (d). Any
 94.10 surplus remaining in the account after all programs identified in paragraph (d) are terminated
 94.11 must be returned to the public utility's customers.

94.12 ~~(j)~~ (k) Funds in the account may be expended only for any of the following purposes:

94.13 (1) to stimulate research and development of renewable electric energy technologies;

94.14 (2) to encourage grid modernization, including, but not limited to, projects that implement
 94.15 electricity storage, load control, and smart meter technology; and

94.16 (3) to stimulate other innovative energy projects that reduce demand and increase system
 94.17 efficiency and flexibility.

94.18 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
 94.19 from the utility that owns a nuclear-powered electric generating plant in this state or the
 94.20 Prairie Island Indian community or its members.

94.21 The utility that owns a nuclear generating plant is eligible to apply for grants under this
 94.22 subdivision.

94.23 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings
 94.24 given:

94.25 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
 94.26 (c), clauses (1), (2), (4), and (5); and

94.27 (2) "grid modernization" means:

94.28 (i) enhancing the reliability of the electrical grid;

94.29 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
 94.30 and

94.31 (iii) increasing energy conservation opportunities by facilitating communication between
 94.32 the utility and its customers through the use of two-way meters, control technologies, energy

95.1 storage and microgrids, technologies to enable demand response, and other innovative
95.2 technologies.

95.3 ~~(h)~~ (m) A renewable development account advisory group that includes, among others,
95.4 representatives of the public utility and its ratepayers, and includes at least one representative
95.5 of the Prairie Island Indian community appointed by that community's tribal council, shall
95.6 develop recommendations on account expenditures. Members of the advisory group, other
95.7 than members appointed by the tribal council, must be chosen by the public utility. The
95.8 advisory group must design a request for proposal and evaluate projects submitted in response
95.9 to a request for proposals. The advisory group must utilize an independent third-party expert
95.10 to evaluate proposals submitted in response to a request for proposal, including all proposals
95.11 made by the public utility. A request for proposal for research and development under
95.12 paragraph ~~(j)~~ (k), clause (1), may be limited to or include a request to higher education
95.13 institutions located in Minnesota for multiple projects authorized under paragraph ~~(j)~~ (k),
95.14 clause (1). The request for multiple projects may include a provision that exempts the
95.15 projects from the third-party expert review and instead provides for project evaluation and
95.16 selection by a merit peer review grant system. In the process of determining request for
95.17 proposal scope and subject and in evaluating responses to request for proposals, the advisory
95.18 group must strongly consider, where reasonable, potential benefit to Minnesota citizens and
95.19 businesses and the utility's ratepayers.

95.20 (n) The cost to acquire the services of the independent third-party expert described in
95.21 paragraph (m), and any other reasonable costs incurred to administer the advisory group
95.22 and its actions required by this section, must be paid from funds withheld by the public
95.23 utility under paragraph (d). The total amount withheld under this paragraph must not exceed
95.24 \$125,000 each year.

95.25 ~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility,
95.26 which has full and sole authority to determine which expenditures shall be submitted by
95.27 the advisory group to the ~~legislature~~ commission. The commission may approve proposed
95.28 expenditures, may disapprove proposed expenditures that it finds not to be in compliance
95.29 with this subdivision or otherwise not in the public interest, and may, if agreed to by the
95.30 public utility, modify proposed expenditures. The commission shall, by order, submit its
95.31 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

95.32 ~~(n)~~ (p) The commission shall present its recommended appropriations from the account
95.33 to the senate and house of representatives committees with jurisdiction over energy policy
95.34 and finance annually by February 15. Expenditures from the account must be appropriated
95.35 by law. In enacting appropriations from the account, the legislature:

96.1 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
 96.2 a project recommended by the commission; and

96.3 (2) may not appropriate money for a project the commission has not recommended
 96.4 funding.

96.5 ~~(p)~~ (q) A request for proposal for renewable energy generation projects must, when
 96.6 feasible and reasonable, give preference to projects that are most cost-effective for a particular
 96.7 energy source.

96.8 ~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking
 96.9 minority members of the legislative committees with jurisdiction over energy policy on
 96.10 projects funded by the account under paragraph (k) for the prior year and all previous years.
 96.11 The report must, to the extent possible and reasonable, itemize the actual and projected
 96.12 financial benefit to the public utility's ratepayers of each project.

96.13 (s) By June 1, 2019, and each June 1 thereafter, the public utility that owns the Prairie
 96.14 Island nuclear electric generating plant must submit to the commissioner of management
 96.15 and budget an estimate of the amount the public utility will deposit into the account January
 96.16 15 the next year, based on the provisions of paragraphs (c) to (h) and any appropriations
 96.17 made from the fund during the most recent legislative session.

96.18 ~~(q)~~ (t) By ~~February 1, 2018~~ June 30, 2019, and each ~~February 1~~ June 30 thereafter, the
 96.19 commissioner of management and budget ~~shall~~ must estimate the balance in the account as
 96.20 of the following January 31, taking into account the balance in the account as of June 30
 96.21 and the information provided under paragraph (r). By July 15, 2019, and each July 15
 96.22 thereafter, the commissioner of management and budget must submit a written report
 96.23 regarding the availability of funds in and obligations of the account to the chairs and ranking
 96.24 minority members of the senate and house committees with jurisdiction over energy policy
 96.25 and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated
 96.26 to be available in the account as of January 31, the advisory group must, by January 31 the
 96.27 next year, issue a request for proposals to initiate a grant cycle for the purposes of paragraph
 96.28 (k).

96.29 ~~(r)~~ (u) A project receiving funds from the account must produce a written final report
 96.30 that includes sufficient detail for technical readers and a clearly written summary for
 96.31 nontechnical readers. The report must include an evaluation of the project's financial,
 96.32 environmental, and other benefits to the state and the public utility's ratepayers.

97.1 ~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account
 97.2 financial reports must be posted online on a public website designated by the commissioner
 97.3 of commerce.

97.4 ~~(t)~~ (w) All final reports must acknowledge that the project was made possible in whole
 97.5 or part by the Minnesota renewable development account, noting that the account is financed
 97.6 by the public utility's ratepayers.

97.7 ~~(u)~~ (x) Of the amount in the renewable development account, priority must be given to
 97.8 making the payments required under section 216C.417.

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

97.10 Sec. 2. **[116J.55] COMMUNITY ENERGY TRANSITION GRANTS.**

97.11 **Subdivision 1. Definitions.** (a) For the purposes of this section, the terms in this
 97.12 subdivision have the meanings given.

97.13 (b) "Advisory council" means the Community Energy Transition Grant Advisory Council
 97.14 created in this section.

97.15 (c) "Commissioner" means the commissioner of employment and economic development.

97.16 (d) "Eligible community" means a county, municipality, or tribal government located
 97.17 within a county that hosts an investor-owned electric generating plant powered by coal,
 97.18 nuclear energy, or natural gas.

97.19 **Subd. 2. Establishment.** The commissioner shall establish a community energy transition
 97.20 grant program to award grants to promote economic development in eligible communities.

97.21 **Subd. 3. Funding.** (a) A community energy transition account is created in the special
 97.22 revenue fund in the state treasury. Money in the account is appropriated to the commissioner
 97.23 for grants as provided in this section and must be expended only as provided in this section.

97.24 (b) On July 1, 2020, \$500,000 and then on July 1, 2021, and on each July 1 thereafter,
 97.25 \$1,000,000 is transferred from the renewable development account under section 116C.779
 97.26 to the commissioner for deposit in the community energy transition account. This transfer
 97.27 must be made before any other payments or transfers required under section 116C.779.

97.28 (c) Grants to eligible communities in which an investor-owned electric generating plant
 97.29 is located but has not been scheduled for retirement or decommissioning may not exceed
 97.30 \$1,000,000. Grants to eligible communities in which an investor-owned electric generating
 97.31 plant is located and is scheduled for retirement or decommissioning may not exceed
 97.32 \$5,000,000.

98.1 (d) Unless amounts are otherwise appropriated for administrative costs, the commissioner
 98.2 of employment and economic development may retain up to five percent of the amount
 98.3 appropriated for grants under this section for administrative and personnel costs.

98.4 Subd. 4. **Cancellation of grant; return of grant money.** If after five years, the
 98.5 commissioner determines that a project has not proceeded in a timely manner and is unlikely
 98.6 to be completed, the commissioner must cancel the grant and require the grantee to return
 98.7 all grant money awarded for that project. Grant money returned to the commissioner is
 98.8 appropriated to the commissioner to make additional grants under this section.

98.9 Subd. 5. **Grants to eligible communities.** (a) The commissioner must award grants to
 98.10 eligible communities through a competitive grant process. Eligible communities must be
 98.11 located in the service territory of the public utility subject to section 116C.779.

98.12 (b) To receive grant funds, an eligible community must submit a written application to
 98.13 the commissioner, using a form developed by the commissioner.

98.14 (c) The commissioner must consider the recommendations of the Community Energy
 98.15 Transition Grant Advisory Council before selecting grant recipients.

98.16 (d) Grants must be used to plan for or address the economic and social impact on the
 98.17 community of plant retirement or transition. Specific uses may include but are not limited
 98.18 to:

98.19 (1) research;

98.20 (2) planning;

98.21 (3) studies;

98.22 (4) capital improvements; and

98.23 (5) incentives for businesses to open, relocate, or expand.

98.24 Subd. 6. **Priorities.** (a) In evaluating projects, the advisory council shall give priority
 98.25 to eligible projects with one or more of the following characteristics:

98.26 (1) the potential of the eligible community to attract a viable business;

98.27 (2) the potential increase in the property tax base of the eligible community, considered
 98.28 relative to the fiscal impact of the retirement of the electric generating plant located in the
 98.29 eligible community;

98.30 (3) the extent to which the grant will assist the eligible community in addressing the
 98.31 fiscal and social impacts of plant retirement; and

99.1 (4) the extent to which the grant will help the state transition away from fossil fuels.

99.2 (b) The factors listed in paragraph (a) are not ranked in order of priority. The
99.3 commissioner may weigh each factor, depending upon the facts and circumstances, as
99.4 appropriate. The commissioner may consider other factors that support the goals of this
99.5 program.

99.6 Subd. 7. **Advisory council.** (a) By September 1, 2019, the commissioner shall appoint
99.7 representatives to a Community Energy Transition Grant Advisory Council composed of
99.8 the following members:

99.9 (1) the commissioner of employment and economic development, or a designee;

99.10 (2) the commissioner of transportation, or a designee;

99.11 (3) the commissioner of the Minnesota Pollution Control Agency, or a designee;

99.12 (4) the commissioner of natural resources, or a designee;

99.13 (5) the commissioner of commerce, or a designee;

99.14 (6) one representative of the Prairie Island Indian community;

99.15 (7) two representatives of workers at investor-owned electric generating plants powered
99.16 by coal, nuclear energy, or natural gas; and

99.17 (8) four representatives of eligible communities, of which, two must be counties, two
99.18 must be municipalities, at least one must host a coal plant, at least one must host a nuclear
99.19 plant, and at least one must host a natural gas plant.

99.20 After the initial appointments, members of the advisory council shall be appointed no later
99.21 than January 15 of every odd-numbered year and shall serve until January 15 of the next
99.22 odd-numbered year. Members may be removed and vacancies filled as provided in section
99.23 15.059, subdivision 4. Appointed members are eligible for reappointment.

99.24 (b) The advisory council shall elect a chair and other officers at its first meeting.

99.25 (c) The advisory council shall review applications for community energy transition
99.26 grants and make recommendations to the commissioner of employment and economic
99.27 development.

99.28 (d) The commissioner of employment and economic development shall select projects
99.29 from the recommendations made by the advisory council under this subdivision with
99.30 consideration given to the priorities listed in subdivision 6.

100.1 (e) A member of the advisory council must not participate in the consideration of an
100.2 application from the community that member represents.

100.3 (f) Members of the advisory council serve without compensation or payment of expenses.

100.4 (g) The commissioner of employment and economic development or the commissioner's
100.5 designee shall provide meeting space and administrative services for the advisory council.
100.6 All costs necessary to support the advisory council's operations must be absorbed using
100.7 existing appropriations available to the commissioner.

100.8 (h) The advisory council is subject to chapter 13D, but may close a meeting to discuss
100.9 sensitive private business information included in grant applications. Data related to an
100.10 application for a grant submitted to the advisory council is governed by section 13.599.

100.11 (i) The commissioner shall convene the first meeting of the advisory council no later
100.12 than September 1, 2019.

100.13 Subd. 8. **Reports to the legislature.** By January 15, 2021, and each January 15 thereafter,
100.14 the commissioner must submit a report to the chairs and ranking minority members of the
100.15 committees of the house of representatives and the senate having jurisdiction over economic
100.16 development that details the use of grant funds. When possible, this report must include
100.17 data on the economic impact achieved by each grant.

100.18 Sec. 3. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to
100.19 read:

100.20 Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the
100.21 commission under this section to recover costs associated with the implementation of an
100.22 energy storage system pilot project. As part of the petition, the public utility must submit a
100.23 report to the commission containing, at a minimum, the following information regarding
100.24 the proposed energy storage system pilot project:

100.25 (1) the storage technology utilized;

100.26 (2) the energy storage capacity and the duration of output at that capacity;

100.27 (3) the proposed location;

100.28 (4) the purchase and installation costs;

100.29 (5) how the project will interact with existing distributed generation resources on the
100.30 utility's grid; and

101.1 (6) the goals the project proposes to achieve, which may include controlling frequency
101.2 or voltage, mitigating transmission congestion, providing emergency power supplies during
101.3 outages, reducing curtailment of existing renewable energy generators, and reducing peak
101.4 power costs.

101.5 (b) A utility may petition the commission to approve a rate schedule that provides for
101.6 the automatic adjustment of charges to recover prudently incurred investments, expenses,
101.7 or costs associated with energy storage system pilot projects approved by the commission
101.8 under this subdivision. A petition filed under this subdivision must include the elements
101.9 listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must
101.10 describe the benefits of the pilot project.

101.11 (c) The commission may approve, or approve as modified, a rate schedule filed under
101.12 this subdivision. The rate schedule filed by the public utility may include the elements listed
101.13 in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

101.14 (d) For each pilot project that the commission has found to be in the public interest, the
101.15 commission must make its determination on the specific amounts that are eligible for
101.16 recovery under the approved rate schedule within 90 days of final approval of the specific
101.17 pilot program or within 90 days of the public utility filing for approval of cost recovery for
101.18 the specific pilot program, whichever is later.

101.19 (e) Nothing in this subdivision prohibits or deters the deployment of energy storage
101.20 systems.

101.21 (f) For the purposes of this subdivision:

101.22 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision
101.23 1; and

101.24 (2) "pilot project" means a project that is owned, operated, and controlled by a public
101.25 utility to optimize safe and reliable system operations and is deployed at a limited number
101.26 of locations in order to assess the technical and economic effectiveness of its operations.

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

101.28 Sec. 4. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

101.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
101.30 subdivision have the meanings given them.

102.1 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
102.2 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
102.3 customers in Minnesota. Utility does not include federal power agencies.

102.4 (c) "Renewable energy" means electricity generated through use of any of the following
102.5 resources:

102.6 (1) wind;

102.7 (2) solar;

102.8 (3) geothermal;

102.9 (4) hydro;

102.10 (5) trees or other vegetation;

102.11 (6) landfill gas; or

102.12 (7) predominantly organic components of wastewater effluent, sludge, or related
102.13 by-products from publicly owned treatment works, but not including incineration of
102.14 wastewater sludge.

102.15 (d) "Resource plan" means a set of resource options that a utility could use to meet the
102.16 service needs of its customers over a forecast period, including an explanation of the supply
102.17 and demand circumstances under which, and the extent to which, each resource option
102.18 would be used to meet those service needs. These resource options include using,
102.19 refurbishing, and constructing utility plant and equipment, buying power generated by other
102.20 entities, controlling customer loads, and implementing customer energy conservation.

102.21 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
102.22 resource of 30 megawatts or greater.

102.23 (f) "Energy storage system" means a commercially available technology that:

102.24 (1) uses mechanical, chemical, or thermal processes to:

102.25 (i) store energy, including energy generated from renewable resources and energy that
102.26 would otherwise be wasted, and deliver the stored energy for use at a later time; or

102.27 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
102.28 that reduces the demand for electricity at the later time;

102.29 (2) is composed of stationary equipment;

103.1 (3) if being used for electric grid benefits, is operationally visible and capable of being
 103.2 controlled by the distribution or transmission entity managing it, to enable and optimize the
 103.3 safe and reliable operation of the electric system; and

103.4 (4) achieves any of the following:

103.5 (i) reduces peak or electrical demand;

103.6 (ii) defers the need or substitutes for an investment in electric generation, transmission,
 103.7 or distribution assets;

103.8 (iii) improves the reliable operation of the electrical transmission or distribution systems,
 103.9 while ensuring transmission or distribution needs are not created; or

103.10 (iv) lowers customer costs by storing energy when the cost of generating or purchasing
 103.11 it is low and delivering it to customers when those costs are high.

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

103.13 Sec. 5. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
 103.14 to read:

103.15 **Subd. 7. Energy storage systems assessment.** (a) Each public utility required to file a
 103.16 resource plan under subdivision 2 must include in the filing an assessment of energy storage
 103.17 systems that analyzes how the deployment of energy storage systems contributes to:

103.18 (1) meeting identified generation and capacity needs; and

103.19 (2) evaluating ancillary services.

103.20 (b) The assessment must employ appropriate modeling methods to enable the analysis
 103.21 required in paragraph (a).

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

103.23 Sec. 6. **[216C.375] SOLAR FOR SCHOOLS PROGRAM.**

103.24 **Subdivision 1. Definitions.** (a) For the purposes of this section and section 216C.376,
 103.25 the following terms have the meanings given them.

103.26 (b) "Developer" means an entity that installs a solar energy system on a school building
 103.27 that has been awarded a grant under this section.

103.28 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

104.1 (d)"School" means a school that operates as part of an independent or special school
104.2 district.

104.3 (e) "School district" means an independent or special school district.

104.4 (f) "Solar energy system" means photovoltaic or solar thermal devices.

104.5 Subd. 2. **Establishment; purpose.** A solar for schools program is established in the
104.6 Department of Commerce. The purpose of the program is to provide grants to stimulate the
104.7 installation of solar energy systems on or adjacent to school buildings by reducing their
104.8 cost, and to enable schools to use the solar energy system as a teaching tool that can be
104.9 integrated into the school's curriculum.

104.10 Subd. 3. **Establishment of account.** (a) A solar for schools program account is
104.11 established in the special revenue fund. Money received from the general fund must be
104.12 transferred to the commissioner of commerce and credited to the account. Money deposited
104.13 in the account remains in the account until expended, and does not cancel to the general
104.14 fund.

104.15 (b) When a grant is awarded under this section, the commissioner shall reserve the grant
104.16 amount in the account.

104.17 Subd. 4. **Expenditures.** (a) Money in the account may be used only:

104.18 (1) for grant awards made under this section; and

104.19 (2) to pay the reasonable costs incurred by the department to administer this section.

104.20 (b) Grant awards made with funds in the account are to be used only for grants for solar
104.21 energy systems installed on or adjacent to school buildings receiving retail electric service
104.22 from a utility that is not subject to section 116C.779, subdivision 1.

104.23 Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section
104.24 only if the solar energy system that is the subject of the grant:

104.25 (1) is installed on or adjacent to the school building that will consume the electricity
104.26 generated by the solar energy system, on property within the service territory of the utility
104.27 currently providing electric service to the school building; and

104.28 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
104.29 estimated annual electricity consumption of the school building at which the solar energy
104.30 system is proposed to be installed.

104.31 (b) A school district that receives a rebate or other financial incentive under section
104.32 216B.241 for a solar energy system and that demonstrates considerable need for financial

105.1 assistance, as determined by the commissioner, is eligible for a grant under this section for
105.2 the same solar energy system.

105.3 Subd. 6. **Application process.** (a) The commissioner shall issue a request for proposals
105.4 to utilities, schools, and developers who may wish to apply for a grant under this section
105.5 on behalf of a school.

105.6 (b) A utility or developer must submit an application to the commissioner on behalf of
105.7 a school on a form prescribed by the commissioner. The form must include, at a minimum,
105.8 the following information:

105.9 (1) the capacity of the proposed solar energy system and the amount of electricity that
105.10 is expected to be generated;

105.11 (2) the current energy demand of the school building on which the solar energy generating
105.12 system is to be installed, and information regarding any distributed energy resource, including
105.13 subscription to a community solar garden, that currently provides electricity to the school
105.14 building;

105.15 (3) a description of any solar thermal devices proposed as part of the solar energy system;

105.16 (4) the total cost of purchasing and installing the solar energy system, and its life-cycle
105.17 cost, including removal and disposal of system at the end of its life;

105.18 (5) a copy of the proposed contract agreement between the school and the public utility
105.19 or developer that includes provisions addressing responsibility for maintenance of the solar
105.20 energy system;

105.21 (6) the school's plan to make the solar energy system serve as a visible learning tool for
105.22 students, teachers, and visitors to the school, including how the solar energy system may
105.23 be integrated into the school's curriculum;

105.24 (7) information that demonstrates the level of need of the school district for financial
105.25 assistance available under this section;

105.26 (8) information that demonstrates the readiness of the school to implement the project,
105.27 including, but not limited to, the availability of the site on which the solar energy system
105.28 is to be installed, and the level of the school's engagement with the utility providing electric
105.29 service to the school building on which the solar energy system is to be installed on issues
105.30 relevant to the implementation of the project, including metering and other issues;

105.31 (9) with respect to the installation and operation of the solar energy system, the
105.32 willingness and ability of the developer or the public utility to:

106.1 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
106.2 subdivision 6; and

106.3 (ii) adhere to the provisions of section 177.43;

106.4 (10) how the developer or public utility plans to reduce the school's initial capital expense
106.5 for the purchase and installation of the solar energy system, and to provide financial benefits
106.6 to the school from the utilization of federal and state tax credits, utility incentives, and other
106.7 financial incentives; and

106.8 (11) any other information deemed relevant by the commissioner.

106.9 (c) The commissioner shall administer an open application process under this section at
106.10 least twice annually.

106.11 (d) The commissioner shall develop administrative procedures governing the application
106.12 and grant award process.

106.13 Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded
106.14 a grant under this section shall provide the commissioner information regarding energy
106.15 conservation measures implemented at the school building at which the solar energy system
106.16 is to be installed. The commissioner may make recommendations to the school regarding
106.17 cost-effective conservation measures it can implement and may provide technical assistance
106.18 and direct the school to available financial assistance programs.

106.19 Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to
106.20 schools to develop and execute projects under this section.

106.21 Subd. 9. **Grant payments.** The commissioner shall award a grant from the account
106.22 established under subdivision 3 to a school for the necessary costs associated with the
106.23 purchase and installation of a solar energy system. The amount of the grant shall be based
106.24 on the commissioner's assessment of the school's need for financial assistance.

106.25 Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to
106.26 schools under this section may be awarded to schools where the proportion of students
106.27 eligible for free and reduced-price lunch under the National School Lunch Program is less
106.28 than 50 percent.

106.29 (b) No more than ten percent of the total amount of grants awarded under this section
106.30 may be awarded to schools that are part of the same school district.

106.31 Subd. 11. **Application deadline.** No application may be submitted under this section
106.32 after December 31, 2023.

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

107.2 Sec. 7. **[216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY**
107.3 **SERVICE TERRITORY.**

107.4 Subdivision 1. **Establishment; purpose.** The utility subject to section 116C.779 shall
107.5 operate a program to develop, and to supplement with additional funding, financial
107.6 arrangements that allow schools to benefit from state and federal tax and other financial
107.7 incentives that schools are ineligible to receive directly in order to enable schools to install
107.8 and operate solar energy systems that can be used as teaching tools and integrated into the
107.9 school curriculum.

107.10 Subd. 2. **Required plan.** (a) By October 1, 2019, the public utility must file a plan for
107.11 the solar for schools program with the commissioner. The plan must contain but is not
107.12 limited to the following elements:

107.13 (1) a description of how entities that are eligible to take advantage of state and federal
107.14 tax and other financial incentives that reduce the cost of purchasing, installing, and operating
107.15 a solar energy system that schools are ineligible to take advantage of directly, can share a
107.16 portion of those financial benefits with schools at which a solar energy system will be
107.17 installed;

107.18 (2) a description of how the public utility will utilize funds appropriated to the program
107.19 under this section to provide additional financial assistance to schools at which a solar
107.20 energy system will be installed;

107.21 (3) certification that the financial assistance provided under this section to a school by
107.22 the public utility must include the full value of the renewable energy certificates associated
107.23 with the generation of electricity by the solar energy system receiving financial assistance
107.24 under this section over the lifetime of the solar energy system;

107.25 (4) an estimate of the amount of financial assistance that the public utility will provide
107.26 to a school under clauses (1) to (3) on a per kilowatt-hour produced basis, and the length
107.27 of time financial assistance will be provided;

107.28 (5) certification that the transaction between the public utility and the school for electricity
107.29 is the buy-all/sell-all method by which the public utility will charge the school for all
107.30 electricity the school consumes at the applicable retail rate schedule for sales to the school
107.31 based on the school's customer class, and shall credit or pay the school at the rate established
107.32 in subdivision 5;

108.1 (6) administrative procedures governing the application and financial benefit award
108.2 process, and the costs the public utility and the department are projected to incur to administer
108.3 the program;

108.4 (7) the public utility's proposed process for periodic reevaluation and modification of
108.5 the program; and

108.6 (8) any additional information required by the commissioner.

108.7 (b) The public utility may not implement the program until the commissioner approves
108.8 the public utility's plan submitted under this subdivision. The commissioner shall approve
108.9 a plan under this subdivision that the commissioner determines to be in the public interest
108.10 no later than December 31, 2019. Any proposed modifications to the plan approved under
108.11 this subdivision must be approved by the commissioner.

108.12 Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits
108.13 under this section if it meets all of the following conditions:

108.14 (1) the solar energy system must be located on or adjacent to a school building receiving
108.15 retail electric service from the public utility and completely located within the public utility's
108.16 electric service territory, provided that any land situated between the school building and
108.17 the site where the solar energy system is installed is owned by the school district in which
108.18 the school building operates; and

108.19 (2) the total aggregate nameplate capacity of all distributed generation serving the school
108.20 building, including any subscriptions to a community solar garden under section 216B.1641,
108.21 may not exceed the lesser of one megawatt (alternating current) or 120 percent of the average
108.22 annual electric energy consumption of the school building.

108.23 Subd. 4. **Application process.** (a) A school seeking financial assistance under this section
108.24 must submit an application to the public utility, including a plan for how the school will
108.25 use the solar energy system as a visible learning tool for students, teachers, and visitors to
108.26 the school, and how the solar energy system may be integrated into the school's curriculum.

108.27 (b) The public utility shall award financial assistance under this section on a first-come,
108.28 first-served basis.

108.29 (c) The public utility shall discontinue accepting applications under this section after all
108.30 funds appropriated under subdivision 5 are allocated to program participants, including
108.31 funds from canceled projects.

108.32 Subd. 5. **Benefits information.** Before signing an agreement with the public utility to
108.33 receive financial assistance under this section, a school must obtain from the developer and

109.1 provide to the public utility information the developer shared with potential investors in the
109.2 project regarding future financial benefits to be realized from installation of a solar energy
109.3 system at the school, and potential financial risks.

109.4 Subd. 6. **Purchase rate; cost recovery; renewable energy credits.** (a) The public utility
109.5 shall purchase all of the electricity generated by a solar energy system receiving financial
109.6 assistance under this section at a rate of \$.105 per kilowatt-hour generated.

109.7 (b) Payments by the public utility of the rate established under this subdivision to a
109.8 school receiving financial assistance under this section are fully recoverable by the public
109.9 utility through the public utility's fuel clause adjustment.

109.10 (c) The renewable energy credits associated with the electricity generated by a solar
109.11 energy system installed under this section are the property of the public utility that is subject
109.12 to this section.

109.13 Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided
109.14 by the public utility to schools under this section may be provided to schools where the
109.15 proportion of students eligible for free and reduced-price lunch under the National School
109.16 Lunch Program is less than 50 percent.

109.17 (b) No more than ten percent of the total amount of financial assistance provided by the
109.18 public utility to schools under this section may be provided to schools that are part of the
109.19 same school district.

109.20 Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to
109.21 schools to develop and execute projects under this section.

109.22 Subd. 9. **Application deadline.** No application may be submitted under this section
109.23 after December 31, 2023.

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

109.25 Sec. 8. **[216C.45] ELECTRIC VEHICLE CHARGING STATION REVOLVING**
109.26 **LOAN PROGRAM.**

109.27 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
109.28 subdivision have the meanings given them.

109.29 (b) "Borrower" means the state, counties, cities, other governmental entities, nonprofit
109.30 organizations, and private businesses eligible under this section to apply for and receive
109.31 loans from the electric vehicle charging station revolving loan fund.

109.32 (c) "Commissioner" means the commissioner of commerce.

110.1 (d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

110.2 (e) "Electric vehicle charging station" means an electric component assembly or cluster
110.3 of component assemblies designed specifically to charge an electric vehicle battery by
110.4 transferring electric energy to a battery or a storage device in the electric vehicle.

110.5 (f) "Loan" means financial assistance provided for all or part of the cost of an electric
110.6 vehicle charging station project, including money for design, development, purchase, or
110.7 installation.

110.8 Subd. 2. **Revolving loan fund.** The commissioner must establish an electric vehicle
110.9 charging station revolving loan fund to make loans for all or part of the cost of an electric
110.10 vehicle charging station project installed in Minnesota.

110.11 Subd. 3. **Administration.** (a) The commissioner must establish a minimum interest rate
110.12 for loans to ensure that necessary loan administration costs are covered. The minimum
110.13 interest rate must not exceed:

110.14 (1) one percent interest for a loan to a borrower that is the state, other governmental
110.15 entity, or a nonprofit organization; or

110.16 (2) three percent interest for a loan to a borrower that is a private business.

110.17 (b) Loan repayment of principal and loan interest payments must be paid to the department
110.18 for deposit in the revolving loan fund for subsequent distribution or use consistent with the
110.19 requirements under this section.

110.20 (c) When a loan is repaid, 60 percent of the loan repayment must be retained in the
110.21 electric vehicle charging station revolving loan fund. The remaining 40 percent must be
110.22 transferred to the renewable development account under section 116C.779, until the total
110.23 amount transferred to the renewable development account equals \$1,500,000.

110.24 Subd. 4. **Applications.** (a) A loan applicant must submit an application to the
110.25 commissioner on forms prescribed by the commissioner.

110.26 (b) The applicant must provide the following information:

110.27 (1) the estimated cost of the project and the amount of the loan sought;

110.28 (2) other possible sources of funding in addition to loans sought from the electric vehicle
110.29 charging station revolving loan fund;

110.30 (3) the proposed methods and sources of funds to repay loans received; and

111.1 (4) information demonstrating the financial status and ability of the borrower to repay
111.2 loans.

111.3 Subd. 5. **Use of loan funds.** (a) Loans made with funds from the electric vehicle charging
111.4 station revolving loan fund may be used to design, develop, purchase, and install electric
111.5 vehicle charging stations at locations in Minnesota.

111.6 (b) An electric vehicle charging station project receiving loan funds under this section
111.7 must be available for public use.

111.8 Subd. 6. **Evaluation of projects.** (a) The commissioner must consider the following
111.9 information when evaluating a project:

111.10 (1) a description of the nature and purpose of the proposed project, including an
111.11 explanation of the need for the project and the reasons why the project is in the public
111.12 interest;

111.13 (2) the relationship of the project to the local area's needs;

111.14 (3) the estimated project cost and the loan amount sought;

111.15 (4) proposed sources of funding in addition to the loan sought from the electric vehicle
111.16 charging station revolving loan fund;

111.17 (5) the need for the project as part of the overall transportation system; and

111.18 (6) the overall economic impact of the project.

111.19 (b) When evaluating projects, the commissioner may consult with the commissioner of
111.20 transportation regarding the electric vehicle charging needs throughout the state.

111.21 Subd. 7. **Maximum loan amount.** The maximum loan amount under this section is
111.22 \$30,000 per electric vehicle charging station project.

111.23 Subd. 8. **User fees.** As a condition of accepting a loan under this section, a borrower
111.24 must agree to charge a per hour user fee for use of an electric vehicle charging station funded
111.25 by the loan. A borrower must use at least 25 percent of the fees collected to repay the loan
111.26 and pay for expenses associated with operating and maintaining the electric vehicle charging
111.27 station funded by the loan.

111.28 Subd. 9. **Report to legislature.** On or before March 15, 2020, and each March 15
111.29 thereafter, the commissioner must report to the chairs and ranking minority members of the
111.30 house of representatives and senate committees with jurisdiction over energy and
111.31 transportation policy and finance regarding the revolving loan program. The report must
111.32 include (1) a description of the projects and an account of loans made from the revolving

112.1 loan fund during the preceding calendar year, (2) the revolving loan fund balance, and (3)
112.2 an explanation of administrative expenses.

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

112.4 Sec. 9. **PRAIRIE ISLAND NET ZERO PROJECT.**

112.5 Subdivision 1. **Program established.** The Prairie Island net zero project is established
112.6 with the goal of the Prairie Island Indian community developing an energy system that
112.7 results in net zero emissions.

112.8 Subd. 2. **Grant.** The commissioner of employment and economic development must
112.9 enter into a grant contract with the Prairie Island Indian community to provide the amount
112.10 appropriated under section 12 to stimulate research, development, and implementation of
112.11 renewable energy projects benefiting the Prairie Island Indian community or its members.
112.12 Any examination conducted by the commissioner of employment and economic development
112.13 to determine the sufficiency of the financial stability and capacity of the Prairie Island Indian
112.14 community to carry out the purposes of this grant is limited to the Community Services
112.15 Department of the Prairie Island Indian community.

112.16 Subd. 3. **Plan; report.** The Prairie Island Indian community must file a plan with the
112.17 commissioner of employment and economic development no later than July 1, 2019,
112.18 describing the Prairie Island net zero project elements and implementation strategy. The
112.19 Prairie Island Indian community must file a report on July 1, 2020, and each July 1 thereafter
112.20 until the project is complete, describing the progress made in implementing the project and
112.21 the uses of expended funds. A final report must be completed within 90 days of the date
112.22 the project is complete.

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

112.24 Sec. 10. **BIOMASS BUSINESS COMPENSATION.**

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

112.27 (b) "Biomass plant" means the biomass plant identified under Minnesota Statutes, section
112.28 116C.779, subdivision 1, paragraph (f).

112.29 (c) "Early termination" means the early termination of the power purchase agreement
112.30 authorized under Minnesota Statutes, section 216B.2424, subdivision 9, with the biomass
112.31 plant.

113.1 (d) "Operating income" means a business's revenue minus its operating expenses.

113.2 Subd. 2. **Office of Administrative Hearings; claims process.** (a) The chief
113.3 administrative law judge of the Office of Administrative Hearings must assign an
113.4 administrative law judge to administer a claims award process to compensate businesses
113.5 negatively affected by the early termination. The chief administrative law judge may develop
113.6 a process, prescribe forms, identify documentation affected businesses must submit with
113.7 claims, and issue awards to eligible businesses consistent with this section. The process
113.8 must allow, but not require, an authorized representative from each business that applies
113.9 for compensation to appear in person before the assigned administrative law judge to provide
113.10 evidence in support of the business's claim.

113.11 (b) The chief administrative law judge may contract with and use the services of financial
113.12 or other consultants to examine financial documentation presented by claimants or otherwise
113.13 assist in the evaluation and award of claims.

113.14 (c) Records submitted to the Office of Administrative Hearings as part of the claims
113.15 process constitute business data under Minnesota Statutes, section 13.591.

113.16 (d) An award made under this section is final and is not subject to judicial review.

113.17 (e) An award made under this section does not constitute an admission of liability by
113.18 the state for any damages or other losses suffered by a business affected by the early
113.19 termination.

113.20 Subd. 3. **Eligibility.** To be eligible for an award of compensation, an affected business
113.21 must meet the following criteria:

113.22 (1) as of May 1, 2017, the affected business was operating under the terms of a valid
113.23 written contract, or an oral contract that is sufficiently supported by business records, with
113.24 the company operating the biomass plant or the fertilizer plant integrated with the biomass
113.25 plant to supply or manage material for, or receive material from, the biomass plant or the
113.26 fertilizer plant integrated with the biomass plant;

113.27 (2) the affected business is located in the state; and

113.28 (3) as the result of the early termination, the affected business suffered:

113.29 (i) decreased operating income; or

113.30 (ii) the loss of value of investments in real or personal property essential to its business
113.31 operations with the biomass plant.

114.1 Subd. 4. Types of claims. (a) An eligible business may make claims for a compensation
114.2 award based on either or both:

114.3 (1) decreased operating income; or

114.4 (2) the loss of value of investments in real or personal property essential to its business
114.5 operations with the biomass plant.

114.6 (b) To establish and quantify a claim for decreased operating income, an eligible business
114.7 must:

114.8 (1) demonstrate its operating income over the past five years derived from supplying or
114.9 managing material for, or receiving material from, the biomass plant;

114.10 (2) present evidence of any alternative business opportunities it has pursued or could
114.11 pursue to mitigate the loss of revenue from the termination of its contract with the biomass
114.12 plant; and

114.13 (3) demonstrate the amount that the business's annual operating income, including
114.14 operating income from any alternative business opportunities, after the termination of the
114.15 business's contract with the biomass plant is less than the five-year average of the business's
114.16 annual operating income before the early termination.

114.17 (c) To establish and quantify a loss of value of investments in real or personal property
114.18 claim, an eligible business must provide sufficient evidence of:

114.19 (1) the essential nature of the investment made in the property to fulfill the contract with
114.20 the biomass plant;

114.21 (2) the extent to which the eligible business is able to repurpose the property for another
114.22 productive use after the early termination, including but not limited to the use, sales, salvage,
114.23 or scrap value of the property for which the loss is claimed; and

114.24 (3) the value of the eligible business's nondepreciated investment in the property.

114.25 Subd. 5. Limitations on awards. (a) A compensation award for a decreased operating
114.26 income claim must not exceed the amount calculated under subdivision 4, paragraph (b),
114.27 clause (3), multiplied by two.

114.28 (b) The use, sales, salvage, or scrap value of the property for which a loss is claimed
114.29 must be deducted from a compensation award for a loss of value of investments in real or
114.30 personal property claim.

115.1 (c) A payment received from business interruption insurance policies, settlements, or
115.2 other forms of compensation related to the termination of the business's contract with the
115.3 biomass plant must be deducted from any compensation award provided under this section.

115.4 Subd. 6. **Priority.** The chief administrative law judge may give priority to claims by
115.5 eligible businesses that demonstrate a significant effort to pursue alternative business
115.6 opportunities or to conduct other loss mitigation efforts to reduce its claimed losses related
115.7 to the termination of its contract with the company operating the biomass plant.

115.8 Subd. 7. **Awarding claims.** If the amount provided for compensation in the biomass
115.9 business compensation account established under section 4 is insufficient to fully award all
115.10 claims eligible for an award, all awards must be adjusted proportionally based on the value
115.11 of the claim.

115.12 Subd. 8. **Deadlines.** The chief administrative law judge must make the application
115.13 process for eligible claims available by August 1, 2019. A business seeking an award under
115.14 this section must file all claims with the chief administrative law judge within 60 days of
115.15 the date the chief administrative law judge makes the application process for eligible claims
115.16 available. All preliminary awards on eligible claims must be made within 120 days of the
115.17 deadline date to file claims. Any requests to reconsider an award denial must be filed with
115.18 the chief administrative law judge within 60 days of the notice date for preliminary awards.
115.19 All final awards for eligible claims must be made within 60 days of the deadline date to file
115.20 reconsideration requests. The commissioner of management and budget must pay all awarded
115.21 claims within 45 days of the date the commissioner of management and budget receives
115.22 notice of the final awards from the chief administrative law judge.

115.23 Subd. 9. **Expiration.** This section expires June 30, 2022.

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

115.25 **Sec. 11. BIOMASS BUSINESS COMPENSATION ACCOUNT.**

115.26 Subdivision 1. **Account established.** A biomass business compensation account is
115.27 established as a separate account in the special revenue fund in the state treasury.
115.28 Appropriations and transfers to the account must be credited to the account. Earnings, such
115.29 as interest, and any other earnings arising from the assets of the account are credited to the
115.30 account. Funds remaining in the account as of December 31, 2021, must be transferred to
115.31 the renewable development account established under Minnesota Statutes, section 116C.779.

115.32 Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section
115.33 116C.779, subdivision 1, paragraph (j), on July 1, 2019, \$40,000,000 must be transferred

116.1 from the renewable development account under Minnesota Statutes, section 116C.779, to
 116.2 the biomass business compensation account established under subdivision 3. The transferred
 116.3 funds are appropriated to pay eligible obligations under the biomass business compensation
 116.4 program established under section 8.

116.5 Subd. 3. **Payment of expenses.** The chief administrative law judge must certify to the
 116.6 commissioner of management and budget the total costs incurred to administer the biomass
 116.7 business compensation claims process. The commissioner of management and budget must
 116.8 transfer an amount equal to the certified costs incurred for biomass business compensation
 116.9 claim activities from the renewable development account under Minnesota Statutes, section
 116.10 116C.779, and deposit it in the administrative hearings account under Minnesota Statutes,
 116.11 section 14.54. Transfers may occur quarterly throughout the fiscal year and must be based
 116.12 on quarterly cost and revenue reports, with final certification and reconciliation after each
 116.13 fiscal year. The total amount transferred under this subdivision must not exceed \$200,000.

116.14 Subd. 4. **Expiration.** This section expires June 30, 2022.

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

116.16 Sec. 12. **GREEN ROOF ADVISORY TASK FORCE; REPORT.**

116.17 Subdivision 1. **Definition.** For the purposes of this section, "green roof" means the roof
 116.18 of a building on which:

116.19 (1) photovoltaic devices, as defined in Minnesota Statutes, section 216C.06, are sited;

116.20 or

116.21 (2) a vegetative landscape and associated elements are installed, which may include:

116.22 (i) a growing medium;

116.23 (ii) a waterproof membrane to protect the roof;

116.24 (iii) a barrier to prevent plant roots from damaging the roof;

116.25 (iv) a filter layer to prevent the growing medium from washing away;

116.26 (v) thermal insulation to protect the vegetation and the building;

116.27 (vi) a drainage system; and

116.28 (vii) structural support.

116.29 Subd. 2. **Membership.** (a) The Green Roof Advisory Task Force consists of the following
 116.30 members:

117.1 (1) the state building official, appointed under Minnesota Statutes, section 326B.127,
117.2 or the state building official's designee;

117.3 (2) a representative of the Building Owners and Managers Association Greater
117.4 Minneapolis, appointed by the president of the association;

117.5 (3) up to three representatives from Minnesota companies with extensive experience
117.6 installing green roofs, appointed by the commissioner of the Pollution Control Agency;

117.7 (4) a cochair of the Committee on the Environment of the American Institute of Architects
117.8 Minnesota, or the cochair's designee;

117.9 (5) a horticultural expert from the University of Minnesota Extension, appointed by the
117.10 dean of extension;

117.11 (6) a representative of the University of Minnesota Center for Sustainable Building
117.12 Research, appointed by the director of the center;

117.13 (7) a representative of the Minnesota Solar Energy Industries Association, appointed by
117.14 the president of the association;

117.15 (8) a representative from the Minnesota Nursery and Landscape Association;

117.16 (9) a representative of the Minnesota State Building Trades Council appointed by the
117.17 council;

117.18 (10) the commissioner of commerce, or the commissioner's designee; and

117.19 (11) other members appointed by the advisory task force that it deems to be helpful in
117.20 carrying out its duties under subdivision 3.

117.21 (b) Members of the advisory task force are not to be compensated for activities associated
117.22 with the advisory task force.

117.23 (c) The Department of Commerce must serve as staff to the advisory task force.

117.24 Subd. 3. **Duties.** The advisory task force's duties are to review and evaluate:

117.25 (1) laws relating to green roofs enacted in American cities and states and in foreign
117.26 countries;

117.27 (2) estimates of the impacts of operating green roofs on:

117.28 (i) energy use in the buildings on which the green roofs are installed and any associated
117.29 reductions in the emission of greenhouse gases and other air pollutants;

117.30 (ii) roof replacement costs; and

118.1 (iii) management costs for storm water; and

118.2 (3) any other information the task force deems relevant.

118.3 Subd. 4. **Report.** By March 1, 2020, the advisory task force must submit a report to the
118.4 chairs and ranking minority members of the senate and house of representatives committees
118.5 with primary jurisdiction over energy policy and environmental policy. The report must
118.6 contain the task force's findings and recommendations, including discussion of the benefits
118.7 and problems associated with requiring buildings of a certain type and size to install green
118.8 roofs.

118.9 Subd. 5. **Sunset.** The task force shall sunset April 1, 2020.

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

118.11 Sec. 13. **REPORT; COST-BENEFIT ANALYSIS OF ENERGY STORAGE**

118.12 **SYSTEMS.**

118.13 (a) The commissioner of commerce must contract with an independent consultant selected
118.14 through a request for proposal process to produce a report analyzing the potential costs and
118.15 benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422,
118.16 subdivision 1, in Minnesota. The study may also include scenarios examining energy storage
118.17 systems that are not capable of being controlled by a utility. The commissioner must engage
118.18 a broad group of Minnesota stakeholders, including electric utilities and others, to develop
118.19 and provide information for the report. The study must:

118.20 (1) identify and measure the different potential costs and savings produced by energy
118.21 storage system deployment, including but not limited to:

118.22 (i) generation, transmission, and distribution facilities asset deferral or substitution;

118.23 (ii) impacts on ancillary services costs;

118.24 (iii) impacts on transmission and distribution congestion;

118.25 (iv) impacts on peak power costs;

118.26 (v) impacts on emergency power supplies during outages;

118.27 (vi) impacts on curtailment of renewable energy generators; and

118.28 (vii) reduced greenhouse gas emissions;

118.29 (2) analyze and estimate the:

118.30 (i) costs and savings to customers that deploy energy storage systems;

119.1 (ii) impact on the utility's ability to integrate renewable resources;

119.2 (iii) impact on grid reliability and power quality; and

119.3 (iv) effect on retail electric rates over the useful life of a given energy storage system

119.4 compared to providing the same services using other facilities or resources;

119.5 (3) consider the findings of analysis conducted by the Midcontinent Independent System

119.6 Operator on energy storage capacity accreditation and participation in regional energy

119.7 markets, including updates of the analysis; and

119.8 (4) include case studies of existing energy storage applications currently providing the

119.9 benefits described in clauses (1) and (2).

119.10 (b) By December 31, 2019, the commissioner of commerce must submit the study to

119.11 the chairs and ranking minority members of the senate and house of representatives

119.12 committees with jurisdiction over energy policy and finance.

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

119.14 Sec. 14. **APPROPRIATION; PRAIRIE ISLAND NET ZERO PROJECT.**

119.15 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),

119.16 \$20,000,000 in fiscal year 2020; \$7,500,000 in fiscal years 2021, 2022, and 2023; and

119.17 \$3,700,000 in fiscal year 2024 are appropriated from the renewable development account

119.18 under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of

119.19 employment and economic development for a grant to the Prairie Island Indian community

119.20 to establish the net zero project under section 9.

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

119.22 Sec. 15. **APPROPRIATION; ENERGY STORAGE COST-BENEFIT ANALYSIS.**

119.23 \$150,000 in fiscal year 2019 is appropriated from the renewable development account

119.24 in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision

119.25 1, to the commissioner of commerce, to conduct an energy storage systems cost-benefit

119.26 analysis. This is a onetime appropriation and is available until June 30, 2020.

119.27 Sec. 16. **APPROPRIATION; GREEN ROOF TASK FORCE.**

119.28 \$55,000 in fiscal year 2020 is appropriated from the renewable development account

119.29 under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (a), to the

119.30 commissioner of commerce to complete the green roof report required under section 12.

120.1 Sec. 17. **APPROPRIATION; SOLAR FOR SCHOOLS.**

120.2 (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
120.3 \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated from
120.4 the renewable development account established under Minnesota Statutes, section 116C.779,
120.5 subdivision 1, to the commissioner of commerce for transfer to the public utility that is
120.6 subject to Minnesota Statutes, section 216C.376, for the purposes of awarding grants and
120.7 financial assistance to schools under the solar for schools program under Minnesota Statutes,
120.8 section 216C.376.

120.9 (b) This appropriation may be used by the commissioner to reimburse the reasonable
120.10 costs incurred by the public utility to administer the solar for schools program under
120.11 Minnesota Statutes, section 216C.375, and the reasonable costs of the department to review
120.12 and approve the public utility's plan, and any proposed modifications to that plan and to
120.13 provide technical assistance, under Minnesota Statutes, section 216C.376, subdivisions 2
120.14 and 8.

120.15 Sec. 18. **APPROPRIATION; ELECTRIC VEHICLE CHARGING STATION**
120.16 **REVOLVING LOAN PROGRAM.**

120.17 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
120.18 \$1,500,000 in fiscal year 2020 is appropriated from the renewable development account
120.19 under Minnesota Statutes, section 116C.779, to the commissioner of commerce for the
120.20 electric vehicle charging station revolving loan program under Minnesota Statutes, section
120.21 216C.45. This appropriation must be used only for loans made for electric vehicle charging
120.22 station projects in the service area of a public utility that owns a nuclear electric generating
120.23 plant in Minnesota. The commissioner may use up to three percent of this amount to
120.24 administer the program. This is a onetime appropriation and is available until expended.

82B.021 DEFINITIONS.

Subd. 17. **Foundation appraisal organization.** "Foundation appraisal organization" means a member private appraisal trade organization of the Appraisal Foundation including, but not limited to, the following: American Institute of Real Estate Appraisers, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, International Right of Way Association, National Association of Independent Fee Appraisers, National Society of Real Estate Appraisers, or Society of Real Estate Appraisers.

82B.095 APPRAISER QUALIFICATION COMPONENTS.

Subd. 2. **Conformance to Appraiser Qualifications Board criteria.** Qualifications for all levels of licensing must conform to the Real Property Qualification Criteria established by the Appraisal Qualifications Board for implementation effective January 1, 2015.

82B.10 EXAMINATIONS.

Subdivision 1. **Generally.** (a) An applicant for a license must pass an examination conducted by the commissioner. The examinations must be of sufficient scope to establish the competency of the applicant to act as a real estate appraiser and must conform with the current National Uniform Exam Content Outlines published by the Appraiser Qualifications Board.

(b) A passing grade for a real estate appraiser licensing examination must be the cut score defined by the Appraiser Qualifications Board criteria.

(c) To qualify for a license as a trainee real property appraiser, an applicant must pass a current trainee real property appraiser examination. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(d) To qualify for a license as a licensed real property appraiser, an applicant must pass a current uniform licensed real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(e) To qualify for a license as a certified residential real property appraiser, an applicant must pass a current uniform certified residential real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(f) To qualify for a license as a certified general real property appraiser, an applicant must pass a current uniform certified general real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(g) An applicant must complete the applicable education prerequisites in section 82B.13 and the experience requirements in section 82B.14 before the applicant takes the examination required under this section.

Subd. 2. **Reexaminations.** An examination must be required before renewal of a license that has been suspended, or before the issuance of a license to a person whose license has been ineffective for a period of two years. No reexamination is required of an individual who has failed to renew an existing license because of absence from the state while on active duty with the armed services of the United States of America.

Subd. 3. **Examination frequency.** The commissioner must hold examinations at times and places the commissioner determines.

Subd. 4. **Period for application.** An applicant who obtains an acceptable score on an examination must file an application and obtain the license within two years of the date of successful completion of the examination or a second examination must be taken to qualify for the license.

Subd. 5. **Renewal; examination.** Except as provided in subdivision 2, no examination is required for the renewal of a license. However, a licensee who has been licensed in the state of Minnesota and who fails to renew the license for a period of two years must be required by the commissioner to again take an examination.

Subd. 6. **Examination eligibility; revocation.** No applicant may take an examination if a license as a real estate appraiser has been revoked in this or another state within two years of the date of the application.

Subd. 8. **Fees.** The commissioner may assess an examination fee sufficient to recover the actual direct costs of holding the examination.

Subd. 9. **Cheating.** The commissioner must not accept the scores of a person who has cheated on an examination. Cheating on a real estate appraiser examination must be grounds for denying an application for an appraiser's license.

82B.11 CLASSES OF LICENSE.

Subd. 2. **Trainee real property appraiser.** When a net income capitalization analysis is not required by the uniform standards of professional appraisal practice, a trainee real property appraiser may appraise residential real property or agricultural property.

82B.12 EXAMINATION REQUIREMENT.

An original license as a licensed real estate appraiser must be issued to a person who has demonstrated through a written examination process that the appraiser has the following qualifications:

(1) appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate;

(2) understanding the principles of land economics, real estate appraisal processes, and problems likely to be encountered in gathering, interpreting, and processing of data in carrying out appraisal disciplines;

(3) understanding the standards for the development and communication of real estate appraisals as provided in this chapter;

(4) knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for the classification of license for which the person is applying;

(5) knowledge of other principles and procedures appropriate for the classification of license for which the person is applying;

(6) basic understanding of real estate law; and

(7) understanding the types of misconduct and ethical considerations for which disciplinary proceedings may be started against a licensed real estate appraiser.

82B.13 EDUCATION PREREQUISITES.

Subd. 1a. **Licensed real property appraiser.** As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 150 hours of prelicense courses approved by the commissioner. The courses must consist of 75 hours of general real estate appraisal principles and the 15-hour national USPAP course; and

(2) an associate degree or higher from an accredited college or university. In lieu of the required degree, the applicant may present satisfactory documentation of successful completion of 30 semester credit hours of instruction from an accredited college or university.

Subd. 3. **Commissioner's approval; rules.** The courses and instruction and procedures of courses must be approved by the commissioner. The commissioner may adopt rules to administer this section. These rules must, to the extent practicable, conform to the rules adopted for real estate and insurance education. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria.

Subd. 4. **Certified residential real property appraiser.** As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 200 hours of prelicense courses approved by the commissioner, with particular emphasis on the appraisal of one to four unit residential properties. Fifteen of the 200 hours must include successful completion of the 15-hour national USPAP course; and

(2) a bachelor's degree or higher from an accredited college or university.

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Subd. 5. **Certified general real property appraiser.** As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 300 hours of prelicense courses approved by the commissioner, with particular emphasis on the appraisal of nonresidential properties. Fifteen of the 300 hours must include successful completion of the 15-hour national USPAP course; and

(2) a bachelor's degree or higher from an accredited college or university.

Subd. 6. **All appraiser license levels.** To receive approval from the commissioner, an appraiser prelicense education course must be at least 15 hours long. The required course hours for all appraiser license levels include completion of the 15-hour national USPAP course and specific core curriculum courses and hours in accordance with the real property appraiser qualification criteria as defined by the Appraisal Qualifications Board:

Trainee	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours
The 15-hour national USPAP course or its equivalent	15 hours
Trainee level total education requirements	75 hours
Licensed	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours
The 15-hour national USPAP course or its equivalent	15 hours
Residential market analysis and highest and best use	15 hours
Residential appraiser site valuation and cost approach	15 hours
Residential sales comparison and income approaches	30 hours
Residential report writing and case studies	15 hours
Licensed level total education requirements	150 hours
Certified residential	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours
The 15-hour national USPAP course or its equivalent	15 hours
Residential market analysis and highest and best use	15 hours
Residential appraiser site valuation and cost approach	15 hours
Residential sales comparison and income approaches	30 hours
Residential report writing and case studies	15 hours
Statistics, modeling, and finance	15 hours
Advanced residential applications and case studies	15 hours
Appraisal subject matter electives	20 hours
(May include hours over minimum shown above in other modules)	
Certified residential level total education requirements	200 hours
Certified general	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours

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The 15-hour national USPAP course or its equivalent	15 hours
General appraiser market analysis and highest and best use	30 hours
Statistics, modeling, and finance	15 hours
General appraiser sales comparison approach	30 hours
General appraiser site valuation and cost approach	30 hours
General appraiser income approach	60 hours
General appraiser report writing and case studies	30 hours
Appraisal subject matter electives	30 hours
(May include hours over minimum shown above in other modules)	
Certified general level total education requirements	300 hours

Subd. 7. **Student tracking manual.** It is the responsibility of students to record the qualifying education they have completed in a student tracking manual broken down by required core curriculum modules and subtopics, and to maintain an orderly record of education, experience, and other requirements.

Subd. 8. **Appraiser prelicense education.** (a) Credit toward the qualifying education requirements of this section may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the United States Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the Appraiser Qualifications Board.

(b) Notwithstanding section 45.22, a college or university real estate course may be approved retroactively by the commissioner for appraiser prelicense education credit if:

(1) the course was offered by a college or university physically located in Minnesota;

(2) the college or university was an approved education provider at the time the course was offered; and

(3) the commissioner's approval is made to the same extent in terms of courses and hours and with the same time limits as those specified by the Appraiser Qualifications Board.

82B.14 EXPERIENCE REQUIREMENT.

(a) As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal obtained in no fewer than 12 months.

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal obtained in no fewer than 24 months.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal obtained in no fewer than 30 months. At least 50 percent, or 1,500 hours, must be in nonresidential appraisal work.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

(c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

(d) Experience for all classifications must be obtained after January 30, 1989, and must be USPAP compliant.

82B.195 STANDARDS OF CONDUCT.

Subd. 3. **Additional requirements.** In addition to the requirements of subdivisions 1 and 2, an appraiser must:

- (1) not knowingly make any of the following unacceptable appraisal practices:
 - (i) include inaccurate or misleading factual data about the subject neighborhood, site, improvements, or comparable sales;
 - (ii) fail to comment on negative factors with respect to the subject neighborhood, subject property, or proximity of the subject property to adverse influences;
 - (iii) unless otherwise disclosed in the appraisal report, use comparables in the valuation process that the appraiser has not at least personally inspected from the exterior by driving by them;
 - (iv) select and use inappropriate comparable sales or fail to use comparables that are physically and by location the most similar to the subject property;
 - (v) use data, particularly comparable sales data, that was provided by parties who have a financial interest in the sale or financing of the subject property without the appraiser's verification of the information from a disinterested source. For example, it would be inappropriate for an appraiser to use comparable sales provided by the builder of the subject property or a real estate broker who is handling the sale of the subject property, unless the appraiser verifies the accuracy of the data provided through another source. If a signed HUD Settlement Statement is used for this verification, the appraiser must also verify the sale data with the buyer or county records. The appraiser must also make an independent investigation to determine that the comparable sales provided were the best ones available;
 - (vi) use adjustments to the comparable sales that do not reflect the market's reaction to the differences between the subject property and the comparables, or fail to make adjustments when they are clearly indicated;
 - (vii) develop a valuation conclusion that is based either partially or completely on factors identified in chapter 363A, including race, color, creed, religion, sex, marital status, status with regard to public assistance, disability, sexual orientation, familial status of the owner or occupants of nearby property, or national origin of either the prospective owners or occupants of the properties in the vicinity of the subject property; or
 - (viii) develop a valuation conclusion that is not supported by available market data;
- (2) provide a resume, current within six months of the date it is provided, to anyone who employs the appraiser, indicating all professional degrees and licenses held by the appraiser; and
- (3) reject any request by the person who has employed the appraiser that is in conflict with the requirements of Minnesota law or this chapter and withdraw from the appraisal assignment if the employing party persists in the request.

216B.241 ENERGY CONSERVATION IMPROVEMENT.

Subd. 1b. **Conservation improvement by cooperative association or municipality.** (a) This subdivision applies to:

- (1) a cooperative electric association that provides retail service to more than 5,000 members;
- (2) a municipality that provides electric service to more than 1,000 retail customers; and
- (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales to natural gas retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

- (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and
- (2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

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(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

(g) Each municipality or cooperative shall file energy conservation improvement plans by June 1 on a schedule determined by order of the commissioner, but at least every three years. Plans received by June 1 must be approved or approved as modified by the commissioner by December 1 of the same year. The municipality or cooperative shall provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities.

(h) The commissioner shall consider and may require a utility, association, or other entity providing energy efficiency and conservation services under this section to undertake a program suggested by an outside source, including a political subdivision, nonprofit corporation, or community organization.

469.084 ST. PAUL.

Subd. 1a. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015.