

1.1 moves to amend S.F. No. 1456, in conference committee, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **APPROPRIATIONS**

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

1.6 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
1.7 agencies and for the purposes specified in this article. The appropriations are from the
1.8 general fund, or another named fund, and are available for the fiscal years indicated for
1.9 each purpose. The figures "2018" and "2019" used in this article mean that the appropriations
1.10 listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019,
1.11 respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The
1.12 biennium" is fiscal years 2018 and 2019.

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

1.15 **APPROPRIATIONS**

1.16 **Available for the Year**

1.17 **Ending June 30**

1.18 **2018**

2019

1.19 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
1.20 **AND ECONOMIC DEVELOPMENT**

1.21 **Subdivision 1. Total Appropriation** \$ **143,432,000** \$ **118,264,000**

1.22 **Appropriations by Fund**

1.23 **2018**

2019

1.24 **General** **\$107,615,000** **\$83,564,000**

2.1	<u>Remediation</u>	<u>\$700,000</u>	<u>\$700,000</u>
2.2	<u>Workforce</u>		
2.3	<u>Development</u>	<u>\$34,967,000</u>	<u>\$34,000,000</u>
2.4	<u>Special Revenue</u>	<u>\$150,000</u>	<u>-0-</u>

2.5 The amounts that may be spent for each
 2.6 purpose are specified in the following
 2.7 subdivisions.

2.8 Subd. 2. **Business and Community Development** \$ 45,186,000 \$ 40,935,000

2.9 Appropriations by Fund

2.10	<u>General</u>	<u>\$42,475,000</u>	<u>\$38,424,000</u>
2.11	<u>Remediation</u>	<u>\$700,000</u>	<u>\$700,000</u>
2.12	<u>Workforce</u>		
2.13	<u>Development</u>	<u>\$1,861,000</u>	<u>\$1,811,000</u>
2.14	<u>Special Revenue</u>	<u>\$150,000</u>	<u>-0-</u>

2.15 (a) \$4,195,000 each year is for the Minnesota
 2.16 job skills partnership program under
 2.17 Minnesota Statutes, sections 116L.01 to
 2.18 116L.17. If the appropriation for either year
 2.19 is insufficient, the appropriation for the other
 2.20 year is available. This appropriation is
 2.21 available until spent.

2.22 (b) \$750,000 each year is for grants to the
 2.23 Neighborhood Development Center for small
 2.24 business programs:

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

2.26 (2) model outreach and training in greater
 2.27 Minnesota; and

2.28 (3) development of new business incubators.

2.29 This is a onetime appropriation.

2.30 (c) \$1,175,000 each year is for a grant to the
 2.31 Metropolitan Economic Development
 2.32 Association (MEDA) for statewide business
 2.33 development and assistance services, including
 2.34 services to entrepreneurs with businesses that

3.1 have the potential to create job opportunities
3.2 for unemployed and underemployed people,
3.3 with an emphasis on minority-owned
3.4 businesses. This is a onetime appropriation.

3.5 (d) \$125,000 each year is for a grant to the
3.6 White Earth Nation for the White Earth Nation
3.7 Integrated Business Development System to
3.8 provide business assistance with workforce
3.9 development, outreach, technical assistance,
3.10 infrastructure and operational support,
3.11 financing, and other business development
3.12 activities. This is a onetime appropriation.

3.13 (e)(1) \$12,500,000 each year is for the
3.14 Minnesota investment fund under Minnesota
3.15 Statutes, section 116J.8731. Of this amount,
3.16 the commissioner of employment and
3.17 economic development may use up to three
3.18 percent for administration and monitoring of
3.19 the program. This appropriation is available
3.20 until spent.

3.21 (2) Of the amount appropriated in fiscal year
3.22 2018, \$4,000,000 is for a loan to construct and
3.23 equip a wholesale electronic component
3.24 distribution center investing a minimum of
3.25 \$200,000,000 and constructing a facility at
3.26 least 700,000 square feet in size. Loan funds
3.27 may be used for purchases of materials,
3.28 supplies, and equipment for the construction
3.29 of the facility and are available from July 1,
3.30 2017, to June 30, 2021. The commissioner of
3.31 employment and economic development shall
3.32 forgive the loan after verification that the
3.33 project has satisfied performance goals and
3.34 contractual obligations as required under
3.35 Minnesota Statutes, section 116J.8731.

4.1 (3) Of the amount appropriated in fiscal year
4.2 2018, \$700,000 is for a loan to extend an
4.3 effluent pipe that will deliver reclaimed water
4.4 to an innovative waste-to-biofuel project
4.5 investing a minimum of \$150,000,000 and
4.6 constructing a facility that is designed to
4.7 process approximately 400,000 tons of waste
4.8 annually. Loan funds are available until June
4.9 30, 2021.

4.10 (f) \$8,500,000 each year is for the Minnesota
4.11 job creation fund under Minnesota Statutes,
4.12 section 116J.8748. Of this amount, the
4.13 commissioner of employment and economic
4.14 development may use up to three percent for
4.15 administrative expenses. This appropriation
4.16 is available until expended. In fiscal year 2018
4.17 and beyond, the base amount is \$8,000,000.

4.18 (g) \$1,647,000 each year is for contaminated
4.19 site cleanup and development grants under
4.20 Minnesota Statutes, sections 116J.551 to
4.21 116J.558. This appropriation is available until
4.22 spent. In fiscal year 2020 and beyond, the base
4.23 amount is \$1,772,000.

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

4.26 (i) \$163,000 each year is for the Minnesota
4.27 Film and TV Board. The appropriation in each
4.28 year is available only upon receipt by the
4.29 board of \$1 in matching contributions of
4.30 money or in-kind contributions from nonstate
4.31 sources for every \$3 provided by this
4.32 appropriation, except that each year up to
4.33 \$50,000 is available on July 1 even if the
4.34 required matching contribution has not been
4.35 received by that date.

5.1 (j) \$500,000 each year is from the general fund
5.2 for a grant to the Minnesota Film and TV
5.3 Board for the film production jobs program
5.4 under Minnesota Statutes, section 116U.26.
5.5 This appropriation is available until June 30,
5.6 2021.

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

5.10 (l)(1) \$1,300,000 each year is for the greater
5.11 Minnesota business development public
5.12 infrastructure grant program under Minnesota
5.13 Statutes, section 116J.431. This appropriation
5.14 is available until spent. If the appropriation
5.15 for either year is insufficient, the appropriation
5.16 for the other year is available. In fiscal year
5.17 2020 and beyond, the base amount is
5.18 \$1,787,000. Funds available under this
5.19 paragraph may be used for site preparation of
5.20 property owned and to be used by private
5.21 entities.

5.22 (2) Of the amounts appropriated, \$1,600,000
5.23 in fiscal year 2018 is for a grant to the city of
5.24 Thief River Falls to support utility extensions,
5.25 roads, and other public improvements related
5.26 to the construction of a wholesale electronic
5.27 component distribution center at least 700,000
5.28 square feet in size and investing a minimum
5.29 of \$200,000,000. Notwithstanding Minnesota
5.30 Statutes, section 116J.431, a local match is
5.31 not required. Grant funds are available from
5.32 July 1, 2017, to June 30, 2021.

5.33 (m) \$876,000 the first year and \$500,000 the
5.34 second year are for the Minnesota emerging
5.35 entrepreneur loan program under Minnesota

6.1 Statutes, section 116M.18. Funds available
6.2 under this paragraph are for transfer into the
6.3 emerging entrepreneur program special
6.4 revenue fund account created under Minnesota
6.5 Statutes, chapter 116M, and are available until
6.6 spent. Of this amount, up to four percent is for
6.7 administration and monitoring of the program.
6.8 In fiscal year 2020 and beyond, the base
6.9 amount is \$1,000,000.

6.10 (n) \$875,000 each year is for a grant to
6.11 Enterprise Minnesota, Inc. for the small
6.12 business growth acceleration program under
6.13 Minnesota Statutes, section 116O.115. This
6.14 is a onetime appropriation.

6.15 (o) \$250,000 in fiscal year 2018 is for a grant
6.16 to the Minnesota Design Center at the
6.17 University of Minnesota for the greater
6.18 Minnesota community design pilot project.

6.19 (p) \$275,000 in fiscal year 2018 is from the
6.20 general fund to the commissioner of
6.21 employment and economic development for
6.22 a grant to Community and Economic
6.23 Development Associates (CEDA) for an
6.24 economic development study and analysis of
6.25 the effects of current and projected economic
6.26 growth in southeast Minnesota. CEDA shall
6.27 report on the findings and recommendations
6.28 of the study to the committees of the house of
6.29 representatives and senate with jurisdiction
6.30 over economic development and workforce
6.31 issues by February 15, 2019. All results and
6.32 information gathered from the study shall be
6.33 made available for use by cities in southeast
6.34 Minnesota by March 15, 2019. This
6.35 appropriation is available until June 30, 2020.

7.1 (q) \$2,000,000 in fiscal year 2018 is for a
7.2 grant to Pillsbury United Communities for
7.3 construction and renovation of a building in
7.4 north Minneapolis for use as the "North
7.5 Market" grocery store and wellness center,
7.6 focused on offering healthy food, increasing
7.7 health care access, and providing job creation
7.8 and economic opportunities in one place for
7.9 children and families living in the area. To the
7.10 extent possible, Pillsbury United Communities
7.11 shall employ individuals who reside within a
7.12 five mile radius of the grocery store and
7.13 wellness center. This appropriation is not
7.14 available until at least an equal amount of
7.15 money is committed from nonstate sources.
7.16 This appropriation is available until the project
7.17 is completed or abandoned, subject to
7.18 Minnesota Statutes, section 16A.642.

7.19 (r) \$1,425,000 each year is for the business
7.20 development competitive grant program. Of
7.21 this amount, up to five percent is for
7.22 administration and monitoring of the business
7.23 development competitive grant program. All
7.24 grant awards shall be for two consecutive
7.25 years. Grants shall be awarded in the first year.

7.26 (s) \$875,000 each year is for the host
7.27 community economic development grant
7.28 program established in Minnesota Statutes,
7.29 section 116J.548.

7.30 (t) \$700,000 each year is from the remediation
7.31 fund for contaminated site cleanup and
7.32 development grants under Minnesota Statutes,
7.33 sections 116J.551 to 116J.558. This
7.34 appropriation is available until spent.

- 8.1 (u) \$161,000 each year is from the workforce
8.2 development fund for a grant to the Rural
8.3 Policy and Development Center. This is a
8.4 onetime appropriation.
- 8.5 (v) \$300,000 each year is from the workforce
8.6 development fund for a grant to Enterprise
8.7 Minnesota, Inc. This is a onetime
8.8 appropriation.
- 8.9 (w) \$50,000 in fiscal year 2018 is from the
8.10 workforce development fund for a grant to
8.11 Fighting Chance for behavioral intervention
8.12 programs for at-risk youth.
- 8.13 (x) \$1,350,000 each year is from the
8.14 workforce development fund for job training
8.15 grants under Minnesota Statutes, section
8.16 116L.42.
- 8.17 (y)(1) \$500,000 in fiscal year 2018 is for
8.18 grants to local communities to increase the
8.19 supply of quality child care providers in order
8.20 to support economic development. At least 60
8.21 percent of grant funds must go to communities
8.22 located outside of the seven-county
8.23 metropolitan area, as defined under Minnesota
8.24 Statutes, section 473.121, subdivision 2. Grant
8.25 recipients must obtain a 50 percent nonstate
8.26 match to grant funds in either cash or in-kind
8.27 contributions. Grant funds available under this
8.28 paragraph must be used to implement solutions
8.29 to reduce the child care shortage in the state
8.30 including but not limited to funding for child
8.31 care business start-ups or expansions, training,
8.32 facility modifications or improvements
8.33 required for licensing, and assistance with
8.34 licensing and other regulatory requirements.
8.35 In awarding grants, the commissioner must

- 9.1 give priority to communities that have
9.2 documented a shortage of child care providers
9.3 in the area.
- 9.4 (2) Within one year of receiving grant funds,
9.5 grant recipients must report to the
9.6 commissioner on the outcomes of the grant
9.7 program including but not limited to the
9.8 number of new providers, the number of
9.9 additional child care provider jobs created, the
9.10 number of additional child care slots, and the
9.11 amount of local funds invested.
- 9.12 (3) By January 1 of each year, starting in 2019,
9.13 the commissioner must report to the standing
9.14 committees of the legislature having
9.15 jurisdiction over child care and economic
9.16 development on the outcomes of the program
9.17 to date.
- 9.18 (z) \$150,000 the first year is from the clean
9.19 energy advancement fund (C-LEAF) account
9.20 in the special revenue fund established in
9.21 Minnesota Statutes, section 116C.779,
9.22 subdivision 1, to conduct the biomass facility
9.23 closure economic impact study.
- 9.24 (aa) \$150,000 in fiscal year 2018 is for a grant
9.25 to Mille Lacs County for the purpose of
9.26 reimbursement grants to small resort
9.27 businesses located in the city of Isle with less
9.28 than \$350,000 in annual revenue, at least six
9.29 rental units, which are open during both
9.30 summer and winter months, and whose
9.31 business was adversely impacted by
9.32 management decisions made by the
9.33 Department of Natural Resources.

11.1 (d) \$1,000,000 each year is for a grant to the
11.2 Construction Careers Foundation for the
11.3 construction career pathway initiative to
11.4 provide year-round educational and
11.5 experiential learning opportunities for teens
11.6 and young adults under the age of 21 that lead
11.7 to careers in the construction industry. This is
11.8 a onetime appropriation. Grant funds must be
11.9 used to:

11.10 (1) increase construction industry exposure
11.11 activities for middle school and high school
11.12 youth, parents, and counselors to reach a more
11.13 diverse demographic and broader statewide
11.14 audience. This requirement includes, but is
11.15 not limited to, an expansion of programs to
11.16 provide experience in different crafts to youth
11.17 and young adults throughout the state;

11.18 (2) increase the number of high schools in
11.19 Minnesota offering construction classes during
11.20 the academic year that utilize a multicraft
11.21 curriculum;

11.22 (3) increase the number of summer internship
11.23 opportunities;

11.24 (4) enhance activities to support graduating
11.25 seniors in their efforts to obtain employment
11.26 in the construction industry;

11.27 (5) increase the number of young adults
11.28 employed in the construction industry and
11.29 ensure that they reflect Minnesota's diverse
11.30 workforce; and

11.31 (6) enhance an industrywide marketing
11.32 campaign targeted to youth and young adults
11.33 about the depth and breadth of careers within
11.34 the construction industry.

- 12.1 Programs and services supported by grant
12.2 funds must give priority to individuals and
12.3 groups that are economically disadvantaged
12.4 or historically underrepresented in the
12.5 construction industry, including but not limited
12.6 to women, veterans, and members of minority
12.7 and immigrant groups.
- 12.8 (e) \$2,289,000 each year from the general fund
12.9 and \$4,604,000 each year from the workforce
12.10 development fund are for the Pathways to
12.11 Prosperity adult workforce development
12.12 competitive grant program. Of this amount,
12.13 up to four percent is for administration and
12.14 monitoring of the program. When awarding
12.15 grants under this paragraph, the commissioner
12.16 of employment and economic development
12.17 may give preference to any previous grantee
12.18 with demonstrated success in job training and
12.19 placement for hard-to-train individuals. In
12.20 fiscal year 2020 and beyond, the general fund
12.21 base amount for this program is \$5,039,000.
- 12.22 (f) \$500,000 each year is for the women and
12.23 high-wage, high-demand, nontraditional jobs
12.24 grant program under Minnesota Statutes,
12.25 section 116L.99. Of this amount, up to five
12.26 percent is for administration and monitoring
12.27 of the program. In fiscal year 2020 and
12.28 beyond, the base amount is \$750,000.
- 12.29 (g) \$500,000 each year is for a competitive
12.30 grant program for grants to organizations
12.31 providing services to relieve economic
12.32 disparities in the Southeast Asian community
12.33 through workforce recruitment, development,
12.34 job creation, assistance of smaller
12.35 organizations to increase capacity, and

- 13.1 outreach. Of this amount, up to five percent
13.2 is for administration and monitoring of the
13.3 program. In fiscal year 2020 and beyond, the
13.4 base amount is \$1,000,000.
- 13.5 (h) \$250,000 each year is for a grant to the
13.6 American Indian Opportunities and
13.7 Industrialization Center, in collaboration with
13.8 the Northwest Indian Community
13.9 Development Center, to reduce academic
13.10 disparities for American Indian students and
13.11 adults. This is a onetime appropriation. The
13.12 grant funds may be used to provide:
- 13.13 (1) student tutoring and testing support
13.14 services;
- 13.15 (2) training in information technology;
- 13.16 (3) assistance in obtaining a GED;
- 13.17 (4) remedial training leading to enrollment in
13.18 a postsecondary higher education institution;
- 13.19 (5) real-time work experience in information
13.20 technology fields; and
- 13.21 (6) contextualized adult basic education.
- 13.22 After notification to the legislature, the
13.23 commissioner may transfer this appropriation
13.24 to the commissioner of education.
- 13.25 (i) \$100,000 each year is for the getting to
13.26 work grant program. This is a onetime
13.27 appropriation and is available until June 30,
13.28 2021.
- 13.29 (j) \$525,000 each year is from the workforce
13.30 development fund for a grant to the YWCA
13.31 of Minneapolis to provide economically
13.32 challenged individuals the job skills training,
13.33 career counseling, and job placement

- 14.1 assistance necessary to secure a child
14.2 development associate credential and to have
14.3 a career path in early childhood education.
14.4 This is a onetime appropriation.
- 14.5 (k) \$1,350,000 each year is from the
14.6 workforce development fund for a grant to the
14.7 Minnesota High Tech Association to support
14.8 SciTechsperience, a program that supports
14.9 science, technology, engineering, and math
14.10 (STEM) internship opportunities for two- and
14.11 four-year college students and graduate
14.12 students in their field of study. The internship
14.13 opportunities must match students with paid
14.14 internships within STEM disciplines at small,
14.15 for-profit companies located in Minnesota,
14.16 having fewer than 250 employees worldwide.
14.17 At least 300 students must be matched in the
14.18 first year and at least 350 students must be
14.19 matched in the second year. No more than 15
14.20 percent of the hires may be graduate students.
14.21 Selected hiring companies shall receive from
14.22 the grant 50 percent of the wages paid to the
14.23 intern, capped at \$2,500 per intern. The
14.24 program must work toward increasing the
14.25 participation of women or other underserved
14.26 populations. This is a onetime appropriation.
- 14.27 (l) \$450,000 each year is from the workforce
14.28 development fund for grants to Minnesota
14.29 Diversified Industries, Inc. to provide
14.30 progressive development and employment
14.31 opportunities for people with disabilities. This
14.32 is a onetime appropriation.
- 14.33 (m) \$500,000 each year is from the workforce
14.34 development fund for a grant to Resource, Inc.
14.35 to provide low-income individuals career

15.1 education and job skills training that are fully
15.2 integrated with chemical and mental health
15.3 services. This is a onetime appropriation.

15.4 (n) \$750,000 each year is from the workforce
15.5 development fund for a grant to the Minnesota
15.6 Alliance of Boys and Girls Clubs to administer
15.7 a statewide project of youth job skills and
15.8 career development. This project, which may
15.9 have career guidance components including
15.10 health and life skills, is designed to encourage,
15.11 train, and assist youth in early access to
15.12 education and job-seeking skills, work-based
15.13 learning experience including career pathways
15.14 in STEM learning, career exploration and
15.15 matching, and first job placement through
15.16 local community partnerships and on-site job
15.17 opportunities. This grant requires a 25 percent
15.18 match from nonstate resources. This is a
15.19 onetime appropriation.

15.20 (o) \$215,000 each year is from the workforce
15.21 development fund for grants to Big Brothers,
15.22 Big Sisters of the Greater Twin Cities for
15.23 workforce readiness, employment exploration,
15.24 and skills development for youth ages 12 to
15.25 21. The grant must serve youth in the Twin
15.26 Cities, Central Minnesota, and Southern
15.27 Minnesota Big Brothers, Big Sisters chapters.
15.28 This is a onetime appropriation.

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

- 16.1 (q) \$1,000,000 each year is from the
16.2 workforce development fund for a grant to
16.3 EMERGE Community Development, in
16.4 collaboration with community partners, for
16.5 services targeting Minnesota communities
16.6 with the highest concentrations of African and
16.7 African-American joblessness, based on the
16.8 most recent census tract data, to provide
16.9 employment readiness training, credentialed
16.10 training placement, job placement and
16.11 retention services, supportive services for
16.12 hard-to-employ individuals, and a general
16.13 education development fast track and adult
16.14 diploma program. This is a onetime
16.15 appropriation.
- 16.16 (r) \$1,000,000 each year is from the workforce
16.17 development fund for a grant to the
16.18 Minneapolis Foundation for a strategic
16.19 intervention program designed to target and
16.20 connect program participants to meaningful,
16.21 sustainable living-wage employment. This is
16.22 a onetime appropriation.
- 16.23 (s) \$750,000 each year is from the workforce
16.24 development fund for a grant to Latino
16.25 Communities United in Service (CLUES) to
16.26 expand culturally tailored programs that
16.27 address employment and education skill gaps
16.28 for working parents and underserved youth by
16.29 providing new job skills training to stimulate
16.30 higher wages for low-income people, family
16.31 support systems designed to reduce
16.32 intergenerational poverty, and youth
16.33 programming to promote educational
16.34 advancement and career pathways. At least
16.35 50 percent of this amount must be used for

- 17.1 programming targeted at greater Minnesota.
- 17.2 This is a onetime appropriation.
- 17.3 (t) \$600,000 each year is from the workforce
- 17.4 development fund for a grant to Ujamaa Place
- 17.5 for job training, employment preparation,
- 17.6 internships, education, training in the
- 17.7 construction trades, housing, and
- 17.8 organizational capacity building. This is a
- 17.9 onetime appropriation.
- 17.10 (u) \$1,297,000 in the first year and \$800,000
- 17.11 in the second year are from the workforce
- 17.12 development fund for performance grants
- 17.13 under Minnesota Statutes, section 116J.8747,
- 17.14 to Twin Cities R!SE to provide training to
- 17.15 hard-to-train individuals. Of the amounts
- 17.16 appropriated, \$497,000 in fiscal year 2018 is
- 17.17 for a grant to Twin Cities R!SE, in
- 17.18 collaboration with Metro Transit and Hennepin
- 17.19 Technical College for the Metro Transit
- 17.20 technician training program. This is a onetime
- 17.21 appropriation and funds are available until
- 17.22 June 30, 2020.
- 17.23 (v) \$230,000 in fiscal year 2018 is from the
- 17.24 workforce development fund for a grant to the
- 17.25 Bois Forte Tribal Employment Rights Office
- 17.26 (TERO) for an American Indian workforce
- 17.27 development training pilot project.
- 17.28 (w) \$40,000 in fiscal year 2018 is from the
- 17.29 workforce development fund for a grant to the
- 17.30 Cook County Higher Education Board to
- 17.31 provide educational programming and
- 17.32 academic support services to remote regions
- 17.33 in northeastern Minnesota. This appropriation
- 17.34 is in addition to other funds previously
- 17.35 appropriated to the board.

18.1 (x) \$250,000 each year is from the workforce
18.2 development fund for a grant to Bridges to
18.3 Healthcare to provide career education,
18.4 wraparound support services, and job skills
18.5 training in high-demand health care fields to
18.6 low-income parents, nonnative speakers of
18.7 English, and other hard-to-train individuals,
18.8 helping families build secure pathways out of
18.9 poverty while also addressing worker
18.10 shortages in one of Minnesota's most
18.11 innovative industries. Funds may be used for
18.12 program expenses, including, but not limited
18.13 to, hiring instructors and navigators; space
18.14 rental; and supportive services to help
18.15 participants attend classes, including assistance
18.16 with course fees, child care, transportation,
18.17 and safe and stable housing. In addition, up to
18.18 five percent of grant funds may be used for
18.19 Bridges to Healthcare's administrative costs.
18.20 This is a onetime appropriation and is
18.21 available until June 30, 2020.

18.22 (y) \$500,000 each year is from the workforce
18.23 development fund for a grant to the Nonprofits
18.24 Assistance Fund to provide capacity-building
18.25 grants to small, culturally specific
18.26 organizations that primarily serve historically
18.27 underserved cultural communities. Grants may
18.28 only be awarded to nonprofit organizations
18.29 that have an annual organizational budget of
18.30 less than \$500,000 and are culturally specific
18.31 organizations that primarily serve historically
18.32 underserved cultural communities. Grant funds
18.33 awarded must be used for:

18.34 (1) organizational infrastructure improvement,
18.35 including developing database management

19.1 systems and financial systems, or other
19.2 administrative needs that increase the
19.3 organization's ability to access new funding
19.4 sources;

19.5 (2) organizational workforce development,
19.6 including hiring culturally competent staff,
19.7 training and skills development, and other
19.8 methods of increasing staff capacity; or

19.9 (3) creation or expansion of partnerships with
19.10 existing organizations that have specialized
19.11 expertise in order to increase the capacity of
19.12 the grantee organization to improve services
19.13 for the community. Of this amount, up to five
19.14 percent may be used by the Nonprofits
19.15 Assistance Fund for administration costs and
19.16 providing technical assistance to potential
19.17 grantees. This is a onetime appropriation.

19.18 (z) \$4,050,000 each year is from the workforce
19.19 development fund for the Minnesota youth
19.20 program under Minnesota Statutes, sections
19.21 116L.56 and 116L.561.

19.22 (aa) \$1,000,000 each year is from the
19.23 workforce development fund for the
19.24 youthbuild program under Minnesota Statutes,
19.25 sections 116L.361 to 116L.366.

19.26 (bb) \$3,348,000 each year is from the
19.27 workforce development fund for the "Youth
19.28 at Work" youth workforce development
19.29 competitive grant program. Of this amount,
19.30 up to five percent is for administration and
19.31 monitoring of the youth workforce
19.32 development competitive grant program. All
19.33 grant awards shall be for two consecutive
19.34 years. Grants shall be awarded in the first year.

- 20.1 (cc) \$500,000 each year is from the workforce
20.2 development fund for the Opportunities
20.3 Industrialization Center programs.
- 20.4 (dd) \$750,000 each year is from the workforce
20.5 development fund for a grant to Summit
20.6 Academy OIC to expand its contextualized
20.7 GED and employment placement program.
20.8 This is a onetime appropriation.
- 20.9 (ee) \$500,000 each year is from the workforce
20.10 development fund for a grant to
20.11 Goodwill-Easter Seals Minnesota and its
20.12 partners. The grant shall be used to continue
20.13 the FATHER Project in Rochester, Park
20.14 Rapids, St. Cloud, Minneapolis, and the
20.15 surrounding areas to assist fathers in
20.16 overcoming barriers that prevent fathers from
20.17 supporting their children economically and
20.18 emotionally. This is a onetime appropriation.
- 20.19 (ff) \$150,000 each year is from the workforce
20.20 development fund for displaced homemaker
20.21 programs under Minnesota Statutes, section
20.22 116L.96. The commissioner, through the adult
20.23 career pathways program, shall distribute the
20.24 funds to existing nonprofit and state displaced
20.25 homemaker programs. This is a onetime
20.26 appropriation.
- 20.27 (gg)(1) \$150,000 in fiscal year 2018 is from
20.28 the workforce development fund for a grant
20.29 to Anoka County to develop and implement
20.30 a pilot program to increase competitive
20.31 employment opportunities for transition-age
20.32 youth ages 18 to 21.
- 20.33 (2) The competitive employment for
20.34 transition-age youth pilot program shall

21.1 include career guidance components, including
 21.2 health and life skills, to encourage, train, and
 21.3 assist transition-age youth in job-seeking
 21.4 skills, workplace orientation, and job site
 21.5 knowledge.

21.6 (3) In operating the pilot program, Anoka
 21.7 County shall collaborate with schools,
 21.8 disability providers, jobs and training
 21.9 organizations, vocational rehabilitation
 21.10 providers, and employers to build upon
 21.11 opportunities and services, to prepare
 21.12 transition-age youth for competitive
 21.13 employment, and to enhance employer
 21.14 connections that lead to employment for the
 21.15 individuals served.

21.16 (4) Grant funds may be used to create an
 21.17 on-the-job training incentive to encourage
 21.18 employers to hire and train qualifying
 21.19 individuals. A participating employer may
 21.20 receive up to 50 percent of the wages paid to
 21.21 the employee as a cost reimbursement for
 21.22 on-the-job training provided.

21.23 (hh) \$500,000 each year is from the workforce
 21.24 development fund for rural career counseling
 21.25 coordinator positions in the workforce service
 21.26 areas and for the purposes specified in
 21.27 Minnesota Statutes, section 116L.667. The
 21.28 commissioner of employment and economic
 21.29 development, in consultation with local
 21.30 workforce investment boards and local elected
 21.31 officials in each of the service areas receiving
 21.32 funds, shall develop a method of distributing
 21.33 funds to provide equitable services across
 21.34 workforce service areas.

21.35 Subd. 4. General Support Services \$ 3,440,000 \$ 3,440,000

22.1	<u>Appropriations by Fund</u>		
22.2	<u>General Fund</u>	<u>\$3,423,000</u>	<u>\$3,423,000</u>
22.3	<u>Workforce</u>		
22.4	<u>Development</u>	<u>\$17,000</u>	<u>\$17,000</u>
22.5	<u>(a) \$250,000 each year is for the publication,</u>		
22.6	<u>dissemination, and use of labor market</u>		
22.7	<u>information under Minnesota Statutes, section</u>		
22.8	<u>116J.401.</u>		
22.9	<u>(b) \$1,269,000 each year is for transfer to the</u>		
22.10	<u>Minnesota Housing Finance Agency for</u>		
22.11	<u>operating the Olmstead Compliance Office.</u>		
22.12	<u>(c) \$500,000 each year is for a statewide</u>		
22.13	<u>capacity-building grant program. The</u>		
22.14	<u>commissioner of employment and economic</u>		
22.15	<u>development shall, through a request for</u>		
22.16	<u>proposal process, select a nonprofit</u>		
22.17	<u>organization to administer the</u>		
22.18	<u>capacity-building grant program. The selected</u>		
22.19	<u>organization must have demonstrated</u>		
22.20	<u>experience in providing financial and technical</u>		
22.21	<u>assistance to nonprofit organizations statewide.</u>		
22.22	<u>The selected organization shall provide</u>		
22.23	<u>financial assistance in the form of subgrants</u>		
22.24	<u>and technical assistance to small to</u>		
22.25	<u>medium-sized nonprofit organizations</u>		
22.26	<u>offering, or seeking to offer, workforce or</u>		
22.27	<u>economic development programming that</u>		
22.28	<u>addresses economic disparities in underserved</u>		
22.29	<u>cultural communities. This assistance can be</u>		
22.30	<u>provided in-house or in partnership with other</u>		
22.31	<u>organizations depending on need. The</u>		
22.32	<u>nonprofit organization selected to administer</u>		
22.33	<u>the grant program shall report to the</u>		
22.34	<u>commissioner by February 1 each year</u>		
22.35	<u>regarding assistance provided, including the</u>		
22.36	<u>demographic and geographic distribution of</u>		

23.1 the grant awards, services, and outcomes. By
 23.2 April 1 each year, the commissioner shall
 23.3 report the information submitted by the
 23.4 nonprofit to the legislative committees having
 23.5 jurisdiction over economic development
 23.6 issues. Of this amount, one percent is for the
 23.7 commissioner to conduct the request for
 23.8 proposal process and monitor the selected
 23.9 organization. The nonprofit selected to
 23.10 administer the grant program may use up to
 23.11 five percent of the grant funds for
 23.12 administration costs and providing technical
 23.13 assistance to potential subgrantees.

23.14 **Subd. 5. Minnesota Trade Office** \$ 2,292,000 \$ 2,292,000

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

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

23.20 (c) \$270,000 each year is for the Minnesota
 23.21 Trade Offices under Minnesota Statutes,
 23.22 section 116J.978.

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

23.26 **Subd. 6. Vocational Rehabilitation** \$ 34,691,000 \$ 34,691,000

23.27	<u>Appropriations by Fund</u>		
23.28	<u>General</u>	<u>\$26,861,000</u>	<u>\$26,861,000</u>
23.29	<u>Workforce</u>		
23.30	<u>Development</u>	<u>\$7,830,000</u>	<u>\$7,830,000</u>

23.31 (a) \$14,300,000 each year is for the state's
 23.32 vocational rehabilitation program under
 23.33 Minnesota Statutes, chapter 268A. In fiscal

24.1 year 2020 and beyond, the base amount is
24.2 \$10,800,000.

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

24.6 (c) \$6,995,000 each year is from the general
24.7 fund and \$6,830,000 each year is from the
24.8 workforce development fund for extended
24.9 employment services for persons with severe
24.10 disabilities under Minnesota Statutes, section
24.11 268A.15. Of the general fund amount
24.12 appropriated, \$1,000,000 each year is for rate
24.13 increases to providers of extended employment
24.14 services for persons with severe disabilities
24.15 under Minnesota Statutes, section 268A.15.
24.16 In fiscal year 2020 and beyond, the general
24.17 fund base amount is \$8,995,000. Of the base
24.18 amounts in fiscal years 2020 and 2021,
24.19 \$2,000,000 in fiscal year 2020 and \$2,000,000
24.20 in fiscal year 2021 are for rate increases to
24.21 providers of extended employment services
24.22 for persons with severe disabilities under
24.23 Minnesota Statutes, section 268A.15.

24.24 (d) \$2,555,000 each year is for grants to
24.25 programs that provide employment support
24.26 services to persons with mental illness under
24.27 Minnesota Statutes, sections 268A.13 and
24.28 268A.14.

24.29 (e) \$1,000,000 each year is from the workforce
24.30 development fund for grants under Minnesota
24.31 Statutes, section 268A.16, for employment
24.32 services for persons, including transition-age
24.33 youth, who are deaf, deafblind, or
24.34 hard-of-hearing. If the amount in the first year

25.1 is insufficient, the amount in the second year
25.2 is available in the first year.

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

25.4 Of this amount, \$500,000 each year is for
25.5 senior citizens who are becoming blind. At
25.6 least half of the funds for this purpose must
25.7 be used to provide training services for seniors
25.8 who are becoming blind. Training services
25.9 must provide independent living skills to
25.10 seniors who are becoming blind to allow them
25.11 to continue to live independently in their
25.12 homes.

25.13 **Subd. 8. Broadband Development** \$ 20,250,000 \$ 250,000

25.14 (a) \$20,000,000 in fiscal year 2018 is for
25.15 deposit in the border-to-border broadband fund
25.16 account in the special revenue fund established
25.17 under Minnesota Statutes, section 116J.396.

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

25.20 **Subd. 9. Reporting**

25.21 (a) An entity receiving a direct appropriation
25.22 in this article that received a direct
25.23 appropriation in Laws 2016, chapter 189,
25.24 article 12, is subject to the requirements for
25.25 grants to individually specified recipients
25.26 under Laws 2016, chapter 189, article 12,
25.27 section 11.

25.28 (b) Any recipient of a direct appropriation
25.29 from the workforce development fund for
25.30 adult workforce-related programs under
25.31 subdivision 3 not subject to the requirements
25.32 of paragraph (a) is subject to the reporting
25.33 requirements under Minnesota Statutes,
25.34 section 116L.98.

26.1 **Sec. 3. HOUSING FINANCE AGENCY**

26.2 **Subdivision 1. Total Appropriation** **\$ 54,798,000 \$ 52,798,000**

26.3 The amounts that may be spent for each
26.4 purpose are specified in the following
26.5 subdivisions.

26.6 Unless otherwise specified, this appropriation
26.7 is for transfer to the housing development fund
26.8 for the programs specified in this section.

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

26.11 **Subd. 2. Challenge Program** **16,925,000** **14,925,000**

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

26.15 The agency must continue to strengthen its
26.16 efforts to address the disparity rate between
26.17 white households and indigenous American
26.18 Indians and communities of color. Of this
26.19 amount, \$1,208,000 each year shall be made
26.20 available during the first 11 months of the
26.21 fiscal year exclusively for housing projects
26.22 for American Indians. Any funds not
26.23 committed to housing projects for American
26.24 Indians in the first 11 months of each fiscal
26.25 year shall be available for any eligible activity
26.26 under Minnesota Statutes, section 462A.33.

26.27 (2) The appropriation may be used to finance
26.28 the construction or replacement of real
26.29 property that is located in Melrose affected by
26.30 the fire on September 8, 2016.

26.31 (3) The commissioner may allocate a portion
26.32 of the appropriation for the economic
26.33 development and housing challenge program
26.34 for assistance in the area included in DR-4290,

27.1 as provided in Minnesota Statutes, section
 27.2 12A.09. The maximum loan amount per
 27.3 housing structure is \$20,000. Within the limits
 27.4 of available appropriations, the agency may
 27.5 increase the maximum amount if the cost of
 27.6 repair or replacement of the residential
 27.7 property exceeds the total of the maximum
 27.8 loan amount and any assistance available from
 27.9 FEMA, other federal government agencies,
 27.10 including the Small Business Administration,
 27.11 and private insurance and flood insurance
 27.12 benefits.

27.13 (b) \$2,000,000 each year is for the purposes
 27.14 of the workforce housing development
 27.15 program under Minnesota Statutes, section
 27.16 462A.39. The commissioner of housing
 27.17 finance may hire staff sufficient for the
 27.18 purposes of this paragraph.

27.19 (c) \$250,000 in fiscal year 2018 is for grants
 27.20 to programs under Minnesota Statutes, section
 27.21 462A.204, subdivision 8.

27.22 (d) \$1,750,000 in fiscal year 2018 is to the
 27.23 housing trust fund for the rental assistance to
 27.24 highly mobile students program under
 27.25 Minnesota Statutes, section 462A.201,
 27.26 subdivision 2, paragraph (a), clause (4).

27.27 Subd. 3. **Housing Trust Fund** 11,646,000 11,646,000

27.28 This appropriation is for deposit in the housing
 27.29 fund account created under Minnesota
 27.30 Statutes, section 462A.201, and may be used
 27.31 for the purposes provided in that section.

27.32 Subd. 4. **Rental Assistance for Mentally III** 4,088,000 4,088,000

27.33 This appropriation is for the rental housing
 27.34 assistance program for persons with a mental

28.1 illness or families with an adult member with
 28.2 a mental illness, under Minnesota Statutes,
 28.3 section 462A.2097. Among comparable
 28.4 proposals, the agency shall prioritize those
 28.5 proposals that target, in part, eligible persons
 28.6 who desire to move to more integrated,
 28.7 community-based settings.

28.8 **Subd. 5. Family Homeless Prevention** 8,519,000 8,519,000

28.9 This appropriation is for the family homeless
 28.10 prevention and assistance programs under
 28.11 Minnesota Statutes, section 462A.204.

28.12 **Subd. 6. Home Ownership Assistance Fund** 885,000 885,000

28.13 This appropriation is for the home ownership
 28.14 assistance program under Minnesota Statutes,
 28.15 section 462A.21, subdivision 8. The agency
 28.16 shall continue to strengthen its efforts to
 28.17 address the disparity gap in the
 28.18 homeownership rate between white
 28.19 households and indigenous American Indians
 28.20 and communities of color.

28.21 **Subd. 7. Affordable Rental Investment Fund** 4,218,000 4,218,000

28.22 (a) This appropriation is for the affordable
 28.23 rental investment fund program under
 28.24 Minnesota Statutes, section 462A.21,
 28.25 subdivision 8b, to finance the acquisition,
 28.26 rehabilitation, and debt restructuring of
 28.27 federally assisted rental property and for
 28.28 making equity take-out loans under Minnesota
 28.29 Statutes, section 462A.05, subdivision 39.

28.30 (b) The owner of federally assisted rental
 28.31 property must agree to participate in the
 28.32 applicable federally assisted housing program
 28.33 and to extend any existing low-income
 28.34 affordability restrictions on the housing for

29.1 the maximum term permitted. The owner must
 29.2 also enter into an agreement that gives local
 29.3 units of government, housing and
 29.4 redevelopment authorities, and nonprofit
 29.5 housing organizations the right of first refusal
 29.6 if the rental property is offered for sale.
 29.7 Priority must be given among comparable
 29.8 federally assisted rental properties to
 29.9 properties with the longest remaining term
 29.10 under an agreement for federal assistance.
 29.11 Priority must also be given among comparable
 29.12 rental housing developments to developments
 29.13 that are or will be owned by local government
 29.14 units, a housing and redevelopment authority,
 29.15 or a nonprofit housing organization.

29.16 (c) The appropriation also may be used to
 29.17 finance the acquisition, rehabilitation, and debt
 29.18 restructuring of existing supportive housing
 29.19 properties. For purposes of this subdivision,
 29.20 "supportive housing" means affordable rental
 29.21 housing with links to services necessary for
 29.22 individuals, youth, and families with children
 29.23 to maintain housing stability.

29.24 <u>Subd. 8. Housing Rehabilitation</u>	<u>6,515,000</u>	<u>6,515,000</u>
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29.25 This appropriation is for the housing
 29.26 rehabilitation program under Minnesota
 29.27 Statutes, section 462A.05, subdivision 14. Of
 29.28 this amount, \$2,772,000 each year is for the
 29.29 rehabilitation of owner-occupied housing,
 29.30 \$3,743,000 each year is for the rehabilitation
 29.31 of eligible rental housing. In administering a
 29.32 rehabilitation program for rental housing, the
 29.33 agency may apply the processes and priorities
 29.34 adopted for administration of the economic

30.1	<u>development and housing challenge program</u>		
30.2	<u>under Minnesota Statutes, section 462A.33.</u>		
30.3	<u>Subd. 9. Homeownership Education, Counseling,</u>		
30.4	<u>and Training</u>	<u>857,000</u>	<u>857,000</u>
30.5	<u>This appropriation is for the homeownership</u>		
30.6	<u>education, counseling, and training program</u>		
30.7	<u>under Minnesota Statutes, section 462A.209.</u>		
30.8	<u>Priority may be given to funding programs</u>		
30.9	<u>that are aimed at culturally specific groups</u>		
30.10	<u>who are providing services to members of their</u>		
30.11	<u>communities.</u>		
30.12	<u>Subd. 10. Capacity Building Grants</u>	<u>645,000</u>	<u>645,000</u>
30.13	<u>This appropriation is for nonprofit capacity</u>		
30.14	<u>building grants under Minnesota Statutes,</u>		
30.15	<u>section 462A.21, subdivision 3b. Of this</u>		
30.16	<u>amount, \$125,000 each year is for support of</u>		
30.17	<u>the Homeless Management Information</u>		
30.18	<u>System (HMIS).</u>		
30.19	<u>Subd. 11. Build Wealth MN</u>	<u>500,000</u>	<u>500,000</u>
30.20	<u>This appropriation is for grants to Build</u>		
30.21	<u>Wealth MN to provide a family stabilization</u>		
30.22	<u>plan program including program outreach,</u>		
30.23	<u>financial literacy education, and budget and</u>		
30.24	<u>debt counseling.</u>		
30.25	<u>Sec. 4. DEPARTMENT OF LABOR AND</u>		
30.26	<u>INDUSTRY</u>		
30.27	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 28,684,000</u>	<u>\$ 28,984,000</u>
30.28	<u>Appropriations by Fund</u>		
30.29		<u>2018</u>	<u>2019</u>
30.30	<u>General</u>	<u>1,702,000</u>	<u>1,702,000</u>
30.31	<u>Workers'</u>		
30.32	<u>Compensation</u>	<u>24,975,000</u>	<u>24,975,000</u>
30.33	<u>Workforce</u>		
30.34	<u>Development</u>	<u>2,007,000</u>	<u>2,307,000</u>

31.1 The amounts that may be spent for each
 31.2 purpose are specified in the following
 31.3 subdivisions.

31.4 **Subd. 2. Workers' Compensation** 14,782,000 14,782,000

31.5 (a) This appropriation is from the workers'
 31.6 compensation fund.

31.7 (b)(1) \$3,000,000 each year is for workers'
 31.8 compensation system upgrades. This amount
 31.9 is available until June 30, 2021. This is a
 31.10 onetime appropriation.

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

31.21 **Subd. 3. Labor Standards and Apprenticeship** 3,509,000 3,509,000

31.22	<u>Appropriations by Fund</u>		
31.23	<u>General</u>	<u>1,702,000</u>	<u>1,702,000</u>
31.24	<u>Workforce</u>		
31.25	<u>Development</u>	<u>1,807,000</u>	<u>1,807,000</u>

31.26 (a) \$500,000 each year is from the general
 31.27 fund for wage theft prevention under the
 31.28 division of labor standards.

31.29 (b) \$100,000 each year is from the workforce
 31.30 development fund for labor education and
 31.31 advancement program grants under Minnesota
 31.32 Statutes, section 178.11, to expand and
 31.33 promote registered apprenticeship training for
 31.34 minorities and women.

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

32.3 (d) \$200,000 each year is from the workforce
 32.4 development fund for grants to the
 32.5 Construction Careers Foundation for the
 32.6 Helmets to Hardhats Minnesota initiative.
 32.7 Grant funds must be used to recruit, retain,
 32.8 assist, and support National Guard, reserve,
 32.9 and active duty military members' and
 32.10 veterans' participation into apprenticeship
 32.11 programs registered with the Department of
 32.12 Labor and Industry and connect them with
 32.13 career training and employment in the building
 32.14 and construction industry. The recruitment,
 32.15 selection, employment, and training must be
 32.16 without discrimination due to race, color,
 32.17 creed, religion, national origin, sex, sexual
 32.18 orientation, marital status, physical or mental
 32.19 disability, receipt of public assistance, or age.
 32.20 This is a onetime appropriation.

32.21 (e) \$1,029,000 each year is from the workforce
 32.22 development fund for the apprenticeship
 32.23 program under Minnesota Statutes, chapter
 32.24 178.

32.25 (f) \$150,000 each year is from the workforce
 32.26 development fund for prevailing wage
 32.27 enforcement.

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

32.29 This appropriation is from the workers'
 32.30 compensation fund.

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

32.32	<u>Appropriations by Fund</u>		
32.33	<u>Workforce</u>		
32.34	<u>Development Fund</u>	<u>200,000</u>	<u>500,000</u>

33.1 Workers'
 33.2 Compensation 6,039,000 6,039,000

33.3 (a) Except as provided in paragraphs (b) and
 33.4 (c), this appropriation is from the workers'
 33.5 compensation fund.

33.6 (b) \$200,000 in fiscal year 2018 is from the
 33.7 workforce development fund for the
 33.8 commissioner of labor and industry to convene
 33.9 and collaborate with stakeholders as provided
 33.10 under Minnesota Statutes, section 175.46,
 33.11 subdivision 3, and to develop youth skills
 33.12 training competencies for approved
 33.13 occupations. This is a onetime appropriation.

33.14 (c) \$500,000 in fiscal year 2019 is from the
 33.15 workforce development fund to administer the
 33.16 youth skills training program under Minnesota
 33.17 Statutes, section 175.46. The commissioner
 33.18 shall award up to five grants each year to local
 33.19 partnerships located throughout the state, not
 33.20 to exceed \$100,000 per local partnership grant.
 33.21 The commissioner may use a portion of this
 33.22 appropriation for administration of the grant
 33.23 program. The base amount for this program
 33.24 is \$500,000 each year beginning in fiscal year
 33.25 2020.

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

33.27 (a) \$394,000 each year is for the Office of
 33.28 Collaboration and Dispute Resolution under
 33.29 Minnesota Statutes, section 179.90. Of this
 33.30 amount, \$160,000 each year is for grants under
 33.31 Minnesota Statutes, section 179.91.

33.32 (b) \$68,000 each year is from the general fund
 33.33 for grants to area labor management
 33.34 committees. Grants may be awarded for a

34.1 12-month period beginning July 1 each year.
 34.2 Any unencumbered balance remaining at the
 34.3 end of the first year does not cancel but is
 34.4 available for the second year.

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

34.7 This appropriation is from the workers'
 34.8 compensation fund.

34.9 **Sec. 7. DEPARTMENT OF COMMERCE**

34.10 **Subdivision 1. Total Appropriation** \$ 31,457,000 \$ 31,257,000

34.11 Appropriations by Fund

34.12 <u>General</u>	<u>27,444,000</u>	<u>27,444,000</u>
34.13 <u>Special Revenue</u>	<u>2,210,000</u>	<u>2,210,000</u>
34.14 <u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
34.15 <u>Workers'</u>		
34.16 <u>Compensation</u>	<u>751,000</u>	<u>751,000</u>

34.17 The amounts that may be spent for each
 34.18 purpose are specified in the following
 34.19 subdivisions.

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

34.21 \$400,000 each year is for grants to Prepare
 34.22 and Prosper for purposes of developing,
 34.23 marketing, evaluating, and distributing a
 34.24 financial services inclusion program that will
 34.25 assist low-income and financially underserved
 34.26 populations build savings, strengthen credit,
 34.27 and provide services to assist them in being
 34.28 more financially stable and secure. Grants in
 34.29 fiscal year 2018 must be matched by nonstate
 34.30 contributions. Money remaining after the first
 34.31 year is available for the second year.

34.32 **Subd. 3. Petroleum Tank Release Compensation**
 34.33 **Board** 1,052,000 1,052,000

35.1 This appropriation is from the petroleum tank
 35.2 fund.

35.3 Subd. 4. Administrative Services 7,386,000 7,386,000

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

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

35.8 (c) \$33,000 each year is for rulemaking and
 35.9 administration under Minnesota Statutes,
 35.10 section 80A.461.

35.11 Subd. 5. Telecommunications 2,619,000 2,619,000

35.12 Appropriations by Fund

35.13 General 1,009,000 1,009,000

35.14 Special Revenue 1,610,000 1,610,000

35.15 \$1,610,000 each year is from the
 35.16 telecommunication access Minnesota fund
 35.17 account in the special revenue fund for the
 35.18 following transfers. This appropriation is
 35.19 added to the department's base.

35.20 (1) \$1,170,000 each year is to the
 35.21 commissioner of human services to
 35.22 supplement the ongoing operational expenses
 35.23 of the Commission of Deaf, DeafBlind, and
 35.24 Hard-of-Hearing Minnesotans;

35.25 (2) \$290,000 each year is to the chief
 35.26 information officer for the purpose of
 35.27 coordinating technology accessibility and
 35.28 usability;

35.29 (3) \$100,000 each year is to the Legislative
 35.30 Coordinating Commission for captioning of
 35.31 legislative coverage. This transfer is subject
 35.32 to Minnesota Statutes, section 16A.281; and

36.1 (4) \$50,000 each year is to the Office of
 36.2 MN.IT Services for a consolidated access fund
 36.3 to provide grants to other state agencies related
 36.4 to accessibility of their Web-based services.

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

36.6	<u>Appropriations by Fund</u>		
36.7	<u>General</u>	<u>5,101,000</u>	<u>4,901,000</u>
36.8	<u>Workers'</u>		
36.9	<u>Compensation</u>	<u>198,000</u>	<u>198,000</u>

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

36.12 (b)(1) \$200,000 in fiscal year 2018 is to create
 36.13 and execute a statewide education and
 36.14 outreach campaign to protect seniors, meaning
 36.15 those 60 years of age or older, vulnerable
 36.16 adults, as defined in Minnesota Statutes,
 36.17 section 626.5572, subdivision 21, and their
 36.18 caregivers from financial fraud and
 36.19 exploitation.

36.20 (2) The education and outreach campaign must
 36.21 be statewide, and must include, but is not
 36.22 limited to, the dissemination of information
 36.23 through television, print, or other media,
 36.24 training and outreach to senior living facilities,
 36.25 and the creation of a senior fraud toolkit.

36.26 (3) The commissioner of commerce shall
 36.27 report by January 15, 2018, to the chairs and
 36.28 ranking minority members of the committees
 36.29 of the house of representatives and senate
 36.30 having jurisdiction over commerce issues
 36.31 regarding the results of the statewide education
 36.32 and outreach campaign, and recommendations
 36.33 for supporting ongoing efforts to prevent
 36.34 financial fraud from occurring to, and the

37.1 financial exploitation of, seniors, vulnerable
 37.2 adults, and their caregivers.

37.3 (c) The revenue transferred in Minnesota
 37.4 Statutes, section 297I.11, subdivision 2, to the
 37.5 insurance fraud prevention account must be
 37.6 used in part for compensation for two new
 37.7 employees in the Commerce Fraud Bureau to
 37.8 perform analytical duties. The new employees
 37.9 must not be peace officers.

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

	<u>Appropriations by Fund</u>		
37.11			
37.12	<u>General</u>	<u>4,247,000</u>	<u>4,247,000</u>
37.13	<u>Special Revenue</u>	<u>600,000</u>	<u>600,000</u>

37.14 (a) \$150,000 each year is to remediate
 37.15 vermiculate insulation from households that
 37.16 are eligible for weatherization assistance under
 37.17 Minnesota's weatherization assistance program
 37.18 state plan under Minnesota Statutes, section
 37.19 216C.264. Remediation must be done in
 37.20 conjunction with federal weatherization
 37.21 assistance program services.

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

37.24 (c) \$100,000 each year is from the clean
 37.25 energy advancement fund (C-LEAF) account
 37.26 in the special revenue fund established in
 37.27 Minnesota Statutes, section 116C.779,
 37.28 subdivision 1, to administer the "Made in
 37.29 Minnesota" solar energy production incentive
 37.30 program in Minnesota Statutes, section
 37.31 216C.417. Any remaining unspent funds
 37.32 cancel back to the C-LEAF account at the end
 37.33 of the biennium.

38.1 (d) \$500,000 each year is from the clean
 38.2 energy advancement fund (C-LEAF) account
 38.3 in the special revenue fund established in
 38.4 Minnesota Statutes, section 116C.779,
 38.5 subdivision 1, for costs associated with any
 38.6 third-party expert evaluation of a proposal
 38.7 submitted in response to a request for proposal
 38.8 to the C-LEAF advisory group under
 38.9 Minnesota Statutes, section 116C.779,
 38.10 subdivision 1, paragraph (l). No portion of this
 38.11 appropriation may be expended or retained by
 38.12 the commissioner of commerce. Any funds
 38.13 appropriated under this paragraph that are
 38.14 unexpended at the end of a fiscal year cancel
 38.15 to the C-LEAF account.

38.16 **Subd. 8. Insurance** 4,969,000 4,969,000

	<u>Appropriations by Fund</u>	
38.18 <u>General</u>	<u>4,416,000</u>	<u>4,416,000</u>
38.19 <u>Workers'</u>		
38.20 <u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

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

38.23 (b) \$412,000 each year is for actuarial work
 38.24 to prepare for implementation of
 38.25 principle-based reserves.

38.26 (c) \$20,000 in fiscal year 2018 is for payment
 38.27 of two years of membership dues for
 38.28 Minnesota to the National Conference of
 38.29 Insurance Legislators. This is a onetime
 38.30 appropriation.

38.31 **Sec. 8. PUBLIC UTILITIES COMMISSION** **\$ 7,465,000** **\$ 7,465,000**

38.32 \$21,000 each year is for the purposes of
 38.33 Minnesota Statutes, section 237.045.

39.1 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ 1,800,000 \$ -0-**

39.2 (a) \$300,000 in fiscal year 2018 is for a grant
39.3 to the city of New Trier to replace water
39.4 infrastructure under Hogan Avenue, including
39.5 related road reconstruction, and to acquire land
39.6 for predesign, design, and construction of a
39.7 storm water pond that will be colocated with
39.8 the pond of the new subdivision. This
39.9 appropriation does not require a nonstate
39.10 contribution.

39.11 (b) \$600,000 in fiscal year 2018 is for a grant
39.12 to the Ramsey/Washington Recycling and
39.13 Energy Board to design, construct, and equip
39.14 capital improvements to the
39.15 Ramsey/Washington Recycling and Energy
39.16 Center in Newport.

39.17 (c) \$900,000 in fiscal year 2018 is for a grant
39.18 to the Clear Lake-Clearwater Sewer Authority
39.19 to remove and replace the existing wastewater
39.20 treatment facility. This project is intended to
39.21 prevent the discharge of phosphorus into the
39.22 Mississippi River. This appropriation is not
39.23 available until the commissioner of
39.24 management and budget determines that at
39.25 least \$200,000 is committed to the project
39.26 from nonstate sources and the authority has
39.27 applied for at least two grants to offset the
39.28 cost. An amount equal to any grant money
39.29 received by the authority must be returned to
39.30 the general fund.

39.31 **ARTICLE 2**

39.32 **LABOR AND INDUSTRY**

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

40.1 **175.45 ~~COMPETENCY~~ STANDARDS FOR DUAL TRAINING.**

40.2 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene
 40.3 industry representatives, identify occupational competency standards for dual training, and
 40.4 provide technical assistance to develop dual-training programs. ~~The goal of dual training~~
 40.5 ~~is to provide employees of an employer with training to acquire competencies that the~~
 40.6 ~~employer requires.~~ The competency standards shall be identified for employment in
 40.7 occupations in advanced manufacturing, health care services, information technology, and
 40.8 agriculture. Competency standards are not rules and are exempt from the rulemaking
 40.9 provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do
 40.10 not apply.

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

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

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

40.18 Subd. 3. **Competency standards identification process.** In identifying competency
 40.19 standards, the commissioner shall consult with the commissioner of the Office of Higher
 40.20 Education and the commissioner of employment and economic development and convene
 40.21 recognized industry experts, representative employers, higher education institutions,
 40.22 representatives of the disabled community, and representatives of labor to assist in identifying
 40.23 credible competency standards. Competency standards must be consistent with, to the extent
 40.24 available and practical, recognized international and national standards.

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

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

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

40.29 ~~(2)~~ (3) verify the competency standards and skill levels and their transferability by subject
 40.30 matter expert representatives of each respective industry;

40.31 ~~(3)~~ (4) develop models for Minnesota educational institutions to engage in providing
 40.32 education and training to meet the competency standards established;

41.1 ~~(4)~~ (5) encourage participation by employers and labor in the competency standard
 41.2 identification process for occupations in their industry; and

41.3 ~~(5)~~ (6) align ~~dual training competency standards~~ dual-training programs with other
 41.4 workforce initiatives; and

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

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

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

41.12 Subdivision 1. Program established; grants authorized. The commissioner shall
 41.13 approve youth skills training programs established for the purpose of providing work-based
 41.14 skills training for student learners ages 16 and older. The commissioner shall award grants
 41.15 to local partnerships for the implementation and coordination of local youth skills training
 41.16 programs as provided in this section.

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

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

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

41.26 (d) "Student learner" means a student who is both enrolled in a course of study at a public
 41.27 or nonpublic school to obtain related instruction for academic credit and is employed under
 41.28 a written agreement to obtain on-the-job skills training under a youth skills training program
 41.29 approved under this section.

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

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

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

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

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

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

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

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

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

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

42.15 (3) issue requests for proposals for grants;

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

42.18 (5) develop model program guides;

42.19 (6) monitor youth skills training programs;

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

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

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

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

42.29 Subd. 4. Training agreement. Each student learner shall sign a written training agreement
42.30 on a form prescribed by the commissioner. Each agreement shall contain the name of the
42.31 student learner, and be signed by the employer, the school coordinator or administrator, and

43.1 the student learner, or if the student learner is a minor, by the student's parent or legal
43.2 guardian. Copies of each agreement shall be kept on file by both the school and the employer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45.14 (1) the number of student learners who commenced the training program and the number
45.15 who completed the training program; and

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

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

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

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

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

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

	License Classification	License Duration	
		1 year	2 years
	Entry level	\$10	\$20
	Journeyworker	\$20	\$40

46.1	Master	\$40	\$80
46.2	Business		\$180

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

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

46.11 (f) If the application is for the renewal of a license issued under sections 326B.802 to
 46.12 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision
 46.13 3, and any additional assessment required under section 326B.89, subdivision 16, must be
 46.14 included in the license renewal fee.

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

	License Classification	License Duration	
		1 year	2 years
46.18	Entry level	\$10	\$20
46.19			\$35
46.20	Journeyworker	\$15	<u>\$30</u>
46.21			\$75
46.22	Master	\$30	<u>\$60</u>
46.23			\$160
46.24	Business		<u>\$120</u>
46.25			

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

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

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

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

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

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

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

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

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

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

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

47.16 (1) \$1 to \$500, ~~\$29.50~~ \$21;

47.17 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
 47.18 or fraction thereof, to and including \$2,000;

47.19 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
 47.20 additional \$1,000 or fraction thereof, to and including \$25,000;

47.21 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
 47.22 additional \$1,000 or fraction thereof, to and including \$50,000;

47.23 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
 47.24 each additional \$1,000 or fraction thereof, to and including \$100,000;

47.25 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
 47.26 each additional \$1,000 or fraction thereof, to and including \$500,000;

47.27 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
 47.28 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

47.29 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
 47.30 for each additional \$1,000 or fraction thereof.

48.1 (c) Other inspections and fees are:

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

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

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

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

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

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

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

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

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

48.19 (2) 100,001 watts to and including 500,000 watts, \$105;

48.20 (3) 500,001 watts to and including 1,000,000 watts, \$120;

48.21 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

48.22 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

48.23 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

48.24 (7) 3,000,001 watts and larger, \$160.

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

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

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

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

49.6 (2) 5,001 watts to and including 10,000 watts, \$100;

49.7 (3) 10,001 watts to and including 20,000 watts, \$150;

49.8 (4) 20,001 watts to and including 30,000 watts, \$200;

49.9 (5) 30,001 watts to and including 40,000 watts, \$250;

49.10 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional
49.11 10,000 watts over 40,000 watts;

49.12 (7) 1,000,001 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts
49.13 over 1,000,000 watts; and

49.14 (8) 5,000,001 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over
49.15 5,000,000 watts.

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

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

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

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

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

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

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

50.3 (5) adopt rules that regulate the licensure, certification, or registration of plumbing
50.4 contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers,
50.5 restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and
50.6 testers, water conditioning contractors, and water conditioning installers, and other persons
50.7 engaged in the design, installation, and alteration of plumbing systems or engaged in or
50.8 working at the business of water conditioning installation or service, or engaged in or
50.9 working at the business of medical gas system installation, maintenance, or repair, except
50.10 for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall
50.11 adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e)
50.12 and (f);

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

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

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

50.25 (9) approve license reciprocity agreements;

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

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

50.29 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the
50.30 Board of High Pressure Piping Systems, the commissioner of labor and industry shall
50.31 administer and enforce the provisions of this chapter and any rules promulgated pursuant
50.32 thereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52.3 (4) the direct supervisor reviews the water conditioning installation work performed by
52.4 the registered unlicensed individual before the water conditioning installation is operated;
52.5 and

52.6 (5) the direct supervisor determines that all water conditioning installation work
52.7 performed by the registered unlicensed individual is performed in compliance with sections
52.8 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,
52.9 and all orders issued under section 326B.082.

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

52.12 Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman
52.13 plumber, restricted master plumber, restricted journeyman plumber, water conditioning
52.14 master, or water conditioning journeyman responsible for providing direct supervision of
52.15 a registered unlicensed individual.

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

52.17 Subd. 2. **Qualifications for licensing.** (a) A water conditioning master license shall be
52.18 issued only to an individual who has demonstrated skill in planning, superintending, ~~and~~
52.19 servicing, and installing water conditioning installations, and has successfully passed the
52.20 examination for water conditioning masters. A water conditioning journeyman license shall
52.21 only be issued to an individual other than a water conditioning master who has demonstrated
52.22 practical knowledge of water conditioning installation, and has successfully passed the
52.23 examination for water conditioning journeymen. A water conditioning journeyman must
52.24 successfully pass the examination for water conditioning masters before being licensed as
52.25 a water conditioning master.

52.26 (b) Each water conditioning contractor must designate a responsible licensed master
52.27 plumber or a responsible licensed water conditioning master, who shall be responsible for
52.28 the performance of all water conditioning installation and servicing in accordance with the
52.29 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to
52.30 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If
52.31 the water conditioning contractor is an individual or sole proprietorship, the responsible
52.32 licensed master must be the individual, proprietor, or managing employee. If the water
52.33 conditioning contractor is a partnership, the responsible licensed master must be a general

53.1 partner or managing employee. If the water conditioning contractor is a limited liability
53.2 company, the responsible licensed master must be a chief manager or managing employee.
53.3 If the water conditioning contractor is a corporation, the responsible licensed master must
53.4 be an officer or managing employee. If the responsible licensed master is a managing
53.5 employee, the responsible licensed master must be actively engaged in performing water
53.6 conditioning work on behalf of the water conditioning contractor and cannot be employed
53.7 in any capacity as a water conditioning master or water conditioning journeyman for any
53.8 other water conditioning contractor. An individual must not be the responsible licensed
53.9 master for more than one water conditioning contractor.

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

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

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

53.16 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under
53.17 section 326B.47 is authorized to assist in water conditioning installation and water
53.18 conditioning servicing only while under the direct supervision of a master plumber,
53.19 journeyman plumber, restricted master plumber, restricted journeyman plumber, water
53.20 conditioning master, or water conditioning journeyman. The master or journeyman is
53.21 responsible for ensuring that all water conditioning work performed by the plumber's
53.22 apprentice complies with the plumbing code and rules adopted under sections 326B.50 to
53.23 326B.59. The supervising master or journeyman must be licensed and must be employed
53.24 by the same employer as the plumber's apprentice. Licensed individuals shall not permit
53.25 plumber's apprentices to perform water conditioning work except under the direct supervision
53.26 of an individual actually licensed to perform such work. Plumber's apprentices shall not
53.27 supervise the performance of plumbing work or make assignments of plumbing work to
53.28 unlicensed individuals.

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

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

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

54.4 (b) A registered unlicensed individual is authorized to assist in water conditioning
54.5 installations in a single family residential unit only when a master plumber, journeyman
54.6 plumber, restricted master plumber, restricted journeyman plumber, water conditioning
54.7 master, or water conditioning journeyman is available and responsible for ensuring that all
54.8 water conditioning installation work performed by the unlicensed individual complies with
54.9 the applicable provisions of the plumbing and water conditioning codes and rules adopted
54.10 pursuant to such codes. For all other water conditioning installation work, the registered
54.11 unlicensed individual must be under the direct supervision of a responsible licensed water
54.12 conditioning master.

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

54.17 **Subd. 2. Journeyman exam.** A registered unlicensed individual who has completed
54.18 875 hours of practical water conditioning installation, servicing, and training is eligible to
54.19 take the water conditioning journeyman examination. Up to 100 hours of practical water
54.20 conditioning installation and servicing experience prior to becoming a registered unlicensed
54.21 individual may be applied to the practical experience requirement. However, none of this
54.22 practical experience may be applied if the unlicensed individual did not have any practical
54.23 experience in the 12-month period immediately prior to becoming a registered unlicensed
54.24 individual.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

56.4 This appropriation is from the workers'
56.5 compensation fund.

56.6 \$4,000,000 in fiscal year 2016 and \$6,000,000
56.7 in fiscal year 2017 are for workers'
56.8 compensation system upgrades and are
56.9 available through June 30, 2021. The base
56.10 appropriation for this purpose is \$3,000,000
56.11 in fiscal year 2018 and \$3,000,000 in fiscal
56.12 year 2019. The base appropriation for fiscal
56.13 year 2020 and beyond is zero.

56.14 This appropriation includes funds for
56.15 information technology project services and
56.16 support subject to the provisions of Minnesota
56.17 Statutes, section 16E.0466. Any ongoing
56.18 information technology costs will be
56.19 incorporated into the service level agreement
56.20 and will be paid to the Office of MN.IT
56.21 Services by the commissioner of labor and
56.22 industry under the rates and mechanism
56.23 specified in that agreement.

56.24 Sec. 19. Laws 2017, chapter 68, article 1, section 1, is amended to read:

56.25 Section 1. Minnesota Statutes 2016, section 181A.04, subdivision 6, is amended to read:

56.26 Subd. 6. **Time of day, high school students.** A high school student must not be permitted
56.27 to work after 11:00 p.m. on an evening before a school day or before 5:00 a.m. on a school
56.28 day, except:

56.29 (1) as permitted by section 181A.07, subdivisions 1, 2, 3, and 4; ~~or~~

56.30 (2) ~~for~~ this subdivision does not apply to a high school student age 18 or older, if unless
56.31 the student provides a written request for the hours restrictions to the employer ~~to work~~
56.32 ~~during the restricted hours.~~ at least two weeks before any restricted hours begin; or

57.1 (3) if a high school student under the age of 18 has supplied the employer with a note
 57.2 signed by the parent or guardian of the student, the student may be permitted to work until
 57.3 11:30 p.m. on the evening before a school day and beginning at 4:30 a.m. on a school day.

57.4 For the purpose of this subdivision, a high school student does not include a student
 57.5 enrolled in an alternative education program approved by the commissioner of education
 57.6 or an area learning center, including area learning centers under sections 123A.05 to 123A.08
 57.7 or according to section 122A.163.

57.8 Sec. 20. **REPEALER.**

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

57.10 **ARTICLE 3**

57.11 **WORKERS' COMPENSATION ADVISORY COUNCIL; DEPARTMENT** 57.12 **PROPOSALS**

57.13 Section 1. Minnesota Statutes 2016, section 176.541, subdivision 1, is amended to read:

57.14 Subdivision 1. **Application of chapter to state employees.** This chapter applies to the
 57.15 employees of any department of this state as defined in section 3.732, subdivision 1, clause
 57.16 (1).

57.17 Sec. 2. Minnesota Statutes 2016, section 176.541, is amended by adding a subdivision to
 57.18 read:

57.19 Subd. 7a. **Exceptions.** This section does not apply to the University of Minnesota.

57.20 Sec. 3. Minnesota Statutes 2016, section 176.541, subdivision 8, is amended to read:

57.21 Subd. 8. **State may insure.** The state of Minnesota may elect to insure its liability under
 57.22 the workers' compensation law for persons employed under the federal ~~Emergency~~
 57.23 ~~Employment Act of 1971, as amended, and the Comprehensive Employment and Training~~
 57.24 ~~Act of 1973, as amended~~ Workforce Innovation and Opportunity Act, and similar programs,
 57.25 with an insurer properly licensed in Minnesota.

57.26 Sec. 4. Minnesota Statutes 2016, section 176.611, subdivision 2, is amended to read:

57.27 Subd. 2. **State departments.** Every department of the state, ~~including the University of~~
 57.28 ~~Minnesota,~~ shall reimburse the fund for money paid for its claims and the costs of
 57.29 administering the revolving fund at such times and in such amounts as the commissioner
 57.30 of administration shall certify has been paid out of the fund on its behalf. The heads of the

58.1 departments shall anticipate these payments by including them in their budgets. In addition,
 58.2 the commissioner of administration, with the approval of the commissioner of management
 58.3 and budget, may require an agency to make advance payments to the fund sufficient to
 58.4 cover the agency's estimated obligation for a period of at least 60 days. Reimbursements
 58.5 and other money received by the commissioner of administration under this subdivision
 58.6 must be credited to the state compensation revolving fund.

58.7 Sec. 5. **REPEALER.**

58.8 Minnesota Statutes 2016, section 176.541, subdivision 7, is repealed.

58.9 Sec. 6. **EFFECTIVE DATE.**

58.10 This article is effective the day following final enactment.

58.11 **ARTICLE 4**

58.12 **WORKERS' COMPENSATION ADVISORY COUNCIL; SPECIAL** 58.13 **COMPENSATION FUND**

58.14 Section 1. **[176.1292] FORBEARANCE OF AMOUNTS OWED TO THE SPECIAL**
 58.15 **COMPENSATION FUND.**

58.16 Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply.

58.17 (a) "Payer" means a workers' compensation insurer, or an employer or group of employers
 58.18 that are self-insured for workers' compensation.

58.19 (b) "Retirement benefits" means retirement benefits paid by any government retirement
 58.20 benefit program and received by employees, other than old age and survivor insurance
 58.21 benefits received under the federal Social Security Act, United States Code, title 42, sections
 58.22 401 to 434. Retirement benefits include retirement annuities, optional annuities received in
 58.23 lieu of retirement benefits, and any other benefit or annuity paid by a government benefit
 58.24 program that is not clearly identified as a disability benefit or disability annuity in the
 58.25 applicable governing statute.

58.26 Subd. 2. **Payment of permanent total disability benefits to employees, dependents,**
 58.27 **and legal heirs.** (a) A payer is entitled to the relief described in subdivisions 3 and 4 only
 58.28 if the payer complies with all of the conditions in paragraphs (b) to (d) for all of the payer's
 58.29 permanently totally disabled employees and documents compliance according to the
 58.30 procedures and forms established by the commissioner under subdivision 7.

58.31 (b) Except as provided in paragraph (e), the payer must:

59.1 (1) recharacterize supplementary benefits paid to all employees as permanent total
59.2 disability benefits if the supplementary benefits were paid because the permanent total
59.3 disability benefits were reduced by retirement benefits received by the employee;

59.4 (2) pay all permanently totally disabled employees, regardless of the date of injury, past
59.5 and future permanent total disability benefits calculated without any reduction for retirement
59.6 benefits received by the employees, from the date the employees' benefits were first reduced;
59.7 and

59.8 (3) for all deceased employees, pay the employees' dependents or, if none, the employees'
59.9 legal heirs, the permanent total disability benefits the deceased employees would have
59.10 received if the benefits had been calculated without any reduction for retirement benefits
59.11 received by the employees.

59.12 (c) A payer may take a credit against its obligations under paragraph (b), clauses (2) and
59.13 (3), for:

59.14 (1) supplementary benefits previously paid to an employee that have been recharacterized
59.15 as permanent total disability benefits under paragraph (b), clause (1); and

59.16 (2) permanent total disability benefits previously paid to an employee.

59.17 (d) The payer must pay the permanent total disability benefits as provided in paragraphs
59.18 (b) and (c) within the time frames described in clauses (1) to (4). More than one time frame
59.19 may apply to a claim.

59.20 (1) No later than 150 days following final enactment, the payer must begin paying the
59.21 recalculated permanent total disability benefit amounts to employees who are entitled to
59.22 ongoing permanent total disability benefits.

59.23 (2) No later than 210 days following final enactment, the payer must pay employees the
59.24 amounts that past permanent total disability benefits were underpaid.

59.25 (3) No later than 270 days following final enactment, the payer must pay the employees'
59.26 dependents or legal heirs the amounts that permanent total disability benefits were underpaid.

59.27 (4) The commissioner may waive payment under paragraphs (b) and (c) or extend these
59.28 time frames if the payer, after making a good-faith effort, is unable to: locate an employee;
59.29 identify or locate the dependents or legal heirs of a deceased employee; or locate
59.30 documentation to determine the amount of an underpayment.

59.31 (e) Paragraphs (a) to (d) do not apply if:

59.32 (1) the employee died before January 1, 2008;

60.1 (2) the employee's last permanent total disability benefit was paid before January 1,
60.2 2000;

60.3 (3) the employee's last permanent total disability benefit would have been paid before
60.4 January 1, 2000, if it had not been reduced by his or her retirement benefits;

60.5 (4) a stipulation for settlement, signed by the employee and approved by a compensation
60.6 judge, provided for a full, final, and complete settlement of permanent total disability benefits
60.7 under this chapter in exchange for a lump sum payment amount or a lump sum converted
60.8 to a structured annuity;

60.9 (5) a final court order, or a stipulation for settlement signed by the employee and approved
60.10 by a compensation judge, explicitly states the employee's permanent total disability benefits
60.11 may be reduced by specified retirement benefits. Paragraphs (a) to (d) apply if a court order
60.12 or stipulation for settlement is ambiguous about whether the employee's permanent total
60.13 disability benefits could be reduced by retirement benefits; or

60.14 (6) a final court order or a stipulation for settlement described in clause (4) or (5) was
60.15 vacated after the effective date of this section.

60.16 Subd. 3. **Reimbursement of supplementary benefits.** (a) Except as provided in
60.17 subdivision 9, paragraph (a), clause (2), a payer that has complied with the requirements of
60.18 subdivision 2, paragraphs (a) to (d):

60.19 (1) is not required to repay supplementary benefits for any claim that the special
60.20 compensation fund over reimbursed due to the payer's reduction of any employee's permanent
60.21 total disability benefits by retirement benefits received by the employee;

60.22 (2) is entitled to reimbursement of supplementary benefits paid or payable before August
60.23 13, 2014, to the extent the special compensation fund denied reimbursement due to the
60.24 payer's reduction of any employee's permanent total disability benefits by the employee's
60.25 retirement benefits; and

60.26 (3) is entitled to reimbursement of supplementary benefits the special compensation
60.27 fund withheld under section 176.129, subdivision 13, paragraph (a), to offset supplementary
60.28 benefits that were over reimbursed due to the payer's reduction of any employee's permanent
60.29 total disability benefits by the employee's retirement benefits.

60.30 (b) Paragraph (a) does not preclude the special compensation fund from denying
60.31 reimbursement of supplementary benefits, or adjusting the reimbursement amount, for any
60.32 reason other than reduction of permanent total disability benefits by the employee's retirement
60.33 benefits.

61.1 Subd. 4. Assessments. (a) Except as provided in subdivision 6, paragraph (b), clause
61.2 (2), and subdivision 9, paragraph (a), clause (2), a payer that has complied with the
61.3 requirements of subdivision 2, paragraphs (a) to (d), is not required to pay past or future
61.4 assessments under section 176.129 on the amount of increased or additional permanent total
61.5 disability benefits paid, or on supplementary benefits that are appropriately characterized
61.6 as permanent total disability benefits, due to the elimination of the retirement benefit
61.7 reduction.

61.8 (b) The special compensation fund shall not recalculate assessments previously paid by
61.9 any payer because of the assessment adjustments in paragraph (a).

61.10 (c) The assessment adjustments described in paragraph (a) do not apply to permanent
61.11 total disability benefits paid to employees with dates of injury on or after August 13, 2014.
61.12 Payers must pay full assessments according to section 176.129 on permanent total disability
61.13 benefits calculated without a reduction for retirement benefits for these employees.

61.14 Subd. 5. Refunds. (a) A payer is entitled to a refund from the special compensation fund
61.15 if:

61.16 (1) the payer complies with the requirements of subdivision 2, paragraphs (a) to (d); and

61.17 (2) due to the elimination of the retirement benefit reduction, the payer repaid the special
61.18 compensation fund for over reimbursement of supplementary benefits, or paid assessments
61.19 on the increased permanent total disability benefits for employees with dates of injury before
61.20 August 13, 2014.

61.21 (b) The special compensation fund must issue a refund within 30 days after receiving
61.22 the payer's documentation of compliance with subdivision 2, paragraphs (a) to (d), and an
61.23 itemization by claim of the amount repaid or paid to the special compensation fund as
61.24 described in paragraph (a), clause (2).

61.25 (c) The special compensation fund must pay interest on any refunded amount under this
61.26 section to the payer at an annual rate of four percent, calculated from the date the payer
61.27 repaid or paid the special compensation fund as described in paragraph (a), clause (2).

61.28 Subd. 6. Applicability. (a) This section does not preclude any employee, dependent, or
61.29 legal heir from pursuing additional benefits beyond those paid under subdivision 2,
61.30 paragraphs (b) to (d); however, the payments under subdivision 2, paragraphs (b) to (d), are
61.31 not to be construed as an admission of liability by the payer in any proceeding. The payments
61.32 cannot be used to justify additional claims; they represent a compromise between the payer

62.1 and the special compensation fund on supplementary benefits and assessments. Payers
62.2 reserve any and all defenses to claims to which this section does not apply.

62.3 (b) If an employee, dependent, or legal heir pursues additional benefits, claims, or
62.4 penalties related to the benefits paid or payable under subdivision 2, paragraphs (b) to (d),
62.5 payers may assert any and all defenses including, but not limited to, those specified in
62.6 subdivision 2, paragraph (e), clauses (4) and (5), with respect to the additional benefits,
62.7 claims, and penalties, and any future permanent total disability benefits payable, subject to
62.8 the following conditions:

62.9 (1) if it is determined by a compensation judge, the Workers' Compensation Court of
62.10 Appeals, or the Minnesota Supreme Court that the payer is entitled to reduce the employee's
62.11 permanent total disability benefits by retirement benefits received by the employee, the
62.12 payer shall not recover any overpayment that results from benefits the employee, dependent,
62.13 or legal heir has already received under subdivision 2, paragraphs (b) to (d). Notwithstanding
62.14 section 176.129, the payer shall not take a credit against an employee's future benefits for
62.15 any such overpayment; and

62.16 (2) if it is determined by a compensation judge, the Workers' Compensation Court of
62.17 Appeals, or the Minnesota Supreme Court that the payer is not entitled to reduce the
62.18 employee's permanent total disability benefits by retirement benefits received by the
62.19 employee, the payer is not entitled to the relief provided in subdivision 4 as applied to the
62.20 claim of the specific employee, dependent, or legal heir.

62.21 (c) A payer shall not assert defenses related to the offset of retirement benefits against
62.22 an employee's future permanent total disability benefits if the only additional claims asserted
62.23 by the employee under paragraph (b) are for attorney fees, costs and disbursements, and an
62.24 additional award pursuant to section 176.081, subdivision 7.

62.25 Subd. 7. **Procedure.** No later than 60 days after final enactment, in consultation with
62.26 affected payers, the commissioner must establish a procedure, which may include forms,
62.27 to implement this section.

62.28 Subd. 8. **Reporting.** This section does not affect a payer's obligation to report the full
62.29 amount of permanent total disability benefits paid to the extent required by this chapter or
62.30 other law. A payer must report supplementary benefits as permanent total disability benefits
62.31 if the supplementary benefits were paid because the permanent total disability benefits were
62.32 reduced by retirement benefits received by the employee.

62.33 Subd. 9. **Failure to comply.** (a) If a payer reports to the department that it has complied
62.34 with the requirements of subdivision 2, paragraphs (a) to (d), but the payer has not paid an

63.1 employee, dependent, or legal heir, as required by subdivision 2, the payer is subject to the
63.2 following:

63.3 (1) the payer must issue payment to the employee, dependent, or legal heir within 14
63.4 days of the date the payer discovers the noncompliance or the date the department notifies
63.5 the payer of the noncompliance;

63.6 (2) the payer is not entitled to the relief provided in subdivisions 3 and 4 as applied to
63.7 the claim of the specific employee, dependent, or legal heir who was not paid as required
63.8 by subdivision 2;

63.9 (3) the special compensation fund may immediately begin collection of any assessments
63.10 or over-reimbursement owed for the claim;

63.11 (4) if the commissioner determines that a payer's failure to comply under this subdivision
63.12 was not in good faith, the commissioner may assess a penalty, payable to the employee,
63.13 dependent, or legal heir, of up to 25 percent of the total permanent total disability benefits
63.14 underpaid; and

63.15 (5) if the payer is found after a hearing to be liable for increased or additional permanent
63.16 total disability benefits because the employee's permanent total disability benefits were
63.17 improperly reduced by his or her retirement benefits, the compensation judge shall assess
63.18 a penalty against the payer, payable to the employee or dependent, up to the total amount
63.19 of the permanent total disability benefits that were not paid pursuant to subdivision 2. The
63.20 compensation judge may issue a penalty against the payer, up to the total amount of the
63.21 permanent total disability benefits underpaid, payable to a legal heir.

63.22 (b) The penalties assessed under this subdivision are in addition to any other penalty
63.23 that may be, or is required to be, assessed under this chapter; however, the commissioner
63.24 shall not assess a penalty against a payer for late payment of permanent total disability
63.25 benefits if the employee's benefits have been paid and documented in accordance with
63.26 subdivision 2.

63.27 (c) If a payer and the special compensation fund have agreed to a list of employees
63.28 required to be paid under subdivision 2, this subdivision does not apply to any claim with
63.29 a date of injury before October 1, 1995, that is not on the agreed-upon list.

63.30 **EFFECTIVE DATE.** This section is effective the day after final enactment.

64.1

ARTICLE 5

64.2

**WORKERS' COMPENSATION ADVISORY COUNCIL; WORKERS'
COMPENSATION INTERVENTION**

64.3

64.4 Section 1. Minnesota Statutes 2016, section 176.361, subdivision 2, is amended to read:

64.5 Subd. 2. **Written motion.** A person desiring to intervene in a workers' compensation
64.6 case as a party, including but not limited to a health care provider who has rendered services
64.7 to an employee or an insurer who has paid benefits under section 176.191, shall submit a
64.8 timely written motion to intervene to the commissioner, the office, or to the court of appeals,
64.9 whichever is applicable.

64.10 (a) The motion must be served on all parties, except for other intervenors, either
64.11 personally, by first class mail, or by registered mail, return receipt requested. A motion to
64.12 intervene must be served and filed within 60 days after a potential intervenor has been
64.13 served with notice of a right to intervene or within 30 days of notice of an administrative
64.14 conference or expedited hearing. Upon the filing of a timely motion to intervene, the potential
64.15 intervenor shall be granted intervenor status without the need for an order. Objections to
64.16 the intervention may be subsequently addressed by a compensation judge. Where a motion
64.17 to intervene is not timely filed under this section, the potential intervenor interest shall be
64.18 extinguished and the potential intervenor may not collect, or attempt to collect, the
64.19 extinguished interest from the employee, employer, insurer, or any government program.

64.20 (b) The motion must show how the applicant's legal rights, duties, or privileges may be
64.21 determined or affected by the case; state the grounds and purposes for which intervention
64.22 is sought; and indicate the statutory right to intervene. The motion must be accompanied
64.23 by the following:

64.24 (1) an itemization of disability payments showing the period during which the payments
64.25 were or are being made; the weekly or monthly rate of the payments; and the amount of
64.26 reimbursement claimed;

64.27 (2) a summary of the medical or treatment payments, or rehabilitation services provided
64.28 by the Vocational Rehabilitation Unit, broken down by creditor, showing the total bill
64.29 submitted, the period of treatment or rehabilitation covered by that bill, the amount of
64.30 payment on that bill, and to whom the payment was made;

64.31 (3) copies of all medical or treatment bills for which payment is sought;

64.32 (4) copies of the work sheets or other information stating how the payments on medical
64.33 or treatment bills were calculated;

65.1 (5) a copy of the relevant policy or contract provisions upon which the claim for
65.2 reimbursement is based;

65.3 (6) the name and telephone number of the person representing the intervenor who has
65.4 authority to represent the intervenor, including but not limited to the authority to reach a
65.5 settlement of the issues in dispute;

65.6 (7) proof of service or copy of the registered mail receipt evidencing service on all parties
65.7 except for other intervenors;

65.8 (8) at the option of the intervenor, a proposed stipulation which states that all of the
65.9 payments for which reimbursement is claimed are related to the injury or condition in dispute
65.10 in the case and that, if the petitioner is successful in proving the compensability of the claim,
65.11 it is agreed that the sum be reimbursed to the intervenor; and

65.12 (9) if represented by an attorney, the name, address, telephone number, and Minnesota
65.13 Supreme Court license number of the attorney.

65.14 Sec. 2. Minnesota Statutes 2016, section 176.361, subdivision 3, is amended to read:

65.15 Subd. 3. **Stipulation.** If the person ~~submitting the~~ filing a timely motion to intervene
65.16 has included a proposed stipulation, all parties shall either execute and return the signed
65.17 stipulation to the intervenor who must file it with the division or judge or serve upon the
65.18 intervenor and all other parties and file with the division specific and detailed objections to
65.19 any services rendered or payments made by the intervenor which are not conceded to be
65.20 correct and related to the injury or condition the petitioner has asserted is compensable. If
65.21 a party has not returned the signed stipulation or filed specific and detailed objections within
65.22 30 days of service of the motion to intervene, the intervenor's right to reimbursement for
65.23 the amount sought is deemed established provided that the petitioner's claim is determined
65.24 to be compensable. The office may establish procedures for filing objections if a timely
65.25 motion to intervene is filed less than 30 days before a scheduled hearing.

65.26 Sec. 3. Minnesota Statutes 2016, section 176.521, is amended by adding a subdivision to
65.27 read:

65.28 Subd. 2b. **Partial settlement.** (a) The parties may file a partial stipulation for settlement
65.29 which resolves the claims of the employee and reserves the claims of one or more intervenors.
65.30 If the partial stipulation, or a letter of agreement attached to the partial stipulation, is not
65.31 signed by an intervenor, the partial stipulation must include a statement that the parties were
65.32 unable to:

66.1 (1) obtain a response from the nonsigning intervenor regarding clarification or
66.2 confirmation of its interest or an offer of settlement within a reasonable time despite
66.3 good-faith efforts to obtain a response;

66.4 (2) reach agreement with the nonsigning intervenor despite the belief that the parties
66.5 negotiated with the intervenor in good faith and made a reasonable offer to settle the
66.6 intervention claim; or

66.7 (3) obtain the nonsigning intervenor's signature within a reasonable time after an
66.8 agreement was reached with the intervenor.

66.9 The partial stipulation must include detailed and case-specific support for the parties'
66.10 statements. In addition, the partial stipulation must reserve the nonsigning intervenor's
66.11 interests to pursue its claim at a hearing on the merits, and must contain a statement that
66.12 the employee will cooperate at the hearing.

66.13 (b) Prior to filing the partial stipulation for approval, a copy of the partial stipulation
66.14 must be served on all parties, including the nonsigning intervenor, together with a written
66.15 notification that the settling parties intend to file the partial stipulation for approval by a
66.16 compensation judge and of the nonsigning intervenor's right to request a hearing on the
66.17 merits of the intervenor's claim.

66.18 (c) Within ten days after service of a partial stipulation for settlement and notice of an
66.19 intent to file for approval by a compensation judge, a nonsigning intervenor may serve and
66.20 file a written objection to approval of the partial stipulation, which filing must provide a
66.21 detailed and case-specific factual basis establishing that approval of the partial stipulation
66.22 will adversely impact the rights of the intervenor.

66.23 (d) After expiration of the ten-day period within which a nonsigning intervenor may
66.24 serve and file its written objection, any party may file for approval a partial stipulation for
66.25 settlement which conforms with this section. An affidavit of service must accompany the
66.26 partial stipulation when it is filed for approval.

66.27 (e) Unless the compensation judge has a reasonable belief that approval of the partial
66.28 stipulation will adversely impact the rights of the nonsigning intervenor, the compensation
66.29 judge shall immediately issue the award and file it with the commissioner. The issuance of
66.30 the award shall be accompanied by notice to the intervenors and other parties of their right
66.31 to request amended findings within a period of 30 days following the date of issuance in
66.32 conformity with applicable law.

67.1 (f) If the compensation judge has a reasonable belief that approval of the partial stipulation
67.2 will adversely impact the rights of the intervenor, the compensation judge shall disapprove
67.3 the stipulation by written order detailing a factual basis for the determination of adverse
67.4 impact.

67.5 Sec. 4. **RULEMAKING.**

67.6 The Office of Administrative Hearings is directed to use the expedited rulemaking
67.7 provisions of Minnesota Statutes, section 14.389, to amend Minnesota Rules, part 1420.1850,
67.8 to conform to the amendments of Minnesota Statutes, section 176.361, subdivision 3.

67.9 **ARTICLE 6**

67.10 **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

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

67.12 (a) A rural policy and development center fund is established as an account in the special
67.13 revenue fund in the state treasury. The commissioner of management and budget shall credit
67.14 to the account the amounts authorized under this section and appropriations and transfers
67.15 to the account. The State Board of Investment shall ensure that account money is invested
67.16 under section 11A.24. All money earned by the account must be credited to the account.
67.17 The principal of the account and any unexpended earnings must be invested and reinvested
67.18 by the State Board of Investment.

67.19 (b) Gifts and donations, including land or interests in land, may be made to the account.
67.20 Noncash gifts and donations must be disposed of for cash as soon as the board prudently
67.21 can maximize the value of the gift or donation. Gifts and donations of marketable securities
67.22 may be held or be disposed of for cash at the option of the board. The cash receipts of gifts
67.23 and donations of cash or capital assets and marketable securities disposed of for cash must
67.24 be credited immediately to the principal of the account. The value of marketable securities
67.25 at the time the gift or donation is made must be credited to the principal of the account and
67.26 any earnings from the marketable securities are earnings of the account. The earnings in
67.27 the account are annually appropriated to the board of the Center for Rural Policy and
67.28 Development to carry out the duties of the center.

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

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

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

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

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

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

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

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

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

68.30 (b) "Agreement" or "business subsidy agreement" means a business subsidy agreement
68.31 under section 116J.994 that must include, but is not limited to: specification of the duration
68.32 of the agreement, job goals and a timeline for achieving those goals over the duration of

69.1 the agreement, construction and other investment goals and a timeline for achieving those
69.2 goals over the duration of the agreement, and the value of benefits the firm may receive
69.3 following achievement of capital investment and employment goals. The local government
69.4 and business must report to the commissioner on the business performance using the forms
69.5 developed by the commissioner.

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

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

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

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

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

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

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

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

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

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

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

69.26 and

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

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

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

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

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

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

70.7 (i) manufacturing;

70.8 (ii) warehousing;

70.9 (iii) distribution;

70.10 (iv) information technology;

70.11 (v) finance;

70.12 (vi) insurance; or

70.13 (vii) professional or technical services;

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

70.19 (3) the business must enter into a binding construction and job creation business subsidy
70.20 agreement with the commissioner to expend directly, or ensure expenditure by or in
70.21 partnership with a third party constructing or managing the project, at least \$500,000 in
70.22 capital investment in a capital investment project that includes a new, expanded, or remodeled
70.23 facility within one year following designation as a Minnesota job creation fund business or
70.24 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
70.25 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
70.26 women, or persons with a disability; and:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

72.12 (b) A qualified Minnesota job creation fund business may be certified eligible for the
72.13 benefits in this paragraph for up to five years for projects located in the metropolitan area
72.14 as defined in section 200.02, subdivision 24, and seven years for projects located outside
72.15 the metropolitan area, as determined by the commissioner when considering the best interests
72.16 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
72.17 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
72.18 outside the metropolitan area may be for up to seven years in length. The eligibility for the
72.19 following benefits begins the date the commissioner certifies the business as a qualified
72.20 Minnesota job creation fund business under this subdivision:

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

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

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

72.31 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that have
72.32 at least \$25,000,000 in capital investment and 200 retained employees for projects located

73.1 in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for
73.2 projects located outside the metropolitan area; and

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

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

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

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

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

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

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

74.2 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
74.3 eligible for an annual award for each new job created and maintained by the business using
74.4 the following schedule: \$1,000 for each job position paying annual wages at least \$26,000
74.5 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than
74.6 \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals
74.7 under the agreement provided under subdivision 1. These awards are increased by \$1,000
74.8 if the business is located outside the metropolitan area as defined in section 200.02,
74.9 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
74.10 women, or persons with a disability.

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

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

74.16 Sec. 8. **[116J.9922] CENTRAL MINNESOTA OPPORTUNITY GRANT PROGRAM.**

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

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

74.20 (c) "Community initiative" means a nonprofit organization which provides services to
74.21 central Minnesota communities of color in one or more of the program areas listed in
74.22 subdivision 4, paragraph (a).

74.23 (d) "Foundation" means the Central Minnesota Community Foundation.

74.24 Subd. 2. **Establishment.** The commissioner shall establish a central Minnesota
74.25 opportunity grant program, administered by the foundation, to identify and support
74.26 community initiatives in the St. Cloud area that enhance long-term economic self-sufficiency
74.27 by improving education, housing, and economic outcomes for central Minnesota communities
74.28 of color.

74.29 Subd. 3. **Grant to the Central Minnesota Community Foundation.** The commissioner
74.30 shall award all grant funds to the foundation, which shall administer the central Minnesota
74.31 opportunity grant program. The foundation may use up to five percent of grant funds for
74.32 administrative costs.

75.1 Subd. 4. Grants to community initiatives. (a) The foundation must award funds through
75.2 a competitive grant process to community initiatives that will provide services, either alone
75.3 or in partnership with another nonprofit organization, in one or more of the following areas:

75.4 (1) economic development, including but not limited to programs to foster
75.5 entrepreneurship or small business development;

75.6 (2) education, including but not limited to programs to encourage civic engagement or
75.7 provide youth after-school or recreation programs; or

75.8 (3) housing, including but not limited to, programs to prevent and respond to
75.9 homelessness or to provide access to loans or grants for housing stability and affordability.

75.10 (b) To receive grant funds, a community initiative must submit a written application to
75.11 the foundation, using a form developed by the foundation. This grant application must
75.12 include:

75.13 (1) a description of the activities that will be funded by the grant;

75.14 (2) an estimate of the cost of each grant activity;

75.15 (3) the total cost of the project;

75.16 (4) the sources and amounts of nonstate funds supplementing the grant;

75.17 (5) how the project aims to achieve stated outcomes in areas including improved job
75.18 training; workforce development; small business support; early childhood, kindergarten
75.19 through grade 12, and higher education achievement; and access to housing, including loans;
75.20 and

75.21 (6) any additional information requested by the foundation.

75.22 (c) In awarding grants under this subdivision, the foundation shall give weight to
75.23 applications from organizations that demonstrate:

75.24 (1) a history of successful provision of the services listed in paragraph (a); and

75.25 (2) a history of successful fund-raising from private sources for such services.

75.26 (d) In evaluating grant applications, the foundation shall not consider the composition
75.27 of a community initiative's governing board.

75.28 (e) Grant funds may be used by a community initiative for the following purposes:

75.29 (1) operating costs, including but not limited to staff, office space, computers, software,
75.30 and Web development and maintenance services;

76.1 (2) program costs;

76.2 (3) travel within Minnesota;

76.3 (4) consultants directly related to and necessary for delivering services listed in paragraph

76.4 (a); and

76.5 (5) capacity building.

76.6 Subd. 5. **Reports to the legislature.** By January 15, 2019, and each January 15 thereafter
 76.7 through 2022, the commissioner must submit a report to the chairs and ranking minority
 76.8 members of the house of representatives and the senate committees with jurisdiction over
 76.9 economic development that details the use of grant funds. This report must include data on
 76.10 the number of individuals served and, to the extent practical, measures of progress toward
 76.11 achieving the outcomes stated in subdivision 4, paragraph (b), clause (5).

76.12 Sec. 9. Minnesota Statutes 2016, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

77.1 ~~(6)~~ (5) is a veteran as defined by section 197.447, has been discharged or released from
 77.2 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
 77.3 (ii) is employed in a job verified to be below the skill level and earning capacity of the
 77.4 veteran;

77.5 ~~(7)~~ (6) is an individual determined by the United States Department of Labor to be
 77.6 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to
 77.7 2331, as amended; or

77.8 ~~(8)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has
 77.9 spent a substantial number of years in the home providing homemaking service and (i) has
 77.10 been dependent upon the financial support of another; and now due to divorce, separation,
 77.11 death, or disability of that person, must find employment to self support; or (ii) derived the
 77.12 substantial share of support from public assistance on account of dependents in the home
 77.13 and no longer receives such support. To be eligible under this clause, the support must have
 77.14 ceased while the worker resided in Minnesota.

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

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

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

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

77.28 Sec. 10. Minnesota Statutes 2016, section 116L.665, is amended to read:

77.29 **116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.**

77.30 Subdivision 1. **Creation.** The governor's Workforce Development Council is created
 77.31 ~~under the authority of the Workforce Investment Act, United States Code, title 29, section~~
 77.32 ~~2801, et seq. Local workforce development councils are authorized under the Workforce~~
 77.33 ~~Investment Act. The governor's Workforce Development Council serves as Minnesota's~~

78.1 ~~Workforce Investment Board for the purposes of the federal Workforce Investment Act.~~
 78.2 ~~Board serves as Minnesota's state workforce development board for the purposes of the~~
 78.3 ~~federal Workforce Innovation and Opportunity Act, United States Code, title 29, section~~
 78.4 ~~3111, and must perform the duties under that act.~~

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

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

78.16 ~~(1) commissioner of the Minnesota Department of Employment and Economic~~
 78.17 ~~Development;~~

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

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

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

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

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

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

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

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

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

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

79.5 ~~(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and~~
 79.6 ~~Universities; and~~

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

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

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

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

79.11 ~~The speaker and the minority leader of the house of representatives shall each appoint~~
 79.12 ~~a representative to serve as an ex officio member of the council. The majority and minority~~
 79.13 ~~leaders of the senate shall each appoint a senator to serve as an ex officio member of the~~
 79.14 ~~council.~~

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

79.19 ~~(b) No person shall serve as a member of more than one category described in paragraph~~
 79.20 ~~(c).~~

79.21 ~~(c) Voting members shall consist of the following:~~

79.22 ~~(1) the governor or the governor's designee;~~

79.23 ~~(2) two members of the house of representatives, one appointed by the speaker of the~~
 79.24 ~~house and one appointed by the minority leader of the house of representatives;~~

79.25 ~~(3) two members of the senate, one appointed by the senate majority leader and one~~
 79.26 ~~appointed by the senate minority leader;~~

79.27 ~~(4) a majority of the members must be representatives of businesses in the state appointed~~
 79.28 ~~by the governor who:~~

79.29 ~~(i) are owners of businesses, chief executives, or operating officers of businesses, or~~
 79.30 ~~other business executives or employers with optimum policy-making or hiring authority~~

80.1 and who, in addition, may be members of a local board under United States Code, title 29,
80.2 section 3122(b)(2)(A)(i);

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

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

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

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

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

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

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

80.16 (ii) the Department of Education; and

80.17 (iii) the Department of Human Services;

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

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

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

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

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

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

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

- 81.1 (d) The nonvoting members of the board shall be appointed by the governor and consist
 81.2 of one of each of the following:
- 81.3 (1) a representative of Adult Basic Education;
 81.4 (2) a representative of public libraries;
 81.5 (3) a person with expertise in women's economic security;
 81.6 (4) the chair or executive director of the Minnesota Workforce Council Association;
 81.7 (5) the commissioner of labor and industry;
 81.8 (6) the commissioner of the Office of Higher Education;
 81.9 (7) the commissioner of corrections;
 81.10 (8) the commissioner of management and budget;
 81.11 (9) two representatives of community-based organizations who are people of color or
 81.12 people with disabilities who have demonstrated experience and expertise in addressing the
 81.13 employment, training, and education needs of individuals with barriers to employment;
 81.14 (10) a representative of secondary, postsecondary, or career-technical education;
 81.15 (11) a representative of school-based service learning;
 81.16 (12) a representative of the Council on Asian-Pacific Minnesotans;
 81.17 (13) a representative of the Minnesota Council on Latino Affairs;
 81.18 (14) a representative of the Council for Minnesotans of African Heritage;
 81.19 (15) a representative of the Minnesota Indian Affairs Council;
 81.20 (16) a representative of the Minnesota State Council on Disability; and
 81.21 (17) a representative of the Office on the Economic Status of Women.
- 81.22 ~~(g) Appointment.~~ (e) Each member shall be appointed for a term of three years from the
 81.23 first day of January or July immediately following their appointment. Elected officials shall
 81.24 forfeit their appointment if they cease to serve in elected office.
- 81.25 ~~(h) Members of the council are compensated as provided in section 15.059, subdivision~~
 81.26 ~~3.~~
- 81.27 Subd. 2a. **Council Board meetings; chair.** ~~(a) If compliance with section 13D.02 is~~
 81.28 ~~impractical, the Governor's Workforce Development Council may conduct a meeting of its~~

82.1 ~~members by telephone or other electronic means so long as the following conditions are~~
82.2 ~~met:~~

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

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

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

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

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

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

82.19 ~~(d) If telephone or other electronic means is used to conduct a regular, special, or~~
82.20 ~~emergency meeting, the council shall provide notice of the regular meeting location, of the~~
82.21 ~~fact that some members may participate by telephone or other electronic means, and of the~~
82.22 ~~provisions of paragraph (c). The timing and method of providing notice is governed by~~
82.23 ~~section 13D.04.~~

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

82.28 (b) The governor shall designate a chair from among the appointed business representative
82.29 voting members. The chair shall approve an agenda for each meeting. Members shall submit
82.30 a written request for consideration of an agenda item no less than 24 hours in advance of
82.31 the meeting. Members of the public may submit a written request within 48 hours of a
82.32 meeting to be considered for inclusion in the agenda. Members of the public attending a

83.1 meeting of the board may address the board only with the approval or at the request of the
 83.2 chair.

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

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

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

83.14 ~~(a) Review the provision of services and the use of funds and resources under applicable~~
 83.15 ~~federal human resource programs and advise the governor on methods of coordinating the~~
 83.16 ~~provision of services and the use of funds and resources consistent with the laws and~~
 83.17 ~~regulations governing the programs. For purposes of this section, applicable federal and~~
 83.18 ~~state human resource programs mean the:~~

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

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

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

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

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

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

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

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

83.30 ~~(b) Review federal, state, and local education, postsecondary, job skills training, and~~
 83.31 ~~youth employment programs, and make recommendations to the governor and the legislature~~

84.1 ~~for establishing an integrated seamless system for providing education and work skills~~
84.2 ~~development services to learners and workers of all ages.~~

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

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

84.9 ~~(e) Evaluate and identify exemplary education and employment transitions programs~~
84.10 ~~and provide technical assistance to local partnerships to replicate the programs throughout~~
84.11 ~~the state.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

85.30 Sec. 11. Minnesota Statutes 2016, section 116M.14, subdivision 4, is amended to read:

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

85.32 (1) Minneapolis, St. Paul;

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

86.5 (3) the area outside the metropolitan area.

86.6 Sec. 12. Minnesota Statutes 2016, section 116M.17, subdivision 4, is amended to read:

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

86.12 Sec. 13. Minnesota Statutes 2016, section 116M.18, subdivision 1a, is amended to read:

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

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

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

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

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

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

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

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

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

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

87.5 Sec. 15. Minnesota Statutes 2016, section 116M.18, subdivision 4a, is amended to read:

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

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

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

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

87.13 (4) they do not require a match.

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

87.16 Sec. 16. Minnesota Statutes 2016, section 116M.18, subdivision 8, is amended to read:

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

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

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

87.28 Sec. 17. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter
87.29 189, article 7, section 8, is amended to read:

87.30 Sec. 14. **ASSIGNED RISK TRANSFER.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

89.29 (3) be a business in one of the following industries, as defined within the North American
 89.30 Industry Classification System: accommodation, restaurants, bars, amusement and recreation,
 89.31 food and beverages retail, sporting goods, miscellaneous retail, general retail, museums,
 89.32 historical sites, health and personal care, gas station, general merchandise, business and

90.1 professional membership, movies, or nonstore retailer, as determined by Mille Lacs County
90.2 in consultation with the commissioner of employment and economic development.

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

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

90.8 Sec. 20. **EMERGING ENTREPRENEUR PROGRAM APPROPRIATIONS**
90.9 **CANCELLATIONS.**

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

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

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

90.15 Subdivision 1. **Creation.** The Minnesota Design Center at the University of Minnesota
90.16 shall partner with relevant organizations in selected communities within greater Minnesota
90.17 to establish a pilot project for community design. The pilot project shall identify current
90.18 and future opportunities for rural development, create designs, seek funding from existing
90.19 sources, and assist with the implementation of economically, environmentally, and culturally
90.20 sensitive projects that respond to current community conditions, needs, capabilities, and
90.21 aspirations in support of the selected communities. For the purposes of this section, "greater
90.22 Minnesota" is limited to the following counties: Blue Earth, Brown, Dodge, Faribault,
90.23 Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Olmsted, Rice, Sibley,
90.24 Steele, Wabasha, Waseca, Watonwan, and Winona.

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

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

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

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

91.3 (3) create an implementation strategy; and

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

91.6 **Sec. 22. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT;**
 91.7 **MANDATED REPORT HOLIDAY.**

91.8 (a) Notwithstanding any law to the contrary, any report required by state law from the
 91.9 Department of Employment and Economic Development that is due in fiscal year 2018 or
 91.10 2019 is optional. The commissioner of employment and economic development may produce
 91.11 any reports at the commissioner's discretion or as may be required by federal law.

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

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

91.17 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
 91.18 statutory city, county, or town that has uncommitted money received from repayment of
 91.19 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
 91.20 percent of the balance of that money to the state general fund before June 30, 2018. Any
 91.21 local entity that does so may then use the remaining 80 percent of the uncommitted money
 91.22 as a general purpose aid for any lawful expenditure.

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

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

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

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

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

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

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

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

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

92.9 (3) motor vehicle loans.

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

92.12 (1) financial literacy education;

92.13 (2) education on budgeting for vehicle ownership;

92.14 (3) car maintenance and repair instruction;

92.15 (4) credit counseling; or

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

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

92.20 (1) a detailed description of all services to be offered;

92.21 (2) the area to be served;

92.22 (3) the estimated number of program participants to be served by the grant; and

92.23 (4) a plan for leveraging resources from partners that may include, but are not limited
92.24 to:

92.25 (i) automobile dealers;

92.26 (ii) automobile parts dealers;

92.27 (iii) independent local mechanics and automobile repair facilities;

92.28 (iv) banks and credit unions;

92.29 (v) employers;

93.1 (vi) employment and training agencies;

93.2 (vii) insurance companies and agents;

93.3 (viii) local workforce centers; and

93.4 (ix) educational institutions including vocational institutions and jobs or skills training
93.5 programs.

93.6 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person
93.7 must:

93.8 (1) have a household income at or below 200 percent of the federal poverty level;

93.9 (2) be at least 22 years of age;

93.10 (3) have a valid driver's license;

93.11 (4) provide the grantee with proof of motor vehicle insurance; and

93.12 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain
93.13 or maintain employment.

93.14 (b) This subdivision does not preclude a grantee from imposing additional requirements,
93.15 not inconsistent with paragraph (a), for the receipt of program services.

93.16 Subd. 6. **Report to legislature.** By February 15, 2019, the commissioner shall submit
93.17 a report to the chairs of the house of representatives and senate committees with jurisdiction
93.18 over workforce and economic development on program outcomes. At a minimum, the report
93.19 must include:

93.20 (1) the total number of program participants;

93.21 (2) the number of program participants who received each of the following:

93.22 (i) provision of a motor vehicle;

93.23 (ii) motor vehicle repair services; and

93.24 (iii) motor vehicle loans;

93.25 (3) the number of program participants who report that they or their children were able
93.26 to increase their participation in community activities such as after school programs, other
93.27 youth programs, church or civic groups, or library services as a result of participation in the
93.28 program; and

93.29 (4) an analysis of the impact of the getting to work grant program on the employment
93.30 rate and wages of program participants.

94.1 **Sec. 25. ECONOMIC IMPACT STUDY OF BIOMASS FACILITY CLOSURE.**

94.2 The commissioner of employment and economic development shall conduct a study to
 94.3 examine the economic impact of the closure of a biomass facility located in the city of
 94.4 Benson that uses poultry litter to generate electricity. In conducting the study, the
 94.5 commissioner must analyze the impact of the closure of the biomass facility on employment
 94.6 and income in the local economy, including impacts on ancillary providers of goods and
 94.7 services to the biomass facility. The commissioner must report study findings to the
 94.8 legislature by February 15, 2018.

94.9 **Sec. 26. REPEALER.**

94.10 Minnesota Statutes 2016, section 116J.549, and Minnesota Rules, parts 4355.0100;
 94.11 4355.0200; 4355.0300; 4355.0400; and 4355.0500, are repealed.

94.12 **ARTICLE 7**

94.13 **IRON RANGE RESOURCES AND REHABILITATION POLICY**

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

94.15 Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined
 94.16 in this section have the meanings given them.

94.17 (1) "State" includes each of the departments, boards, agencies, commissions, courts, and
 94.18 officers in the executive, legislative, and judicial branches of the state of Minnesota and
 94.19 includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher
 94.20 Education, the Higher Education Facilities Authority, the Health Technology Advisory
 94.21 Committee, the Armory Building Commission, the Zoological Board, the Department of
 94.22 Iron Range Resources and Rehabilitation Board, the Minnesota Historical Society, the State
 94.23 Agricultural Society, the University of Minnesota, the Minnesota State Colleges and
 94.24 Universities, state hospitals, and state penal institutions. It does not include a city, town,
 94.25 county, school district, or other local governmental body corporate and politic.

94.26 (2) "Employee of the state" means all present or former officers, members, directors, or
 94.27 employees of the state, members of the Minnesota National Guard, members of a bomb
 94.28 disposal unit approved by the commissioner of public safety and employed by a municipality
 94.29 defined in section 466.01 when engaged in the disposal or neutralization of bombs or other
 94.30 similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the
 94.31 municipality but within the state, or persons acting on behalf of the state in an official
 94.32 capacity, temporarily or permanently, with or without compensation. It does not include

95.1 either an independent contractor except, for purposes of this section and section 3.736 only,
95.2 a guardian ad litem acting under court appointment, or members of the Minnesota National
95.3 Guard while engaged in training or duty under United States Code, title 10, or title 32,
95.4 section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding
95.5 sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee
95.6 of the state" includes a district public defender or assistant district public defender in the
95.7 Second or Fourth Judicial District, a member of the Health Technology Advisory Committee,
95.8 and any officer, agent, or employee of the state of Wisconsin performing work for the state
95.9 of Minnesota pursuant to a joint state initiative.

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

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

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

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

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

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

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

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

95.26 (e) a loss caused by wild animals in their natural state, except as provided in section
95.27 3.7371;

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

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

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

96.5 (i) a loss incurred by a user arising from the construction, operation, or maintenance of
96.6 the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the
96.7 construction, operation, maintenance, or administration of grants-in-aid trails as defined in
96.8 section 85.018, or for a loss arising from the construction, operation, or maintenance of a
96.9 water access site created by the Department of Iron Range Resources and Rehabilitation
96.10 ~~Board~~, except that the state is liable for conduct that would entitle a trespasser to damages
96.11 against a private person. For the purposes of this clause, a water access site, as defined in
96.12 section 86A.04 or created by the commissioner of Iron Range resources and rehabilitation
96.13 ~~Board~~, that provides access to an idled, water filled mine pit, also includes the entire water
96.14 filled area of the pit and, further, includes losses caused by the caving or slumping of the
96.15 mine pit walls;

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

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

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

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

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

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

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

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

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

97.7 The state will not pay punitive damages.

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

97.9 **15.01 DEPARTMENTS OF THE STATE.**

97.10 The following agencies are designated as the departments of the state government: the
 97.11 Department of Administration; the Department of Agriculture; the Department of Commerce;
 97.12 the Department of Corrections; the Department of Education; the Department of Employment
 97.13 and Economic Development; the Department of Health; the Department of Human Rights;
 97.14 the Department of Iron Range Resources and Rehabilitation; the Department of Labor and
 97.15 Industry; the Department of Management and Budget; the Department of Military Affairs;
 97.16 the Department of Natural Resources; the Department of Public Safety; the Department of
 97.17 Human Services; the Department of Revenue; the Department of Transportation; the
 97.18 Department of Veterans Affairs; and their successor departments.

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

97.20 Subd. 7. **Department of Iron Range Resources and Rehabilitation Board.** After
 97.21 seeking a recommendation from the Iron Range Resources and Rehabilitation Board, the
 97.22 commissioner of Iron Range resources and rehabilitation Board may purchase insurance ~~it~~
 97.23 ~~considers~~ the commissioner deems necessary and appropriate to insure facilities operated
 97.24 by the ~~board~~ commissioner.

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

97.26 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall
 97.27 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually
 97.28 on January 1. The new limit must equal the limit for the prior year increased by the percentage
 97.29 increase, if any, in the Consumer Price Index for all urban consumers from October of the
 97.30 second prior year to October of the immediately prior year. The commissioner of management
 97.31 and budget must publish the limit on the department's Web site. This subdivision applies
 97.32 to the following positions:

- 98.1 Executive director of Gambling Control Board;
- 98.2 Commissioner, of Iron Range resources and rehabilitation ~~Board~~;
- 98.3 Commissioner, Bureau of Mediation Services;
- 98.4 Ombudsman for Mental Health and Developmental Disabilities;
- 98.5 Chair, Metropolitan Council;
- 98.6 School trust lands director;
- 98.7 Executive director of pari-mutuel racing; and
- 98.8 Commissioner, Public Utilities Commission.

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

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

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

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

- 98.24 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;
- 98.25 (2) a representative of the Croft Mine Historical Park Joint Powers Board;
- 98.26 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked
 98.27 as a miner in the local area;
- 98.28 (4) a representative of the Crow Wing County Board;
- 98.29 (5) an elected state official;

99.1 (6) a representative of the Grand Rapids regional office of the Department of Natural
99.2 Resources;

99.3 (7) a designee of the commissioner of Iron Range resources and rehabilitation ~~Board~~;

99.4 (8) a designee of the local business community selected by the area chambers of
99.5 commerce;

99.6 (9) a designee of the local environmental community selected by the Crow Wing County
99.7 District 5 commissioner;

99.8 (10) a designee of a local education organization selected by the Crosby-Ironton School
99.9 Board;

99.10 (11) a designee of one of the recreation area user groups selected by the Cuyuna Range
99.11 Chamber of Commerce; and

99.12 (12) a member of the Cuyuna Country Heritage Preservation Society.

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

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

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

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

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

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

99.25 (e) "Governmental unit" means any state agency and any general or special purpose unit
99.26 of government in the state including, but not limited to, watershed districts organized under
99.27 chapter 103D, counties, towns, cities, port authorities, housing authorities, and economic
99.28 development authorities established under sections 469.090 to 469.108, but not including
99.29 courts, school districts, the Department of Iron Range Resources and Rehabilitation, and
99.30 regional development commissions other than the Metropolitan Council.

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

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

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

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

100.14 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**
 100.15 **CONTRIBUTION.**

100.16 The commissioner of ~~the~~ Iron Range resources and rehabilitation Board ~~with approval~~
 100.17 ~~by the board,~~ after consultation with the Iron Range Resources and Rehabilitation Board,
 100.18 may provide an equal match for any loan or equity investment made for a project located
 100.19 in the ~~tax relief~~ taconite assistance area defined in section ~~273.134, paragraph (b)~~ 273.1341,
 100.20 by the Minnesota 21st century fund created by section 116J.423. The match may be in the
 100.21 form of a loan or equity investment, notwithstanding whether the fund makes a loan or
 100.22 equity investment. The state shall not acquire an equity interest because of an equity
 100.23 investment or loan by the ~~board and the board at its sole discretion shall~~ commissioner of
 100.24 Iron Range resources and rehabilitation and the commissioner of Iron Range resources and
 100.25 rehabilitation, after consultation with the advisory board, shall have sole discretion to decide
 100.26 what interest ~~it~~ the fund acquires in a project. The commissioner of employment and
 100.27 economic development may require a commitment from the ~~board~~ commissioner of Iron
 100.28 Range resources and rehabilitation to make the match prior to disbursing money from the
 100.29 fund.

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

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

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

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

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

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

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

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

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

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

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

101.15 (c) If a business subsidy benefits more than one recipient, the grantor must assign a
101.16 proportion of the business subsidy to each recipient that signs a subsidy agreement. The
101.17 proportion assessed to each recipient must reflect a reasonable estimate of the recipient's
101.18 share of the total benefits of the project.

101.19 (d) The state or local government agency and the recipient must both sign the subsidy
101.20 agreement and, if the grantor is a local government agency, the agreement must be approved
101.21 by the local elected governing body, except for the St. Paul Port Authority and a seaway
101.22 port authority.

101.23 (e) Notwithstanding the provision in paragraph (a), clause (6), a recipient may be
101.24 authorized to move from the jurisdiction where the subsidy is used within the five-year
101.25 period after the benefit date if, after a public hearing, the grantor approves the recipient's
101.26 request to move. For the purpose of this paragraph, if the grantor is a state government
101.27 agency other than the Department of Iron Range Resources and Rehabilitation Board,
101.28 "jurisdiction" means a city or township.

101.29 Sec. 12. Minnesota Statutes 2016, section 116J.994, subdivision 5, is amended to read:

101.30 Subd. 5. **Public notice and hearing.** (a) Before granting a business subsidy that exceeds
101.31 \$500,000 for a state government grantor and \$150,000 for a local government grantor, the

102.1 grantor must provide public notice and a hearing on the subsidy. A public hearing and notice
102.2 under this subdivision is not required if a hearing and notice on the subsidy is otherwise
102.3 required by law.

102.4 (b) Public notice of a proposed business subsidy under this subdivision by a state
102.5 government grantor, other than the commissioner of Iron Range resources and rehabilitation
102.6 ~~Board~~, must be published in the State Register. Public notice of a proposed business subsidy
102.7 under this subdivision by a local government grantor or the commissioner of Iron Range
102.8 resources and rehabilitation ~~Board~~ must be published in a local newspaper of general
102.9 circulation. The public notice must identify the location at which information about the
102.10 business subsidy, including a summary of the terms of the subsidy, is available. Published
102.11 notice should be sufficiently conspicuous in size and placement to distinguish the notice
102.12 from the surrounding text. The grantor must make the information available in printed paper
102.13 copies and, if possible, on the Internet. The government agency must provide at least a
102.14 ten-day notice for the public hearing.

102.15 (c) The public notice must include the date, time, and place of the hearing.

102.16 (d) The public hearing by a state government grantor other than the commissioner of
102.17 Iron Range resources and rehabilitation ~~Board~~ must be held in St. Paul.

102.18 (e) If more than one nonstate grantor provides a business subsidy to the same recipient,
102.19 the nonstate grantors may designate one nonstate grantor to hold a single public hearing
102.20 regarding the business subsidies provided by all nonstate grantors. For the purposes of this
102.21 paragraph, "nonstate grantor" includes the commissioner of Iron Range resources and
102.22 rehabilitation ~~Board~~.

102.23 (f) The public notice of any public meeting about a business subsidy agreement, including
102.24 those required by this subdivision and by subdivision 4, must include notice that a person
102.25 with residence in or the owner of taxable property in the granting jurisdiction may file a
102.26 written complaint with the grantor if the grantor fails to comply with sections 116J.993 to
102.27 116J.995, and that no action may be filed against the grantor for the failure to comply unless
102.28 a written complaint is filed.

102.29 Sec. 13. Minnesota Statutes 2016, section 116J.994, subdivision 7, is amended to read:

102.30 **Subd. 7. Reports by recipients to grantors.** (a) A business subsidy grantor must monitor
102.31 the progress by the recipient in achieving agreement goals.

102.32 (b) A recipient must provide information regarding goals and results for two years after
102.33 the benefit date or until the goals are met, whichever is later. If the goals are not met, the

103.1 recipient must continue to provide information on the subsidy until the subsidy is repaid.

103.2 The information must be filed on forms developed by the commissioner in cooperation with
103.3 representatives of local government. Copies of the completed forms must be sent to the
103.4 local government agency that provided the subsidy or to the commissioner if the grantor is
103.5 a state agency. If the commissioner of Iron Range resources and rehabilitation Board is the
103.6 grantor, the copies must be sent to the ~~board~~ commissioner of Iron Range resources and
103.7 rehabilitation. The report must include:

103.8 (1) the type, public purpose, and amount of subsidies and type of district, if the subsidy
103.9 is tax increment financing;

103.10 (2) the hourly wage of each job created with separate bands of wages;

103.11 (3) the sum of the hourly wages and cost of health insurance provided by the employer
103.12 with separate bands of wages;

103.13 (4) the date the job and wage goals will be reached;

103.14 (5) a statement of goals identified in the subsidy agreement and an update on achievement
103.15 of those goals;

103.16 (6) the location of the recipient prior to receiving the business subsidy;

103.17 (7) the number of employees who ceased to be employed by the recipient when the
103.18 recipient relocated to become eligible for the business subsidy;

103.19 (8) why the recipient did not complete the project outlined in the subsidy agreement at
103.20 their previous location, if the recipient was previously located at another site in Minnesota;

103.21 (9) the name and address of the parent corporation of the recipient, if any;

103.22 (10) a list of all financial assistance by all grantors for the project; and

103.23 (11) other information the commissioner may request.

103.24 A report must be filed no later than March 1 of each year for the previous year. The local
103.25 agency and the commissioner of Iron Range resources and rehabilitation Board must forward
103.26 copies of the reports received by recipients to the commissioner by April 1.

103.27 (c) Financial assistance that is excluded from the definition of "business subsidy" by
103.28 section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting
103.29 requirements of this subdivision, except that the report of the recipient must include instead:

103.30 (1) the type, public purpose, and amount of the financial assistance, and type of district
103.31 if the assistance is tax increment financing;

104.1 (2) progress towards meeting goals stated in the assistance agreement and the public
104.2 purpose of the assistance;

104.3 (3) if the agreement includes job creation, the hourly wage of each job created with
104.4 separate bands of wages;

104.5 (4) if the agreement includes job creation, the sum of the hourly wages and cost of health
104.6 insurance provided by the employer with separate bands of wages;

104.7 (5) the location of the recipient prior to receiving the assistance; and

104.8 (6) other information the grantor requests.

104.9 (d) If the recipient does not submit its report, the local government agency must mail
104.10 the recipient a warning within one week of the required filing date. If, after 14 days of the
104.11 postmarked date of the warning, the recipient fails to provide a report, the recipient must
104.12 pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The
104.13 maximum penalty shall not exceed \$1,000.

104.14 Sec. 14. Minnesota Statutes 2016, section 216B.161, subdivision 1, is amended to read:

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

104.17 (b) "Area development rate" means a rate schedule established by a utility that provides
104.18 customers within an area development zone service under a base utility rate schedule, except
104.19 that charges may be reduced from the base rate as agreed upon by the utility and the customer
104.20 consistent with this section.

104.21 (c) "Area development zone" means a contiguous or noncontiguous area designated by
104.22 an authority or municipality for development or redevelopment and within which one of
104.23 the following conditions exists:

104.24 (1) obsolete buildings not suitable for improvement or conversion or other identified
104.25 hazards to the health, safety, and general well-being of the community;

104.26 (2) buildings in need of substantial rehabilitation or in substandard condition; or

104.27 (3) low values and damaged investments.

104.28 (d) "Authority" means a rural development financing authority established under sections
104.29 469.142 to 469.151; a housing and redevelopment authority established under sections
104.30 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an
104.31 economic development authority established under sections 469.090 to 469.108; a

105.1 redevelopment agency as defined in sections 469.152 to 469.165; the commissioner of Iron
105.2 Range resources and rehabilitation ~~Board~~ established under section 298.22; a municipality
105.3 that is administering a development district created under sections 469.124 to 469.133 or
105.4 any special law; a municipality that undertakes a project under sections 469.152 to 469.165,
105.5 except a town located outside the metropolitan area as defined in section 473.121, subdivision
105.6 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers
105.7 of a port authority under any general or special law.

105.8 (e) "Municipality" means a city, however organized, and, with respect to a project
105.9 undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in
105.10 sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142
105.11 to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008,
105.12 also includes any county.

105.13 Sec. 15. Minnesota Statutes 2016, section 216B.1694, subdivision 1, is amended to read:

105.14 Subdivision 1. **Definition.** For the purposes of this section, the term "innovative energy
105.15 project" means a proposed energy-generation facility or group of facilities which may be
105.16 located on up to three sites:

105.17 (1) that makes use of an innovative generation technology utilizing coal as a primary
105.18 fuel in a highly efficient combined-cycle configuration with significantly reduced sulfur
105.19 dioxide, nitrogen oxide, particulate, and mercury emissions from those of traditional
105.20 technologies;

105.21 (2) that the project developer or owner certifies is a project capable of offering a long-term
105.22 supply contract at a hedged, predictable cost; and

105.23 (3) that is designated by the commissioner of ~~the~~ Iron Range resources and rehabilitation
105.24 ~~Board~~ as a project that is located in the taconite tax relief area on a site that has substantial
105.25 real property with adequate infrastructure to support new or expanded development and
105.26 that has received prior financial and other support from the board.

105.27 Sec. 16. Minnesota Statutes 2016, section 276A.01, subdivision 8, is amended to read:

105.28 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole
105.29 or part within the area. If a municipality is located partly within and partly without the area,
105.30 the references in sections 276A.01 to 276A.09 to property or any portion thereof subject to
105.31 taxation or taxing jurisdiction within the municipality are to the property or portion thereof
105.32 that is located in that portion of the municipality within the area, except that the fiscal

106.1 capacity of the municipality must be computed upon the basis of the valuation and population
106.2 of the entire municipality. A municipality shall be excluded from the area if its municipal
106.3 comprehensive zoning and planning policies conscientiously exclude most
106.4 commercial-industrial development, for reasons other than preserving an agricultural use.
106.5 The commissioner of Iron Range resources and rehabilitation Board and the commissioner
106.6 of revenue shall jointly make this determination annually and shall notify those municipalities
106.7 that are ineligible to participate in the tax base sharing program provided in this chapter for
106.8 the following year. Before making the determination, the commissioner of Iron Range
106.9 resources and rehabilitation must consult the Iron Range Resources and Rehabilitation
106.10 Board.

106.11 Sec. 17. Minnesota Statutes 2016, section 276A.01, subdivision 17, is amended to read:

106.12 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to
106.13 25 percent of the areawide levy certified by the commissioner of Iron Range resources and
106.14 rehabilitation Board, after consultation with the Iron Range Resources and Rehabilitation
106.15 Board, to be used for the purposes of the Iron Range school consolidation and cooperatively
106.16 operated school account under section 298.28, subdivision 7a.

106.17 (b) The allocation under paragraph (a) shall only be made after the commissioner of
106.18 Iron Range resources and rehabilitation Board, after consultation with the Iron Range
106.19 Resources and Rehabilitation Board, has certified by June 30 that the Iron Range school
106.20 consolidation and cooperatively operated account has insufficient funds to make payments
106.21 as authorized under section 298.28, subdivision 7a.

106.22 Sec. 18. Minnesota Statutes 2016, section 276A.06, subdivision 8, is amended to read:

106.23 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine
106.24 for each county the difference between the total levy on distribution value pursuant to
106.25 subdivision 3, clause (1), including the school fund allocation within the county and the
106.26 total tax on contribution value pursuant to subdivision 7, within the county. On or before
106.27 May 16 of each year, the administrative auditor shall certify the differences so determined
106.28 and the county's portion of the school fund allocation to each county auditor. In addition,
106.29 the administrative auditor shall certify to those county auditors for whose county the total
106.30 tax on contribution value exceeds the total levy on distribution value the settlement the
106.31 county is to make to the other counties of the excess of the total tax on contribution value
106.32 over the total levy on distribution value in the county. On or before June 15 and November
106.33 15 of each year, each county treasurer in a county having a total tax on contribution value

107.1 in excess of the total levy on distribution value shall pay one-half of the excess to the other
107.2 counties in accordance with the administrative auditor's certification. On or before June 15
107.3 and November 15 of each year, each county treasurer shall pay to the administrative auditor
107.4 that county's share of the school fund allocation. On or before December 1 of each year,
107.5 the administrative auditor shall pay the school fund allocation to the commissioner of Iron
107.6 Range resources and rehabilitation Board for deposit in the Iron Range school consolidation
107.7 and cooperatively operated account.

107.8 Sec. 19. Minnesota Statutes 2016, section 282.38, subdivision 1, is amended to read:

107.9 Subdivision 1. **Development.** In any county where the county board by proper resolution
107.10 sets aside funds for forest development pursuant to section 282.08, clause (5), item (i), or
107.11 section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation
107.12 ~~with the approval of the board,~~ after consultation with the Iron Range Resources and
107.13 Rehabilitation Board, may upon request of the county board assist said county in carrying
107.14 out any project for the long range development of its forest resources through matching of
107.15 funds or otherwise.

107.16 Sec. 20. Minnesota Statutes 2016, section 282.38, subdivision 3, is amended to read:

107.17 Subd. 3. **Not to affect commissioner of Iron Range resources and rehabilitation.**
107.18 Nothing herein shall be construed to limit or abrogate the authority of the commissioner of
107.19 Iron Range resources and rehabilitation to give temporary assistance to any county in the
107.20 development of its land use program.

107.21 Sec. 21. Minnesota Statutes 2016, section 298.001, subdivision 8, is amended to read:

107.22 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of revenue of the
107.23 state of Minnesota, except that when used in sections 298.22 to 298.227 and 298.291 to
107.24 298.297, "commissioner" means the commissioner of Iron Range resources and rehabilitation.

107.25 Sec. 22. Minnesota Statutes 2016, section 298.001, is amended by adding a subdivision
107.26 to read:

107.27 Subd. 12. **Advisory board.** "Advisory board" means the Iron Range Resources and
107.28 Rehabilitation Board, as established under section 298.22. The acronym "IRRRB" means
107.29 the advisory board.

108.1 Sec. 23. Minnesota Statutes 2016, section 298.018, subdivision 1, is amended to read:

108.2 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under
108.3 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
108.4 taconite assistance area defined in section 273.1341, shall be allocated as follows:

108.5 (1) five percent to the city or town within which the minerals or energy resources are
108.6 mined or extracted, or within which the concentrate was produced. If the mining and
108.7 concentration, or different steps in either process, are carried on in more than one taxing
108.8 district, the commissioner shall apportion equitably the proceeds among the cities and towns
108.9 by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction,
108.10 and the remainder to the concentrating plant and to the processes of concentration, and with
108.11 respect to each thereof giving due consideration to the relative extent of the respective
108.12 operations performed in each taxing district;

108.13 (2) ten percent to the taconite municipal aid account to be distributed as provided in
108.14 section 298.282;

108.15 (3) ten percent to the school district within which the minerals or energy resources are
108.16 mined or extracted, or within which the concentrate was produced. If the mining and
108.17 concentration, or different steps in either process, are carried on in more than one school
108.18 district, distribution among the school districts must be based on the apportionment formula
108.19 prescribed in clause (1);

108.20 (4) 20 percent to a group of school districts comprised of those school districts wherein
108.21 the mineral or energy resource was mined or extracted or in which there is a qualifying
108.22 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
108.23 district indexes as follows: for each school district, its pupil units determined under section
108.24 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
108.25 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
108.26 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
108.27 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
108.28 portion of the distribution which its index bears to the sum of the indices for all school
108.29 districts that receive the distributions;

108.30 (5) 20 percent to the county within which the minerals or energy resources are mined
108.31 or extracted, or within which the concentrate was produced. If the mining and concentration,
108.32 or different steps in either process, are carried on in more than one county, distribution
108.33 among the counties must be based on the apportionment formula prescribed in clause (1),

109.1 provided that any county receiving distributions under this clause shall pay one percent of
109.2 its proceeds to the Range Association of Municipalities and Schools;

109.3 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed
109.4 as provided in sections 273.134 to 273.136;

109.5 (7) five percent to the commissioner of Iron Range resources and rehabilitation Board
109.6 for the purposes of section 298.22;

109.7 (8) three percent to the Douglas J. Johnson economic protection trust fund; and

109.8 (9) seven percent to the taconite environmental protection fund.

109.9 The proceeds of the tax shall be distributed on July 15 each year.

109.10 Sec. 24. Minnesota Statutes 2016, section 298.17, is amended to read:

109.11 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

109.12 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock
109.13 companies, corporations, and associations, however or for whatever purpose organized,
109.14 engaged in the business of mining or producing iron ore or other ores, when collected shall
109.15 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,
109.16 article X, section 3, in the manner following: 90 percent shall be deposited in the state
109.17 treasury and credited to the general fund of which four-ninths shall be used for the support
109.18 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed
109.19 by this section shall be deposited in the state treasury and credited to the general fund for
109.20 the general support of the university.

109.21 (b) Of the money apportioned to the general fund by this section: (1) there is annually
109.22 appropriated and credited to the mining environmental and regulatory account in the special
109.23 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax
109.24 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.
109.25 Money in the mining environmental and regulatory account is appropriated annually to the
109.26 commissioner of natural resources to fund agency staff to work on environmental issues
109.27 and provide regulatory services for ferrous and nonferrous mining operations in this state.
109.28 Payment to the mining environmental and regulatory account shall be made by July 1
109.29 annually. The commissioner of natural resources shall execute an interagency agreement
109.30 with the Pollution Control Agency to assist with the provision of environmental regulatory
109.31 services such as monitoring and permitting required for ferrous and nonferrous mining
109.32 operations; (2) there is annually appropriated and credited to the Iron Range resources and
109.33 rehabilitation ~~Board~~ account in the special revenue fund an amount equal to that which

110.1 would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable
 110.2 ton produced in the preceding calendar year, to be expended for the purposes of section
 110.3 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and
 110.4 rehabilitation ~~Board~~ account in the special revenue fund for transfer to the Iron Range school
 110.5 consolidation and cooperatively operated school account under section 298.28, subdivision
 110.6 7a, an amount equal to that which would have been generated by a six cent tax imposed by
 110.7 section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the
 110.8 Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

110.9 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to
 110.10 provide environmental development grants to local governments located within any county
 110.11 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,
 110.12 which does not contain a municipality qualifying pursuant to section 273.134, paragraph
 110.13 (b), or (ii) to provide economic development loans or grants to businesses located within
 110.14 any such county, provided that the county board or an advisory group appointed by the
 110.15 county board to provide recommendations on economic development shall make
 110.16 recommendations to the commissioner of Iron Range resources and rehabilitation ~~Board~~
 110.17 regarding the loans. Payment to the Iron Range resources and rehabilitation ~~Board~~ account
 110.18 shall be made by May 15 annually.

110.19 (d) Of the money allocated to Koochiching County, one-third must be paid to the
 110.20 Koochiching County Economic Development Commission.

110.21 Sec. 25. Minnesota Statutes 2016, section 298.22, subdivision 1, is amended to read:

110.22 Subdivision 1. ~~The Office of Commissioner~~ **Department of Iron Range Resources**
 110.23 **and Rehabilitation.** (a) ~~The Office of the Commissioner~~ Department of Iron Range
 110.24 Resources and Rehabilitation is created as an agency in the executive branch of state
 110.25 government. The governor shall appoint the commissioner of Iron Range resources and
 110.26 rehabilitation under section 15.06. The commissioner may expend amounts appropriated
 110.27 to the commissioner for projects after consultation with the advisory board created under
 110.28 subdivision 1a.

110.29 (b) The commissioner may hold other positions or appointments that are not incompatible
 110.30 with duties as commissioner of Iron Range resources and rehabilitation. The commissioner
 110.31 may appoint a deputy commissioner. All expenses of the commissioner, including the
 110.32 payment of staff and other assistance as may be necessary, must be paid out of the amounts
 110.33 appropriated by section 298.28 or otherwise made available by law to the commissioner.
 110.34 Notwithstanding chapters 16A, 16B, and 16C, the commissioner may utilize contracting

111.1 options available under section 471.345 when the commissioner determines it is in the best
111.2 interest of the agency. The agency is not subject to sections 16E.016 and 16C.05. The
111.3 commissioner has the authority to reimburse any nongovernmental manager operating
111.4 state-owned facilities within the Giants Ridge Recreation Area for purchasing materials,
111.5 supplies, equipment, or other items used in the operations at such facilities.

111.6 (c) When the commissioner determines that distress and unemployment exists or may
111.7 exist in the future in any county by reason of the removal of natural resources or a possibly
111.8 limited use of natural resources in the future and any resulting decrease in employment, the
111.9 commissioner may use whatever amounts of the appropriation made to the commissioner
111.10 of revenue in section 298.28 that are determined to be necessary and proper in the
111.11 development of the remaining resources of the county and in the vocational training and
111.12 rehabilitation of its residents, ~~except that the amount needed to cover cost overruns awarded~~
111.13 ~~to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in~~
111.14 ~~effect after July 1, 1985, is appropriated from the general fund.~~ For the purposes of this
111.15 section, "development of remaining resources" includes, but is not limited to, the promotion
111.16 of tourism.

111.17 Sec. 26. Minnesota Statutes 2016, section 298.22, subdivision 1a, is amended to read:

111.18 Subd. 1a. **Iron Range Resources and Rehabilitation Board.** (a) The Iron Range
111.19 Resources and Rehabilitation Board consists of the state senators and representatives elected
111.20 from state senatorial or legislative districts in which one-third or more of the residents reside
111.21 in a taconite assistance area as defined in section 273.1341. One additional state senator
111.22 shall also be appointed by the senate Subcommittee on Committees of the Committee on
111.23 Rules and Administration. All expenditures and projects made by the commissioner shall
111.24 first be submitted to the advisory board for approval. The advisory board shall recommend
111.25 approval or disapproval or modification of the expenditures and projects. The expenses of
111.26 the advisory board shall be paid by the state from the funds raised pursuant to this section.
111.27 Members of the advisory board may be reimbursed for expenses in the manner provided in
111.28 sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the
111.29 interims between legislative sessions in the manner provided in section 3.099, subdivision
111.30 1.

111.31 The members shall be appointed in January of every odd-numbered year, and shall serve
111.32 until January of the next odd-numbered year. Vacancies on the board shall be filled in the
111.33 same manner as original members were chosen.

112.1 (b) The advisory board must develop procedures to elect a chair who shall preside over
 112.2 and convene meetings as often as necessary to conduct duties prescribed by this chapter.
 112.3 The advisory board must meet at least two times per year to review the actions of the
 112.4 commissioner.

112.5 Sec. 27. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to
 112.6 read:

112.7 Subd. 1b. **Evaluation of programs.** (a) In evaluating programs proposed by the
 112.8 commissioner, the advisory board must consider factors, including but not limited to the
 112.9 extent to which the program:

112.10 (1) contributes to increasing the effectiveness of promoting or managing Iron Range
 112.11 economic and workforce development, community development, minerals and natural
 112.12 resources development, and any other issue as determined by the advisory board; and

112.13 (2) advances the strategic plan adopted under subdivision 1c.

112.14 (b) In evaluating programs proposed by the commissioner, the advisory board must
 112.15 consider factors, including but not limited to:

112.16 (1) job creation or retention goals for the program, including but not limited to wages
 112.17 and benefits; whether the jobs created are full time, part time, temporary, or permanent; and
 112.18 whether the stated job creation or retention goals in the program proposal can be adequately
 112.19 measured using methods established by the commissioner;

112.20 (2) how and to what extent the program is expected to impact the economic climate of
 112.21 the Iron Range resources and rehabilitation services area;

112.22 (3) how the program would meet match requirements, if any; and

112.23 (4) whether the program meets the written objectives, priorities, and policies established
 112.24 by the commissioner.

112.25 Sec. 28. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to
 112.26 read:

112.27 Subd. 1c. **Strategic plan required.** The commissioner, in consultation with the advisory
 112.28 board, shall adopt a four-year strategic plan for making expenditures, including identifying
 112.29 the priority areas for funding for the term of the commissioner's appointment. The strategic
 112.30 plan must be reviewed annually. The strategic plan must have clearly stated short- and

113.1 long-term goals and strategies for expenditures, provide measurable outcomes for
 113.2 expenditures, and determine areas of emphasis for funding.

113.3 Sec. 29. Minnesota Statutes 2016, section 298.22, subdivision 5a, is amended to read:

113.4 Subd. 5a. **Forest trust.** The commissioner, ~~upon approval by the board~~ after consultation
 113.5 with the advisory board, may purchase forest lands in the taconite assistance area defined
 113.6 ~~in~~ under section 273.1341 with funds specifically authorized for the purchase. The acquired
 113.7 forest lands must be held in trust for the benefit of the citizens of the taconite assistance
 113.8 area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed
 113.9 and developed for recreation and economic development purposes. The commissioner, ~~upon~~
 113.10 ~~approval by the~~ after consultation with the advisory board, may sell forest lands purchased
 113.11 under this subdivision if the ~~board finds~~ commissioner determines that the sale advances
 113.12 the purposes of the trust. Proceeds derived from the management or sale of the lands and
 113.13 from the sale of timber or removal of gravel or other minerals from these forest lands shall
 113.14 be deposited into an Iron Range Miners' Memorial Forest account that is established within
 113.15 the state financial accounts. Funds may be expended from the account ~~upon approval~~ by
 113.16 the commissioner, after consultation with the advisory board, to purchase, manage,
 113.17 administer, convey interests in, and improve the forest lands. ~~With approval by the board,~~
 113.18 After consultation with the advisory board, the commissioner may transfer money in the
 113.19 Iron Range Miners' Memorial Forest account ~~may be transferred~~ into the corpus of the
 113.20 Douglas J. Johnson economic protection trust fund established under sections 298.291 to
 113.21 298.294. The property acquired under the authority granted by this subdivision and income
 113.22 derived from the property or the operation or management of the property are exempt from
 113.23 taxation by the state or its political subdivisions while held by the forest trust.

113.24 Sec. 30. Minnesota Statutes 2016, section 298.22, subdivision 6, is amended to read:

113.25 Subd. 6. **Private entity participation.** The commissioner, after consultation with the
 113.26 advisory board, may acquire an equity interest in any project for which ~~it~~ the commissioner
 113.27 provides funding. The commissioner may, after consultation with the advisory board,
 113.28 establish, participate in the management of, and dispose of the assets of charitable
 113.29 foundations, nonprofit limited liability companies, and nonprofit corporations associated
 113.30 with any project for which ~~it~~ the commissioner provides funding, including specifically,
 113.31 but without limitation, a corporation within the meaning of section 317A.011, subdivision
 113.32 6.

114.1 Sec. 31. Minnesota Statutes 2016, section 298.22, subdivision 10, is amended to read:

114.2 Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources
114.3 and rehabilitation may not sell or privatize the ~~Ironworld~~ Minnesota Discovery Center or
114.4 Giants Ridge Golf and Ski Resort without prior approval by the advisory board.

114.5 Sec. 32. Minnesota Statutes 2016, section 298.22, subdivision 11, is amended to read:

114.6 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation
114.7 shall annually prepare a budget for operational expenditures, programs, and projects, and
114.8 submit it to the Iron Range Resources and Rehabilitation Board. After the budget is approved
114.9 by the advisory board and the governor, the commissioner may spend money in accordance
114.10 with the approved budget.

114.11 Sec. 33. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to
114.12 read:

114.13 Subd. 13. **Grants and loans for economic development projects; requirements.** (a)
114.14 Prior to awarding any grants or approving loans from any fund or account from which the
114.15 commissioner has the authority under law to expend money, the commissioner must evaluate
114.16 applications based on criteria including, but not limited to:

114.17 (1) job creation or retention goals for the project, including but not limited to wages and
114.18 benefits, and whether the jobs created are full time, part time, temporary, or permanent;

114.19 (2) whether the applicant's stated job creation or retention goals can be adequately
114.20 measured using methods established by the commissioner;

114.21 (3) how and to what extent the project proposed by the applicant is expected to impact
114.22 the economic climate of the Iron Range resources and rehabilitation services area;

114.23 (4) how the applicant would meet match requirements, if any; and

114.24 (5) whether the project for which a grant or loan application has been submitted meets
114.25 the written objectives, priorities, and policies established by the commissioner.

114.26 (b) The commissioner, if appropriate, may include incentives in loan and grant award
114.27 agreements to promote and assist grant recipients in achieving the stated job creation and
114.28 retention objectives established by the commissioner.

114.29 (c) For all loans and grants awarded from funds under the commissioner's authority
114.30 pursuant to this chapter, the commissioner must:

114.31 (1) maintain a database for tracking loan and grant awards;

- 115.1 (2) maintain an objective mechanism for measuring job creation and retention;
 115.2 (3) verify achievement of job creation and retention goals by grant and loan recipients;
 115.3 (4) monitor grant and loan awards to ensure that projects comply with applicable Iron
 115.4 Range resources and rehabilitation policies; and
 115.5 (5) verify that grant or loan recipients have met applicable matching fund requirements.

115.6 Sec. 34. Minnesota Statutes 2016, section 298.221, is amended to read:

115.7 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

115.8 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant
 115.9 to the terms of any contract entered into by the state under authority of section 298.22 and
 115.10 any fees which may, in the discretion of the commissioner of Iron Range resources and
 115.11 rehabilitation, be charged in connection with any project pursuant to that section as amended,
 115.12 shall be deposited in the state treasury to the credit of the Iron Range resources and
 115.13 rehabilitation ~~Board~~ account in the special revenue fund and are hereby appropriated for
 115.14 the purposes of section 298.22.

115.15 (b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner
 115.16 of the Iron Range resources and rehabilitation ~~Board~~ for payment of advertising contracts
 115.17 if the commissioner determines that the merchandise can be used for special event prizes
 115.18 or mementos at facilities operated by the ~~board~~ commissioner. Nothing in this paragraph
 115.19 authorizes the commissioner or a member of the advisory board to receive merchandise for
 115.20 personal use.

115.21 (c) All fees charged by the commissioner in connection with public use of the state-owned
 115.22 ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived
 115.23 by the commissioner from the operation or lease of those facilities and from the lease, sale,
 115.24 or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be
 115.25 deposited into an Iron Range resources and rehabilitation ~~Board~~ account that is created
 115.26 within the state enterprise fund. All funds deposited in the enterprise fund account are
 115.27 appropriated to the commissioner ~~to be expended, subject to approval by the board, and~~
 115.28 may only be used, after consultation with the advisory board, as follows:

115.29 (1) to pay costs associated with the construction, equipping, operation, repair, or
 115.30 improvement of the Giants Ridge Recreation Area facilities or lands;

115.31 (2) to pay principal, interest and associated bond issuance, reserve, and servicing costs
 115.32 associated with the financing of the facilities; and

116.1 (3) to pay the costs of any other project authorized under section 298.22.

116.2 Sec. 35. Minnesota Statutes 2016, section 298.2211, subdivision 3, is amended to read:

116.3 Subd. 3. **Project approval.** ~~All projects authorized by this section shall be submitted~~
 116.4 ~~by the commissioner to the Iron Range Resources and Rehabilitation Board for approval~~
 116.5 ~~by the board~~ The commissioner may authorize a project under this section only after
 116.6 consulting the advisory board. Prior to the commencement of a project involving the exercise
 116.7 by the commissioner of any authority of sections 469.174 to 469.179, the governing body
 116.8 of each municipality in which any part of the project is located and the county board of any
 116.9 county containing portions of the project not located in an incorporated area shall by majority
 116.10 vote approve or disapprove the project. Any project approved by the ~~board~~ commissioner
 116.11 and the applicable governing bodies, if any, together with detailed information concerning
 116.12 the project, its costs, the sources of its funding, and the amount of any bonded indebtedness
 116.13 to be incurred in connection with the project, shall be transmitted to the governor, who shall
 116.14 approve, disapprove, or return the proposal for additional consideration within 30 days of
 116.15 receipt. No project authorized under this section shall be undertaken, and no obligations
 116.16 shall be issued and no tax increments shall be expended for a project authorized under this
 116.17 section until the project has been approved by the governor.

116.18 Sec. 36. Minnesota Statutes 2016, section 298.2211, subdivision 6, is amended to read:

116.19 Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the
 116.20 commissioner of Iron Range resources and rehabilitation ~~Board~~ that have been established
 116.21 according to prevailing market conditions and to recover operating costs need not be set by
 116.22 rule.

116.23 Sec. 37. Minnesota Statutes 2016, section 298.2212, is amended to read:

116.24 **298.2212 INVESTMENT OF FUNDS.**

116.25 All funds credited to the Iron Range resources and rehabilitation ~~Board~~ account in the
 116.26 special revenue fund for the purposes of section 298.22 must be invested pursuant to law.
 116.27 The net interest and dividends from the investments are included and become part of the
 116.28 funds available for purposes of section 298.22.

116.29 Sec. 38. Minnesota Statutes 2016, section 298.223, subdivision 1, is amended to read:

116.30 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection
 116.31 fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast

117.1 Minnesota located within the taconite assistance area defined in section 273.1341, that are
 117.2 adversely affected by the environmentally damaging operations involved in mining taconite
 117.3 and iron ore and producing iron ore concentrate and for the purpose of promoting the
 117.4 economic development of northeast Minnesota. The taconite environmental protection fund
 117.5 shall be used for the following purposes:

117.6 (1) to initiate investigations into matters the commissioner of Iron Range resources and
 117.7 rehabilitation Board determines are in need of study and which will determine the
 117.8 environmental problems requiring remedial action;

117.9 (2) reclamation, restoration, or reforestation of mine lands not otherwise provided for
 117.10 by state law;

117.11 (3) local economic development projects ~~but only if those projects are approved by the~~
 117.12 ~~board~~, and public works, including construction of sewer and water systems located within
 117.13 the taconite assistance area defined in section 273.1341;

117.14 (4) monitoring of mineral industry related health problems among mining employees;
 117.15 and

117.16 (5) local public works projects under section 298.227, paragraph (c).

117.17 Sec. 39. Minnesota Statutes 2016, section 298.223, subdivision 2, is amended to read:

117.18 Subd. 2. **Administration.** ~~(a) The taconite area environmental protection fund shall be~~
 117.19 ~~administered by the commissioner of the Iron Range Resources and Rehabilitation Board,~~
 117.20 ~~who must consult with the advisory board before expending any funds. The commissioner~~
 117.21 ~~shall by September 1 of each year submit to the board a list of projects to be funded from~~
 117.22 ~~the taconite area environmental protection fund, with such supporting information including~~
 117.23 ~~description of the projects, plans, and cost estimates as may be necessary.~~

117.24 ~~(b) Each year no less than one-half of the amounts deposited into the taconite~~
 117.25 ~~environmental protection fund must be used for public works projects, including construction~~
 117.26 ~~of sewer and water systems, as specified under subdivision 1, clause (3). the Iron Range~~
 117.27 ~~Resources and Rehabilitation Board may waive the requirements of this paragraph.~~

117.28 ~~(c) Upon approval by the board, the list of projects approved under this subdivision shall~~
 117.29 ~~be submitted to the governor by November 1 of each year. By December 1 of each year,~~
 117.30 ~~the governor shall approve or disapprove, or return for further consideration, each project.~~
 117.31 ~~Funds for a project may be expended only upon approval of the project by the board and~~
 117.32 ~~the governor. The commissioner may submit supplemental projects to the board and governor~~
 117.33 ~~for approval at any time.~~

118.1 Sec. 40. Minnesota Statutes 2016, section 298.227, is amended to read:

118.2 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

118.3 (a) An amount equal to that distributed pursuant to each taconite producer's taxable
118.4 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the
118.5 commissioner of Iron Range resources and rehabilitation Board in a separate taconite
118.6 economic development fund for each taconite and direct reduced ore producer. Money from
118.7 the fund for each producer shall be released by the commissioner after review by a joint
118.8 committee consisting of an equal number of representatives of the salaried employees and
118.9 the nonsalaried production and maintenance employees of that producer. The District 11
118.10 director of the United States Steelworkers of America, on advice of each local employee
118.11 president, shall select the employee members. In nonorganized operations, the employee
118.12 committee shall be elected by the nonsalaried production and maintenance employees. The
118.13 review must be completed no later than six months after the producer presents a proposal
118.14 for expenditure of the funds to the committee. The funds held pursuant to this section may
118.15 be released only for workforce development and associated public facility improvement,
118.16 or for acquisition of plant and stationary mining equipment and facilities for the producer
118.17 or for research and development in Minnesota on new mining, or taconite, iron, or steel
118.18 production technology, but only if the producer provides a matching expenditure equal to
118.19 the amount of the distribution to be used for the same purpose beginning with distributions
118.20 in 2014. Effective for proposals for expenditures of money from the fund beginning May
118.21 26, 2007, the commissioner may not release the funds before the next scheduled meeting
118.22 of the board. If a proposed expenditure is not approved by the commissioner, after
118.23 consultation with the advisory board, the funds must be deposited in the Taconite
118.24 Environmental Protection Fund under sections 298.222 to 298.225. ~~If a producer uses money~~
118.25 ~~which has been released from the fund prior to May 26, 2007 to procure haulage trucks,~~
118.26 ~~mobile equipment, or mining shovels, and the producer removes the piece of equipment~~
118.27 ~~from the taconite tax relief area defined in section 273.134 within ten years from the date~~
118.28 ~~of receipt of the money from the fund, a portion of the money granted from the fund must~~
118.29 ~~be repaid to the taconite economic development fund. The portion of the money to be repaid~~
118.30 ~~is 100 percent of the grant if the equipment is removed from the taconite tax relief area~~
118.31 ~~within 12 months after receipt of the money from the fund, declining by ten percent for~~
118.32 ~~each of the subsequent nine years during which the equipment remains within the taconite~~
118.33 ~~tax relief area.~~ If a taconite production facility is sold after operations at the facility had
118.34 ceased, any money remaining in the fund for the former producer may be released to the
118.35 purchaser of the facility on the terms otherwise applicable to the former producer under this

119.1 section. If a producer fails to provide matching funds for a proposed expenditure within six
119.2 months after the commissioner approves release of the funds, the funds are available for
119.3 release to another producer in proportion to the distribution provided and under the conditions
119.4 of this section. Any portion of the fund which is not released by the commissioner within
119.5 one year of its deposit in the fund shall be divided between the taconite environmental
119.6 protection fund created in section 298.223 and the Douglas J. Johnson economic protection
119.7 trust fund created in section 298.292 for placement in their respective special accounts.
119.8 Two-thirds of the unreleased funds shall be distributed to the taconite environmental
119.9 protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

119.10 ~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of~~
119.11 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~
119.12 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed under~~
119.13 ~~paragraph (a), may be used for a loan or grant for the cost of providing for a value-added~~
119.14 ~~wood product facility located in the taconite tax relief area and in a county that contains a~~
119.15 ~~city of the first class. This amount must be deducted from the distribution under paragraph~~
119.16 ~~(a) for which a matching expenditure by the producer is not required. The granting of the~~
119.17 ~~loan or grant is subject to approval by the board. If the money is provided as a loan, interest~~
119.18 ~~must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii)~~
119.19 ~~Repayments of the loan and interest, if any, must be deposited in the taconite environment~~
119.20 ~~protection fund under sections 298.222 to 298.225. If a loan or grant is not made under this~~
119.21 ~~paragraph by July 1, 2012, the amount that had been made available for the loan under this~~
119.22 ~~paragraph must be transferred to the taconite environment protection fund under sections~~
119.23 ~~298.222 to 298.225. (iii) Money distributed in 2008 to the fund established under this section~~
119.24 ~~that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a~~
119.25 ~~pro rata basis.~~

119.26 ~~(e) Repayment or transfer of money to the taconite environmental protection fund under~~
119.27 ~~paragraph (b), item (ii), must be allocated by the Iron Range resources and rehabilitation~~
119.28 ~~Board for public works projects in house legislative districts in the same proportion as~~
119.29 ~~taxable tonnage of production in 2007 in each house legislative district, for distribution in~~
119.30 ~~2008, bears to total taxable tonnage of production in 2007, for distribution in 2008.~~
119.31 ~~Notwithstanding any other law to the contrary, expenditures under this paragraph do not~~
119.32 ~~require approval by the governor. For purposes of this paragraph, "house legislative districts"~~
119.33 ~~means the legislative districts in existence on May 15, 2009.~~

120.1 Sec. 41. Minnesota Statutes 2016, section 298.27, is amended to read:

120.2 **298.27 COLLECTION AND PAYMENT OF TAX.**

120.3 The taxes provided by section 298.24 shall be paid directly to each eligible county and
120.4 the commissioner of Iron Range resources and rehabilitation Board. The commissioner of
120.5 revenue shall notify each producer of the amount to be paid each recipient prior to February
120.6 15. Every person subject to taxes imposed by section 298.24 shall file a correct report
120.7 covering the preceding year. The report must contain the information required by the
120.8 commissioner of revenue. The report shall be filed by each producer on or before February
120.9 1. A remittance equal to 50 percent of the total tax required to be paid hereunder shall be
120.10 paid on or before February 24. A remittance equal to the remaining total tax required to be
120.11 paid hereunder shall be paid on or before August 24. On or before February 25 and August
120.12 25, the county auditor shall make distribution of the payments previously received by the
120.13 county in the manner provided by section 298.28. Reports shall be made and hearings held
120.14 upon the determination of the tax in accordance with procedures established by the
120.15 commissioner of revenue. The commissioner of revenue shall have authority to make
120.16 reasonable rules as to the form and manner of filing reports necessary for the determination
120.17 of the tax hereunder, and by such rules may require the production of such information as
120.18 may be reasonably necessary or convenient for the determination and apportionment of the
120.19 tax. All the provisions of the occupation tax law with reference to the assessment and
120.20 determination of the occupation tax, including all provisions for appeals from or review of
120.21 the orders of the commissioner of revenue relative thereto, but not including provisions for
120.22 refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent
120.23 herewith. If any person subject to section 298.24 shall fail to make the report provided for
120.24 in this section at the time and in the manner herein provided, the commissioner of revenue
120.25 shall in such case, upon information possessed or obtained, ascertain the kind and amount
120.26 of ore mined or produced and thereon find and determine the amount of the tax due from
120.27 such person. There shall be added to the amount of tax due a penalty for failure to report
120.28 on or before February 1, which penalty shall equal ten percent of the tax imposed and be
120.29 treated as a part thereof.

120.30 If any person responsible for making a tax payment at the time and in the manner herein
120.31 provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount
120.32 so due, which penalty shall be treated as part of the tax due.

120.33 In the case of any underpayment of the tax payment required herein, there may be added
120.34 and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

121.1 A person having a liability of \$120,000 or more during a calendar year must remit all
121.2 liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The
121.3 funds transfer payment date, as defined in section 336.4A-401, must be on or before the
121.4 date the tax is due. If the date the tax is due is not a funds transfer business day, as defined
121.5 in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the
121.6 funds transfer business day next following the date the tax is due.

121.7 Sec. 42. Minnesota Statutes 2016, section 298.28, subdivision 7, is amended to read:

121.8 Subd. 7. **Iron Range resources and rehabilitation ~~Board~~ account.** For the 1998
121.9 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range resources and
121.10 rehabilitation ~~Board~~ account for the purposes of section 298.22. That amount shall be
121.11 increased for distribution years 1999 through 2014 and for distribution in 2018 and
121.12 subsequent years in the same proportion as the increase in the implicit price deflator as
121.13 provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision
121.14 shall be expended within or for the benefit of the taconite assistance area defined in section
121.15 273.1341. ~~No part of the fund provided in this subdivision may be used to provide loans~~
121.16 ~~for the operation of private business unless the loan is approved by the governor.~~

121.17 Sec. 43. Minnesota Statutes 2016, section 298.28, subdivision 7a, is amended to read:

121.18 Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.**
121.19 (a) The following amounts must be allocated to the commissioner of Iron Range resources
121.20 and rehabilitation ~~Board~~ to be deposited in the Iron Range school consolidation and
121.21 cooperatively operated school account that is hereby created:

121.22 (1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax imposed
121.23 under section 298.24; and

121.24 (ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed
121.25 under section 298.24;

121.26 (2) the amount as determined under section 298.17, paragraph (b), clause (3);

121.27 (3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax
121.28 proceeds attributable to the increase in the implicit price deflator as provided in section
121.29 298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J.
121.30 Johnson economic protection trust fund;

121.31 (ii) for distributions in 2016, an amount equal to two-thirds of the sum of the increased
121.32 tax proceeds attributable to the increase in the implicit price deflator as provided in section

122.1 298.24, subdivision 1, for distribution years 2015 and 2016, with the remaining one-third
122.2 to be distributed to the Douglas J. Johnson economic protection trust fund; and

122.3 (iii) for distributions in 2017, an amount equal to two-thirds of the sum of the increased
122.4 tax proceeds attributable to the increase in the implicit price deflator as provided in section
122.5 298.24, subdivision 1, for distribution years 2015, 2016, and 2017, with the remaining
122.6 one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

122.7 (4) any other amount as provided by law.

122.8 (b) Expenditures from this account may be approved as ongoing annual expenditures
122.9 and shall be made only to provide disbursements to assist school districts with the payment
122.10 of bonds that were issued for qualified school projects, or for any other school disbursement
122.11 as approved by the commissioner of Iron Range resources and rehabilitation after consultation
122.12 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,
122.13 "qualified school projects" means school projects within the taconite assistance area as
122.14 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;
122.15 and (2) approved by the commissioner of education pursuant to section 123B.71.

122.16 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for
122.17 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset
122.18 any reduction in debt service equalization aid that the school district qualifies for in that
122.19 year, under section 123B.53, subdivision 6, compared with the amount the school district
122.20 qualified for in fiscal year 2018.

122.21 (d) No expenditure under this section shall be made unless approved by ~~seven members~~
122.22 ~~of the commissioner of Iron Range resources and rehabilitation after consultation with the~~
122.23 Iron Range Resources and Rehabilitation Board.

122.24 Sec. 44. Minnesota Statutes 2016, section 298.28, subdivision 9c, is amended to read:

122.25 Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the
122.26 city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the
122.27 Hockey Hall of Fame, provided that it continues to operate in that city, and provided that
122.28 the city of Eveleth certifies to the St. Louis County auditor that it has received donations
122.29 for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of Fame
122.30 ceases to operate in the city of Eveleth prior to receipt of the distribution in any year, and
122.31 the governing body of the city determines that it is unlikely to resume operation there within
122.32 a six-month period, the distribution under this subdivision shall be made to the commissioner
122.33 of Iron Range resources and rehabilitation ~~Board.~~

123.1 Sec. 45. Minnesota Statutes 2016, section 298.28, subdivision 9d, is amended to read:

123.2 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be
123.3 ~~allocated to the Iron Range Resources and Rehabilitation Board to be~~ deposited in an Iron
123.4 Range higher education account that is hereby created, to be used for higher education
123.5 programs conducted at educational institutions in the taconite assistance area defined in
123.6 section 273.1341. The Iron Range Higher Education committee under section 298.2214,
123.7 and the commissioner of Iron Range resources and rehabilitation Board, after consultation
123.8 with the advisory board, must approve all expenditures from the account.

123.9 Sec. 46. Minnesota Statutes 2016, section 298.28, subdivision 11, is amended to read:

123.10 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which
123.11 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the
123.12 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with
123.13 interest earned on all money distributed under this section prior to distribution, shall be
123.14 divided between the taconite environmental protection fund created in section 298.223 and
123.15 the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows:
123.16 Two-thirds to the taconite environmental protection fund and one-third to the Douglas J.
123.17 Johnson economic protection trust fund. The proceeds shall be placed in the respective
123.18 special accounts.

123.19 (b) There shall be distributed to each city, town, and county the amount that it received
123.20 under Minnesota Statutes 1978, section 294.26₂, in calendar year 1977; provided, however,
123.21 that the amount distributed in 1981 to the unorganized territory number 2 of Lake County
123.22 and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company
123.23 will be distributed in 1982 and subsequent years to the unorganized territory number 2 of
123.24 Lake County and the towns of Beaver Bay and Stony River based on the miles of track of
123.25 Erie Mining Company in each taxing district.

123.26 (c) There shall be distributed to the Iron Range resources and rehabilitation ~~Board~~ account
123.27 the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount
123.28 distributed under this paragraph shall be expended within or for the benefit of the taconite
123.29 assistance area defined in section 273.1341.

123.30 (d) There shall be distributed to each school district 62 percent of the amount that it
123.31 received under Minnesota Statutes 1978, section 294.26₂, in calendar year 1977.

124.1 Sec. 47. Minnesota Statutes 2016, section 298.292, subdivision 2, is amended to read:

124.2 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
124.3 fund may be used for the following purposes:

124.4 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
124.5 with private sources of financing, but a loan to a private enterprise shall be for a principal
124.6 amount not to exceed one-half of the cost of the project for which financing is sought, and
124.7 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
124.8 percent or an interest rate three percentage points less than a full faith and credit obligation
124.9 of the United States government of comparable maturity, at the time that the loan is approved;

124.10 (2) to fund reserve accounts established to secure the payment when due of the principal
124.11 of and interest on bonds issued pursuant to section 298.2211;

124.12 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
124.13 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or
124.14 retrofitting heating facilities in connection with district heating systems or systems utilizing
124.15 alternative energy sources;

124.16 (4) to invest in a venture capital fund or enterprise that will provide capital to other
124.17 entities that are engaging in, or that will engage in, projects or programs that have the
124.18 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
124.19 or enterprise unless at least two other unrelated investors make investments of at least
124.20 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
124.21 Johnson economic protection trust fund may not exceed the amount of the largest investment
124.22 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
124.23 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
124.24 which the investment is made or to any individual who owns more than 40 percent of the
124.25 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
124.26 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
124.27 interests in it. For purposes of determining the limitations under this clause, the amount of
124.28 investments made by an investor other than the Douglas J. Johnson economic protection
124.29 trust fund is the sum of all investments made in the venture capital fund or enterprise during
124.30 the period beginning one year before the date of the investment by the Douglas J. Johnson
124.31 economic protection trust fund; and

124.32 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
124.33 be held and managed as a public trust for the benefit of the area for the purposes authorized
124.34 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the

125.1 commissioner ~~upon approval by the~~, after consultation with the advisory board. The net
125.2 proceeds must be deposited in the trust fund for the purposes and uses of this section.

125.3 Money from the trust fund shall be expended only in or for the benefit of the taconite
125.4 assistance area defined in section 273.1341.

125.5 Sec. 48. Minnesota Statutes 2016, section 298.296, is amended to read:

125.6 **298.296 OPERATION OF FUND.**

125.7 Subdivision 1. **Project approval.** ~~The board and commissioner shall by August 1 of~~
125.8 ~~each year prepare a list of projects to be funded from the Douglas J. Johnson economic~~
125.9 ~~protection trust with necessary supporting information including description of the projects,~~
125.10 ~~plans, and cost estimates. These Projects shall be consistent with the priorities established~~
125.11 ~~in section 298.292 and shall not be approved by the board unless it commissioner unless~~
125.12 the commissioner, after consultation with the advisory board, finds that:

125.13 (a) the project will materially assist, directly or indirectly, the creation of additional
125.14 long-term employment opportunities;

125.15 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

125.16 (c) in the case of assistance to private enterprise, the project will serve a sound business
125.17 purpose.

125.18 ~~Each project must be approved by over one-half of all of the members of the board and~~
125.19 ~~the commissioner of Iron Range resources and rehabilitation. The list of projects shall be~~
125.20 ~~submitted to the governor, who shall, by November 15 of each year, approve or disapprove,~~
125.21 ~~or return for further consideration, each project. The money for a project may be expended~~
125.22 ~~only upon approval of the project by the governor. The board may submit supplemental~~
125.23 ~~projects for approval at any time.~~

125.24 Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on
125.25 projects and for administration of the trust fund only from the net interest, earnings, and
125.26 dividends arising from the investment of the trust at any time, including net interest, earnings,
125.27 and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for
125.28 use in fiscal year 1983, except that any amount required to be paid out of the trust fund to
125.29 provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and
125.30 to make school bond payments and payments to recipients of taconite production tax proceeds
125.31 pursuant to section 298.225, may be taken from the corpus of the trust.

126.1 ~~(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the corpus~~
 126.2 ~~of the trust may be made available for use as provided in subdivision 4, and up to \$10,000,000~~
 126.3 ~~from the corpus of the trust may be made available for use as provided in section 298.2961.~~

126.4 ~~(e)~~ (b) Additionally, an amount equal to 20 percent of the value of the corpus of the trust
 126.5 on May 18, 2002, ~~not including the funds authorized in paragraph (b),~~ plus the amounts
 126.6 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8,
 126.7 section 17, may be expended on projects. ~~Funds~~ The commissioner may be expended expend
 126.8 funds for projects under this paragraph only if ~~the project~~:

126.9 (1) the project is for the purposes established under section 298.292, subdivision 1,
 126.10 clause (1) or (2); and

126.11 (2) ~~is approved by two-thirds of all of the members of the board~~ the commissioner has
 126.12 consulted with the advisory board.

126.13 No money made available under this paragraph or paragraph ~~(d)~~ (c) can be used for
 126.14 administrative or operating expenses of the Department of Iron Range Resources and
 126.15 Rehabilitation Board or expenses relating to any facilities owned or operated by the ~~board~~
 126.16 commissioner on May 18, 2002.

126.17 ~~(d) Upon recommendation by a unanimous vote of all members of the board,~~ (c) The
 126.18 commissioner may spend amounts in addition to those authorized under paragraphs (a), and
 126.19 (b), and (e) may be expended on projects described in section 298.292, subdivision 1, only
 126.20 after consultation with the advisory board.

126.21 ~~(e)~~ (d) Annual administrative costs, not including detailed engineering expenses for the
 126.22 projects, shall not exceed five percent of the net interest, dividends, and earnings arising
 126.23 from the trust in the preceding fiscal year.

126.24 ~~(f)~~ (e) Principal and interest received in repayment of loans made pursuant to this section,
 126.25 and earnings on other investments made under section 298.292, subdivision 2, clause (4),
 126.26 shall be deposited in the state treasury and credited to the trust. These receipts are
 126.27 appropriated to the board for the purposes of sections 298.291 to ~~298.298~~ 298.297.

126.28 ~~(g)~~ (f) Additionally, notwithstanding section 298.293, ~~upon the approval of the board,~~
 126.29 the commissioner, after consultation with the advisory board, may expend money from the
 126.30 corpus of the trust ~~may be expended~~ to purchase forest lands within the taconite assistance
 126.31 area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

127.1 Subd. 3. **Administration.** The commissioner ~~and staff of the~~ Iron Range resources and
 127.2 rehabilitation ~~Board~~ shall administer the program under which funds are expended pursuant
 127.3 to sections 298.292 to ~~298.298~~ 298.297.

127.4 Subd. 4. **Temporary loan authority.** (a) ~~The board may recommend that~~ After
 127.5 consultation with the advisory board, the commissioner may use up to \$7,500,000 from the
 127.6 corpus of the trust ~~may be used~~ for loans, loan guarantees, grants, or equity investments as
 127.7 provided in this subdivision. The money would be available for loans for construction and
 127.8 equipping of facilities constituting (1) a value added iron products plant, which may be
 127.9 either a new plant or a facility incorporated into an existing plant that produces iron upgraded
 127.10 to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic
 127.11 content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject
 127.12 to the net proceeds tax imposed under section 298.015. A loan or loan guarantee under this
 127.13 paragraph may not exceed \$5,000,000 for any facility.

127.14 ~~(b) Additionally, the board must reserve the first \$2,000,000 of the net interest, dividends,~~
 127.15 ~~and earnings arising from the investment of the trust after June 30, 1996, to be used for~~
 127.16 ~~grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph~~
 127.17 ~~(a). This amount must be reserved until it is used as described in this subdivision.~~

127.18 ~~(e)~~ (b) ~~Additionally, the board may recommend that~~ the commissioner, after consultation
 127.19 with the advisory board, may use up to \$5,500,000 from the corpus of the trust ~~may be used~~
 127.20 for additional grants, loans, loan guarantees, or equity investments for the purposes set forth
 127.21 in paragraph (a).

127.22 ~~(d)~~ (c) ~~The board~~ commissioner, after consultation with the advisory board, may require
 127.23 that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this
 127.24 section.

127.25 Sec. 49. Minnesota Statutes 2016, section 298.2961, is amended to read:

127.26 **298.2961 PRODUCER GRANTS.**

127.27 Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J.
 127.28 Johnson economic protection trust fund to a special account in the taconite area environmental
 127.29 protection fund for grants to producers on a project-by-project basis as provided in this
 127.30 section.

127.31 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, are
 127.32 appropriated for grants to producers on a project-by-project basis as provided in this section.

127.33 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

128.1 (1) environmentally unique reclamation projects; or

128.2 (2) pit or plant repairs, expansions, or modernizations other than for a value added iron
128.3 products plant.

128.4 ~~(b) To be proposed by the board, a project must be approved by the board. The money~~
128.5 ~~for a project may be spent only upon approval of the project by the governor. The board~~
128.6 ~~may submit supplemental projects for approval at any time~~ The commissioner may approve
128.7 a project only after consultation with the advisory board.

128.8 (c) The commissioner, after consultation with the advisory board, may require that ~~it~~
128.9 the fund receive an equity percentage in any project to which it contributes under this section.

128.10 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at
128.11 the facility had ceased, any money remaining in the taconite environmental fund for the
128.12 former producer may be released to the purchaser of the facility on the terms otherwise
128.13 applicable to the former producer under this section.

128.14 (b) Any portion of the taconite environmental fund that is not released by the
128.15 commissioner within three years of its deposit in the taconite environmental fund shall be
128.16 divided between the taconite environmental protection fund created in section 298.223 and
128.17 the Douglas J. Johnson economic protection trust fund created in section 298.292 for
128.18 placement in their respective special accounts. Two-thirds of the unreleased funds must be
128.19 distributed to the taconite environmental protection fund and one-third to the Douglas J.
128.20 Johnson economic protection trust fund.

128.21 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under
128.22 section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision.
128.23 Any grant or loan made under this subdivision must be approved by the commissioner, after
128.24 consultation with the advisory board, established under section 298.22.

128.25 (b) All distributions received in 2009 and subsequent years are allocated for projects
128.26 under section 298.223, subdivision 1.

128.27 Sec. 50. Minnesota Statutes 2016, section 298.297, is amended to read:

128.28 **298.297 ADVISORY COMMITTEES.**

128.29 Before submission of a project to the advisory board, the commissioner of Iron Range
128.30 resources and rehabilitation shall appoint a technical advisory committee consisting of one
128.31 or more persons who are knowledgeable in areas related to the objectives of the proposal.
128.32 Members of the committees shall be compensated as provided in section 15.059, subdivision

129.1 3. The advisory board shall not ~~act~~ make recommendations on a proposal until it has received
129.2 the evaluation and recommendations of the technical advisory committee or until 15 days
129.3 have elapsed since the proposal was transmitted to the advisory committee, whichever
129.4 occurs first.

129.5 Sec. 51. Minnesota Statutes 2016, section 298.46, subdivision 2, is amended to read:

129.6 Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly
129.7 constituted authorities of a taxing district there are in existence reserves of unmined iron
129.8 ore located in such district, these authorities may petition the commissioner of Iron Range
129.9 resources and rehabilitation Board for authority to petition the county assessor to verify the
129.10 existence of such reserves and to ascertain the value thereof by drilling in a manner consistent
129.11 with established engineering and geological exploration methods, in order that such taxing
129.12 district may be able to forecast in a proper manner its future economic and fiscal potentials.
129.13 The commissioner of Iron Range resources and rehabilitation may grant the authority to
129.14 petition only after consultation with the advisory board.

129.15 Sec. 52. Minnesota Statutes 2016, section 298.46, subdivision 5, is amended to read:

129.16 Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or drilling
129.17 plus any damages to the property which may be assessed by the district court shall be paid
129.18 by the commissioner of Iron Range resources and rehabilitation Board from amounts
129.19 appropriated to ~~that board~~ the commissioner of Iron Range resources and rehabilitation
129.20 under section 298.22. The commissioner of Iron Range resources and rehabilitation Board
129.21 shall be reimbursed for one-half of the amounts thus expended. Such reimbursement shall
129.22 be made by the taxing districts in the proportion that each such taxing district's levy on the
129.23 property involved bears to the total levy on such property. Such reimbursement shall be
129.24 made to the commissioner of Iron Range resources and rehabilitation Board in the manner
129.25 provided by section 298.221.

129.26 Sec. 53. Minnesota Statutes 2016, section 298.46, subdivision 6, is amended to read:

129.27 Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district
129.28 refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor
129.29 is hereby authorized to reduce payments required to be made by the county to such taxing
129.30 district under other provisions of law. Thereafter the auditor shall draw a warrant, which
129.31 shall be deposited with the state treasury in accordance with section 298.221, to the credit
129.32 of the commissioner of Iron Range resources and rehabilitation Board.

130.1 Sec. 54. Minnesota Statutes 2016, section 466.03, subdivision 6c, is amended to read:

130.2 Subd. 6c. **Water access sites.** Any claim based upon the construction, operation, or
130.3 maintenance by a municipality of a water access site created by the commissioner of Iron
130.4 Range resources and rehabilitation ~~Board~~. A water access site under this subdivision that
130.5 provides access to an idled, water filled mine pit also includes the entire water filled area
130.6 of the pit, and, further, claims related to a mine pit water access site under this subdivision
130.7 include those based upon the caving or slumping of mine pit walls.

130.8 Sec. 55. Minnesota Statutes 2016, section 469.310, subdivision 9, is amended to read:

130.9 Subd. 9. **Local government unit.** "Local government unit" means a statutory or home
130.10 rule charter city, county, town, the Department of Iron Range Resources and Rehabilitation
130.11 ~~agency~~, regional development commission, or a federally designated economic development
130.12 district.

130.13 Sec. 56. Minnesota Statutes 2016, section 474A.02, subdivision 21, is amended to read:

130.14 Subd. 21. **Preliminary resolution.** "Preliminary resolution" means a resolution adopted
130.15 by the governing body or board of the issuer, or ~~in the case of the~~ by the commissioner of
130.16 Iron Range resources and rehabilitation ~~Board by the commissioner~~. The resolution must
130.17 express a preliminary intention of the issuer to issue obligations for a specific project,
130.18 identify the proposed project, and disclose the proposed amount of qualified bonds to be
130.19 issued. Preliminary resolutions for mortgage bonds and student loan bonds need not identify
130.20 a specific project.

130.21 Sec. 57. Laws 2010, chapter 389, article 5, section 7, is amended to read:

130.22 Sec. 7. **GIANTS RIDGE RECREATION AREA TAXING AUTHORITY.**

130.23 Subdivision 1. **Additional taxes authorized.** Notwithstanding Minnesota Statutes,
130.24 section 477A.016, or any other law, ordinance, or charter provision to the contrary, the city
130.25 of Biwabik, upon approval both by its governing body and by the vote of at least seven
130.26 members of the Iron Range Resources and Rehabilitation Board, may impose any or all of
130.27 the taxes described in this section.

130.28 Subd. 2. **Use of proceeds.** The proceeds of any taxes imposed under this section, less
130.29 refunds and costs of collection, must be deposited into the Iron Range Resources and
130.30 Rehabilitation ~~Board~~ account enterprise fund created under the provisions of Minnesota
130.31 Statutes, section 298.221, paragraph (c), and must be dedicated and expended by the
130.32 commissioner of ~~the~~ Iron Range resources and rehabilitation ~~Board, upon approval by the~~

131.1 ~~vote of at least seven members of~~ after consultation with the Iron Range Resources and
131.2 Rehabilitation Board, to pay costs for the construction, renovation, improvement, expansion,
131.3 and maintenance of public recreational facilities located in those portions of the city within
131.4 the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22,
131.5 subdivision 7, or to pay any principal, interest, or premium on any bond issued to finance
131.6 the construction, renovation, improvement, or expansion of such public recreational facilities.

131.7 Subd. 3. **Lodging tax.** (a) The city of Biwabik, upon approval both by its governing
131.8 body and by the vote of at least seven members of the Iron Range Resources and
131.9 Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on the
131.10 gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This
131.11 tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and may
131.12 be imposed only on gross lodging receipts generated within the Giants Ridge Recreation
131.13 Area as defined in Minnesota Statutes, section 298.22, subdivision 7.

131.14 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax
131.15 imposed under paragraph (a), the change must be approved by both the governing body of
131.16 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after
131.17 the commissioner of Iron Range resources and rehabilitation consults with the Iron Range
131.18 Resources and Rehabilitation Board.

131.19 Subd. 4. **Admissions and recreation tax.** (a) The city of Biwabik, upon approval both
131.20 by its governing body and by the vote of at least seven members of the Iron Range Resources
131.21 and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent
131.22 on admission receipts to entertainment and recreational facilities and on receipts from the
131.23 rental of recreation equipment, at sites within the Giants Ridge Recreation Area as defined
131.24 in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes,
131.25 section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration,
131.26 collection, and enforcement of the tax authorized in this subdivision.

131.27 (b) If the city imposes the tax under paragraph (a), it must include in the ordinance an
131.28 exemption for purchases of season tickets or passes.

131.29 (c) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax
131.30 imposed under paragraph (a), the change must be approved by both the governing body of
131.31 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after
131.32 the commissioner of Iron Range resources and rehabilitation consults with the Iron Range
131.33 Resources and Rehabilitation Board.

132.1 Subd. 5. **Food and beverage tax.** (a) The city of Biwabik, upon approval both by its
132.2 governing body and by the vote of at least seven members of the Iron Range Resources and
132.3 Rehabilitation Board, may impose, by ordinance, an additional sales tax of not more than
132.4 one percent on gross receipts of food and beverages sold whether it is consumed on or off
132.5 the premises by restaurants and places of refreshment as defined by resolution of the city
132.6 within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22,
132.7 subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions
132.8 2 and 3, govern the imposition, administration, collection, and enforcement of the tax
132.9 authorized in this subdivision.

132.10 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax
132.11 imposed under paragraph (a), the change must be approved by both the governing body of
132.12 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after
132.13 the commissioner of Iron Range resources and rehabilitation consults with the Iron Range
132.14 Resources and Rehabilitation Board.

132.15 **EFFECTIVE DATE.** This section is effective August 1, 2017, without local approval
132.16 pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

132.17 Sec. 58. **DEPARTMENT OF IRON RANGE RESOURCES AND**
132.18 **REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM**
132.19 **AUTHORIZATION.**

132.20 (a) "Commissioner" as used in this section means the commissioner of Iron Range
132.21 resources and rehabilitation unless otherwise specified.

132.22 (b) Notwithstanding any law to the contrary, the commissioner, in consultation with the
132.23 commissioner of management and budget, shall offer a targeted early separation incentive
132.24 program for employees of the commissioner who have attained the age of 60 years or who
132.25 have received credit for at least 30 years of allowable service under the provisions of
132.26 Minnesota Statutes, chapter 352. The commissioner shall also offer a targeted separation
132.27 incentive program for employees of the commissioner whose positions are in support of
132.28 operations at Giants Ridge and will be eliminated if the department no longer directly
132.29 manages Giants Ridge operations.

132.30 (c) The early separation incentive program may include one or more of the following:
132.31 (1) employer-paid postseparation health, medical, and dental insurance until age 65; and

133.1 (2) cash incentives that may, but are not required to be, used to purchase additional years
133.2 of service credit through the Minnesota State Retirement System, to the extent that the
133.3 purchases are otherwise authorized by law.

133.4 (d) The commissioner shall establish eligibility requirements for employees to receive
133.5 an incentive. The commissioner must exclude from eligibility for the incentive program
133.6 employees having less than 20 years of allowable service who would otherwise qualify for
133.7 the incentive program.

133.8 (e) The commissioner, consistent with the established program provisions under paragraph
133.9 (b), and with the eligibility requirements under paragraph (f), may designate specific
133.10 programs or employees as eligible to be offered the incentive program.

133.11 (f) Acceptance of the offered incentive must be voluntary on the part of the employee
133.12 and must be in writing. The incentive may only be offered at the sole discretion of the
133.13 commissioner.

133.14 (g) The cost of the incentive is payable solely by funds made available to the
133.15 commissioner by law, but only on prior approval of the expenditures by the commissioner,
133.16 after consultation with the Iron Range Resources and Rehabilitation Board.

133.17 (h) Unilateral implementation of this section by the commissioner is not an unfair labor
133.18 practice under Minnesota Statutes, chapter 179A.

133.19 **EFFECTIVE DATE.** This section is effective the day following final enactment. This
133.20 section is repealed July 30, 2018.

133.21 **Sec. 59. REVISOR'S INSTRUCTION.**

133.22 The revisor of statutes, with cooperation from the House Research Department and the
133.23 Senate Counsel, Research and Fiscal Analysis Office, shall prepare legislation that makes
133.24 conforming changes in accordance with the provisions of this article. The revisor shall
133.25 submit the proposal, in a form ready for introduction, during the 2018 regular legislative
133.26 session to the chairs and ranking minority members of the senate and house of representatives
133.27 committees with jurisdiction over jobs and economic development.

133.28 **Sec. 60. REPEALER.**

133.29 Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; and 298.298, are
133.30 repealed.

134.1

ARTICLE 8

134.2

COMMERCE POLICY

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

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

134.10 Sec. 2. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

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

134.13 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
134.14 to combat automobile theft, improve the administration of the automobile theft laws, and
134.15 provide a forum for identification of critical problems for those persons dealing with
134.16 automobile theft;

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

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

134.24 (4) develop a plan of operation including:

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

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

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

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

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

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

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

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

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

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

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

135.14 (vi) providing financial support for neighborhood or community organizations or business
135.15 organizations for programs designed to reduce the incidence of automobile theft and to
135.16 educate people about the common methods of automobile theft, the models of automobiles
135.17 most likely to be stolen, and the times and places automobile theft is most likely to occur;
135.18 and

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

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

135.28 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
135.29 in the auto theft prevention account to the insurance fraud prevention account under section
135.30 45.0135, subdivision 6.

136.1 Sec. 3. [239.7511] GAS TAX SIGN ON PETROLEUM DISPENSER.

136.2 (a) The director must ensure that signs having 12-point font or greater are affixed on
136.3 retail petroleum dispensers as follows:

136.4 (1) for regular or premium gasoline, a sign that reads: "The price for each gallon of
136.5 gasoline includes the current state gasoline tax of 28.5 cents per gallon and federal gasoline
136.6 tax of 18.4 cents per gallon. Revenue from the state fuel tax may be used only for roads and
136.7 bridges, according to the Minnesota Constitution."; and

136.8 (2) for diesel fuel, a sign that reads: "The price for each gallon of diesel fuel includes
136.9 the current state gasoline tax of 28.5 cents per gallon and federal gasoline tax of 24.4 cents
136.10 per gallon. Revenue from the state fuel tax may be used only for roads and bridges, according
136.11 to the Minnesota Constitution."

136.12 (b) The director must distribute the signs under this section to the owner or operator of
136.13 retail petroleum dispensers. To the extent possible, the director must coordinate the
136.14 distribution of signs with other duties the director may have involving retail petroleum
136.15 dispensers.

136.16 (c) If the amount of the gasoline tax described in paragraph (a), clauses (1) and (2),
136.17 changes, the director must distribute revised signs to reflect the updated gasoline tax amounts
136.18 within 12 calendar months of the change.

136.19 (d) The director is prohibited from assessing any penalty, fine, or fee on the owner or
136.20 operator of a retail petroleum dispenser that has a missing, destroyed, defaced, or otherwise
136.21 damaged gas tax sign.

136.22 Sec. 4. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

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

136.29 Sec. 5. Minnesota Statutes 2016, section 325J.06, is amended to read:

136.30 **325J.06 EFFECT OF NONREDEMPTION.**

137.1 (a) A pledgor shall have no obligation to redeem pledged goods or make any payment
137.2 on a pawn transaction. Pledged goods not redeemed within at least 60 days of the date of
137.3 the pawn transaction, ~~renewal, or extension~~ shall automatically be forfeited to the
137.4 pawnbroker, and qualified right, title, and interest in and to the goods shall automatically
137.5 vest in the pawnbroker.

137.6 (b) The pawnbroker's right, title, and interest in the pledged goods under paragraph (a)
137.7 is qualified only by the pledgor's right, while the pledged goods remain in possession of the
137.8 pawnbroker and not sold to a third party, to redeem the goods by paying the loan plus fees
137.9 and/or interest accrued up to the date of redemption.

137.10 (c) A pawn transaction that involves holding only the title to property is subject to chapter
137.11 168A or 336.

137.12 Sec. 6. Minnesota Statutes 2016, section 345.42, is amended by adding a subdivision to
137.13 read:

137.14 Subd. 1a. **Required lists.** (a) Beginning July 1, 2017, and annually thereafter, and
137.15 provided that a member has requested it, the commissioner shall provide to each member
137.16 of the legislature a list in electronic form of all persons appearing to be owners of abandoned
137.17 property whose last known address is located in the legislator's respective legislative district.

137.18 (b) Beginning July 1, 2017, and every six months thereafter, and provided that a county
137.19 has requested it, the commissioner shall provide to the county a list in electronic form of
137.20 all persons appearing to be owners of abandoned property whose last known address is
137.21 located in the county. A request under this paragraph must be made in writing by a person
137.22 authorized by the county to make the request and is good until canceled.

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

137.24 Sec. 7. Minnesota Statutes 2016, section 345.49, is amended to read:

137.25 **345.49 CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.**

137.26 Subdivision 1. **Filing.** (a) Any person claiming an interest in any property delivered to
137.27 the state under sections 345.31 to 345.60 may file a claim thereto or to the proceeds from
137.28 the sale thereof on the form prescribed by the commissioner.

137.29 (b) Any person claiming an interest in property evidenced by a will or trust document,
137.30 or court order, may submit to the commissioner only such portions of the document or order
137.31 necessary to establish a claim.

138.1 Subd. 2. **Appropriation.** There is hereby appropriated to the persons entitled to a refund,
138.2 from the fund in the state treasury to which the money was credited, an amount sufficient
138.3 to make the refund and payment.

138.4 Subd. 3. **Data.** Government data received by the commissioner pursuant to this section
138.5 is nonpublic data or private data on individuals, as defined in section 13.02, subdivisions 9
138.6 and 12.

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

138.8 Sec. 8. **[471.9998] MERCHANT BAGS.**

138.9 Subdivision 1. **Merchant option.** All merchants, itinerant vendors, and peddlers doing
138.10 business in this state shall have the option to provide customers a paper, plastic, or reusable
138.11 bag for the packaging of any item or good purchased, provided such purchase is of a size
138.12 and manner commensurate with the use of paper, plastic, or reusable bags.

138.13 Subd. 2. **Prohibition; bag ban.** Notwithstanding any other provision of law, no political
138.14 subdivision shall impose any ban upon the use of paper, plastic, or reusable bags for
138.15 packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

138.16 **EFFECTIVE DATE.** This section is effective May 31, 2017. Ordinances existing on
138.17 the effective date of this section that would be prohibited under this section are invalid as
138.18 of the effective date of this section.

138.19 Sec. 9. **REPORT ON UNCLAIMED PROPERTY DIVISION.**

138.20 The commissioner shall report by February 15, 2018, to the chairs and ranking minority
138.21 members of the standing committees of the house of representatives and senate having
138.22 jurisdiction over commerce regarding the process owners of abandoned property must
138.23 comply with in order to file an allowed claim under Minnesota Statutes, chapter 345. The
138.24 report shall include information regarding the documentation and identification necessary
138.25 for owners of each type of abandoned property under Minnesota Statutes, chapter 345, to
138.26 file an allowed claim.

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

138.28 ARTICLE 9

138.29 ENERGY POLICY

138.30 Section 1. Minnesota Statutes 2016, section 3.8851, subdivision 1, is amended to read:

139.1 Subdivision 1. **Establishment.** (a) There is established a Legislative Energy Commission
 139.2 to study and to make recommendations for legislation concerning issues related to its duties
 139.3 under subdivision 3.

139.4 (b) The commission consists of:

139.5 (1) ~~ten~~ nine members of the house of representatives, five of whom are appointed by
 139.6 the speaker of the house, and four of whom must be from are appointed by the leader of the
 139.7 minority caucus, and including the chair of the committee with primary jurisdiction over
 139.8 energy policy; the chair or another member of each of the committees with primary
 139.9 jurisdiction over environmental policy, agricultural policy, and transportation policy; and

139.10 (2) ~~ten~~ nine members of the senate ~~to be,~~ five of whom are appointed by the Subcommittee
 139.11 ~~on Committees,~~ leader of the majority caucus and four of whom must be from are appointed
 139.12 by the leader of the minority caucus, and including the chair of the committee with primary
 139.13 jurisdiction over energy policy; and the chair or another member of each of the committees
 139.14 with primary jurisdiction over environmental policy, agricultural policy, and transportation
 139.15 policy.

139.16 (c) The commission may employ full-time and part-time staff, contract for consulting
 139.17 services, and may reimburse the expenses of persons requested to assist it in its duties. The
 139.18 director of the Legislative Coordinating Commission shall assist the commission in
 139.19 administrative matters. The commission shall elect cochairs, one member of the house of
 139.20 representatives and one member of the senate from among the committee and subcommittee
 139.21 chairs named to the commission. The commission members from the house of representatives
 139.22 shall elect the house of representatives cochair, and the commission members from the
 139.23 senate shall elect the senate cochair.

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

139.25 Sec. 2. Minnesota Statutes 2016, section 16B.323, is amended to read:

139.26 **16B.323 SOLAR ENERGY IN STATE BUILDINGS.**

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

139.29 (b) ~~"Made in Minnesota" means the manufacture in this state of:~~

139.30 (1) ~~components of a solar thermal system certified by the Solar Rating and Certification~~
 139.31 ~~Corporation; or~~

139.32 (2) ~~solar photovoltaic modules that:~~

140.1 ~~(i) are manufactured at a manufacturing facility in Minnesota that is registered and~~
 140.2 ~~authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory,~~
 140.3 ~~CSA International, Intertek, or an equivalent independent testing agency;~~

140.4 ~~(ii) bear certification marks from Underwriters Laboratory, CSA International, Intertek,~~
 140.5 ~~or an equivalent independent testing agency; and~~

140.6 ~~(iii) meet the requirements of section 116C.7791, subdivision 3, paragraph (a), clauses~~
 140.7 ~~(1), (5), and (6).~~

140.8 ~~For the purposes of clause (2), "manufactured" has the meaning given in section~~
 140.9 ~~116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).~~

140.10 ~~(e)~~ (b) "Major renovation" means a substantial addition to an existing building, or a
 140.11 substantial change to the interior configuration or the energy system of an existing building.

140.12 ~~(d)~~ (c) "Solar energy system" means ~~solar photovoltaic modules~~ devices alone or installed
 140.13 in conjunction with a solar thermal system.

140.14 ~~(e)~~ "Solar Photovoltaic module (d) "Photovoltaic device" has the meaning given in
 140.15 section ~~116C.7791, subdivision 1, paragraph (e)~~ 216C.06, subdivision 16.

140.16 ~~(f)~~ (e) "Solar thermal system" has the meaning given "qualifying solar thermal project"
 140.17 in section 216B.2411, subdivision 2, paragraph (e).

140.18 ~~(g)~~ (f) "State building" means a building whose construction or renovation is paid wholly
 140.19 or in part by the state from the bond proceeds fund.

140.20 Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project for
 140.21 the construction or major renovation of a state building, after the completion of a cost-benefit
 140.22 analysis, may include installation of ~~"Made in Minnesota"~~ solar energy systems of up to 40
 140.23 kilowatts capacity on, adjacent, or in proximity to the state building.

140.24 (b) The capacity of a solar energy system must be less than 40 kilowatts to the extent
 140.25 necessary to match the electrical load of the building or to the extent necessary to keep the
 140.26 costs for the installation below the five percent maximum set by paragraph (c).

140.27 (c) The cost of the solar energy system must not exceed five percent of the appropriations
 140.28 from the bond proceeds fund for the construction or renovation of the state building. Purchase
 140.29 and installation of a solar thermal system may account for no more than 25 percent of the
 140.30 cost of a solar energy system installation.

140.31 (d) A project subject to this section is ineligible to receive a rebate for the installation
 140.32 of a solar energy system under section 116C.7791 or from any utility.

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

141.2 Sec. 3. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to
141.3 read:

141.4 Subd. 7. **Clean Air Act settlement money.** "Clean Air Act settlement money" means
141.5 money required to be paid to the state as a result of litigation or settlements of alleged
141.6 violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq.,
141.7 or rules adopted thereunder, by an automobile manufacturer. Clean Air Act settlement
141.8 money may not be spent until it is specifically appropriated by law.

141.9 Sec. 4. Minnesota Statutes 2016, section 116C.779, subdivision 1, is amended to read:

141.10 Subdivision 1. ~~Renewable development~~ **Clean energy advancement fund (C-LEAF)**
141.11 **account.** (a) The clean energy advancement fund account, or C-LEAF account, is established
141.12 as a separate account in the special revenue fund in the state treasury. Appropriations and
141.13 transfers to the account shall be credited to the account. Earnings, such as interest, dividends,
141.14 and any other earnings arising from assets of the account, shall be credited to the account.
141.15 Funds remaining in the account at the end of a fiscal year are not canceled to the general
141.16 fund but remain in the account until expended. The account shall be administered by the
141.17 commissioner of management and budget as provided under this section.

141.18 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
141.19 plant must transfer all funds in the renewable development account previously established
141.20 under this subdivision and managed by the public utility to the C-LEAF account established
141.21 in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been
141.22 expended and unencumbered funds required to be paid in calendar year 2017 under
141.23 paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer
141.24 under this paragraph.

141.25 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
141.26 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
141.27 plant must transfer to a ~~renewable development~~ the C-LEAF account \$500,000 each year
141.28 for each dry cask containing spent fuel that is located at the Prairie Island power plant for
141.29 each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if
141.30 ordered by the commission pursuant to paragraph ~~(e)~~ (i). The fund transfer must be made
141.31 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie
141.32 Island for any part of a year.

142.1 ~~(b)~~ (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
142.2 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
142.3 plant must transfer to the renewable development C-LEAF account \$350,000 each year for
142.4 each dry cask containing spent fuel that is located at the Monticello nuclear power plant for
142.5 each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if
142.6 ordered by the commission pursuant to paragraph (e) (i). The fund transfer must be made
142.7 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at
142.8 Monticello for any part of a year.

142.9 (e) Each year, the public utility shall withhold from the funds transferred to the C-LEAF
142.10 account under paragraphs (c) and (d) the amount necessary to pay its obligations under
142.11 paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

142.12 (f) If the commission approves a new or amended power purchase agreement, the
142.13 termination of a power purchase agreement, or the purchase and closure of a facility under
142.14 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
142.15 the public utility subject to this section shall enter into a contract with the city in which the
142.16 poultry litter plant is located to provide grants to the city for the purposes of economic
142.17 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
142.18 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
142.19 by the public utility from funds withheld from the transfer to the C-LEAF account, as
142.20 provided in paragraphs (b) and (e).

142.21 (g) If the commission approves a new or amended power purchase agreement, or the
142.22 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
142.23 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
142.24 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
142.25 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
142.26 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
142.27 30 days after the commission approves the new or amended power purchase agreement, or
142.28 the termination of the power purchase agreement, and on each June 1 thereafter through
142.29 2021, to assist the transition required by the new, amended, or terminated power purchase
142.30 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
142.31 to the C-LEAF account as provided in paragraphs (b) and (e).

142.32 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
142.33 and (g) is limited to the amount deposited into the C-LEAF account, and its predecessor,
142.34 the renewable development account, established under this section, that was not required
142.35 to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

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

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

143.10 ~~(1) to increase the market penetration within the state of renewable electric energy~~
 143.11 ~~resources at reasonable costs;~~

143.12 ~~(2) to promote the start-up, expansion, and attraction of renewable electric energy projects~~
 143.13 ~~and companies within the state;~~

143.14 ~~(3) to stimulate research and development within the state into~~ of renewable electric
 143.15 energy technologies; ~~and~~

143.16 ~~(4) to develop near-commercial and demonstration scale renewable electric projects or~~
 143.17 ~~near-commercial and demonstration scale electric infrastructure delivery projects if those~~
 143.18 ~~delivery projects enhance the delivery of renewable electric energy~~

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

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

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

143.26 The utility that owns a nuclear generating plant is eligible to apply for ~~renewable development~~
 143.27 ~~account~~ grants under this subdivision.

143.28 (k) For the purposes of paragraph (j), the following terms have the meanings given:

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

143.31 (2) "grid modernization" means:

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

144.1 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
 144.2 and

144.3 (iii) increasing energy conservation opportunities by facilitating communication between
 144.4 the utility and its customers through the use of two-way meters, control technologies, energy
 144.5 storage and microgrids, technologies to enable demand response, and other innovative
 144.6 technologies.

144.7 ~~(e) Expenditures authorized by this subdivision from the account may be made only~~
 144.8 ~~after approval by order of the Public Utilities Commission upon a petition by the public~~
 144.9 ~~utility. The commission may approve proposed expenditures, may disapprove proposed~~
 144.10 ~~expenditures that it finds to be not in compliance with this subdivision or otherwise not in~~
 144.11 ~~the public interest, and may, if agreed to by the public utility, modify proposed expenditures.~~
 144.12 ~~The commission may approve reasonable and necessary expenditures for administering the~~
 144.13 ~~account in an amount not to exceed five percent of expenditures. Commission approval is~~
 144.14 ~~not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or~~
 144.15 ~~other law.~~

144.16 ~~(f) The account shall be managed by the public utility but the public utility must consult~~
 144.17 ~~about account expenditures with an (l) A C-LEAF advisory group that includes, among~~
 144.18 ~~others, representatives of the public utility and its ratepayers, and includes at least one~~
 144.19 ~~representative of the Prairie Island Indian community appointed by that community's tribal~~
 144.20 ~~council, shall develop recommendations on account expenditures. The commission may~~
 144.21 ~~require that other interests be represented on the advisory group. The advisory group must~~
 144.22 ~~be consulted with respect to the general scope of expenditures in designing design a request~~
 144.23 ~~for proposal and in evaluating evaluate projects submitted in response to a request for~~
 144.24 ~~proposals. In addition to consulting with The advisory group, the public utility must utilize~~
 144.25 ~~an independent third-party expert to evaluate proposals submitted in response to a request~~
 144.26 ~~for proposal, including all proposals made by the public utility. A request for proposal for~~
 144.27 ~~research and development under paragraph ~~(d)~~ (j), clause ~~(3)~~ (1), may be limited to or include~~
 144.28 ~~a request to higher education institutions located in Minnesota for multiple projects authorized~~
 144.29 ~~under paragraph ~~(d)~~ (j), clause ~~(3)~~ (1). The request for multiple projects may include a~~
 144.30 ~~provision that exempts the projects from the third-party expert review and instead provides~~
 144.31 ~~for project evaluation and selection by a merit peer review grant system. The utility should~~
 144.32 ~~attempt to reach agreement with the advisory group after consulting with it but the public~~
 144.33 ~~utility has full and sole authority to determine which expenditures expenditure~~
 144.34 ~~recommendations shall be submitted by the advisory group to the ~~commission~~ commission~~
 144.35 ~~approval legislature as provided in paragraph (m). In the process of determining request for~~

145.1 proposal scope and subject and in evaluating responses to request for proposals, the ~~public~~
 145.2 ~~utility~~ advisory group must strongly consider, where reasonable, potential benefit to
 145.3 Minnesota citizens and businesses and the utility's ratepayers.

145.4 ~~(g) Funds in~~ (m) The C-LEAF advisory group shall present its recommended
 145.5 appropriations from the account to the senate and house of representatives committees with
 145.6 jurisdiction over energy policy and finance annually by February 15. Expenditures from
 145.7 the account may not must be directly appropriated by the legislature by a law enacted after
 145.8 January 1, 2012, and unless appropriated by a law enacted prior to that date may be expended
 145.9 only pursuant to an order of the commission according to this subdivision. In enacting
 145.10 appropriations from the account, the legislature:

145.11 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
 145.12 a project recommended by the C-LEAF advisory group; and

145.13 (2) may not appropriate money for a project the C-LEAF advisory group has not
 145.14 recommended funding.

145.15 ~~(h)~~ (n) A request for proposal for renewable energy generation projects must, when
 145.16 feasible and reasonable, give preference to projects that are most cost-effective for a particular
 145.17 energy source.

145.18 ~~(i)~~ (o) The ~~public utility~~ advisory group must annually, by February 15, report to the
 145.19 chairs and ranking minority members of the legislative committees with jurisdiction over
 145.20 energy policy on projects funded by the account for the prior year and all previous years.
 145.21 The report must, to the extent possible and reasonable, itemize the actual and projected
 145.22 financial benefit to the public utility's ratepayers of each project.

145.23 (p) By February 1, 2018, and each February 1 thereafter, the commissioner of
 145.24 management and budget shall submit a written report regarding the availability of funds in
 145.25 and obligations of the account to the chairs and ranking minority members of the senate
 145.26 and house committees with jurisdiction over energy policy and finance, the public utility,
 145.27 and the advisory group.

145.28 ~~(j)~~ (q) A project receiving funds from the account must produce a written final report
 145.29 that includes sufficient detail for technical readers and a clearly written summary for
 145.30 nontechnical readers. The report must include an evaluation of the project's financial,
 145.31 environmental, and other benefits to the state and the public utility's ratepayers.

146.1 ~~(k)~~ (r) Final reports, any mid-project status reports, and renewable development account
 146.2 financial reports must be posted online on a public Web site designated by the ~~commissioner~~
 146.3 commissioner of commerce.

146.4 ~~(h)~~ (s) All final reports must acknowledge that the project was made possible in whole
 146.5 or part by the Minnesota ~~renewable development fund~~ C-LEAF account, noting that the
 146.6 ~~fund~~ account is financed by the public utility's ratepayers.

146.7 (t) Of the amount in the C-LEAF account, priority must be given to making the payments
 146.8 required under section 216C.417.

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

146.10 Sec. 5. Minnesota Statutes 2016, section 116C.779, is amended by adding a subdivision
 146.11 to read:

146.12 **Subd. 1a. Payment termination.** (a) The commissioner of management and budget
 146.13 shall track the cumulative transfers made to the clean energy advancement fund account
 146.14 and its predecessor, the renewable development account, each year since 1999 for each dry
 146.15 cask containing spent fuel that is stored at an independent spent-fuel storage facility at
 146.16 Prairie Island or Monticello. During the time when state law required the public utility to
 146.17 transfer a specific amount of funds to the account for all the casks stored, the per-cask
 146.18 allocation shall be calculated by dividing the total amount transferred by the number of
 146.19 casks stored that year.

146.20 (b) When the commissioner of management and budget determines that the cumulative
 146.21 transfers calculated under paragraph (a) for a specific cask reach \$10,000,000, the
 146.22 commissioner of management and budget shall notify the public utility that no additional
 146.23 transfers to the account for that cask shall be made.

146.24 (c) This subdivision does not affect any provisions of subdivision 1, paragraph (c) or
 146.25 (d), with respect to transfers to the account made after a plant has ceased operation.

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

146.27 Sec. 6. Minnesota Statutes 2016, section 116C.7792, is amended to read:

146.28 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

146.29 The utility subject to section 116C.779 shall operate a program to provide solar energy
 146.30 production incentives for solar energy systems of no more than a total nameplate capacity
 146.31 of 20 kilowatts direct current. The program shall be operated for ~~five~~ eight consecutive

147.1 calendar years commencing in 2014. \$5,000,000 shall be allocated ~~for~~ in each of the ~~five~~
 147.2 first four years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh
 147.3 years, and \$5,000,000 in the eighth year from funds withheld from transfer to the renewable
 147.4 development C-LEAF account established in section 116C.779 to a separate under section
 147.5 116C.779, subdivision 1, paragraphs (b) and (e), and placed in a separate account for the
 147.6 purpose of the solar production incentive program. The solar system must be sized to less
 147.7 than 120 percent of the customer's on-site annual energy consumption. The production
 147.8 incentive must be paid for ten years commencing with the commissioning of the system.
 147.9 The utility must file a plan to operate the program with the commissioner of commerce.
 147.10 The utility may not operate the program until it is approved by the commissioner.

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

147.12 Sec. 7. Minnesota Statutes 2016, section 216B.164, subdivision 2, is amended to read:

147.13 Subd. 2. **Applicability; rights maintained.** (a) This section as well as any rules
 147.14 promulgated by the commission to implement this section or the Public Utility Regulatory
 147.15 Policies Act of 1978, Public Law 95-617, Statutes at Large, volume 92, page 3117, as
 147.16 amended, and the Federal Energy Regulatory Commission regulations thereunder, Code of
 147.17 Federal Regulations, title 18, part 292, as amended, shall, unless otherwise provided in this
 147.18 section, apply to all Minnesota electric utilities, including cooperative electric associations
 147.19 and municipal electric utilities.

147.20 (b) Nothing in this section shall be construed to alter the rights and duties of any person
 147.21 pursuant to the Public Utility Regulatory Policies Act of 1978, Public Law 95-617, Statutes
 147.22 at Large, volume 92, page 3117, as amended, and the Federal Energy Regulatory Commission
 147.23 regulations thereunder, Code of Federal Regulations, title 18, part 292, as amended.

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

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

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

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

148.2 Subd. 9. **Municipal electric utility.** For purposes of this section only, ~~except subdivision~~
148.3 ~~5,~~ and with respect to municipal electric utilities only, the term "commission" means the
148.4 governing body of each municipal electric utility that adopts and has in effect rules
148.5 implementing this section which are consistent with the rules adopted by the Minnesota
148.6 Public Utilities Commission under subdivision 6. As used in this subdivision, the governing
148.7 body of a municipal electric utility means the city council of that municipality; except that,
148.8 if another board, commission, or body is empowered by law or resolution of the city council
148.9 or by its charter to establish and regulate rates and days for the distribution of electric energy
148.10 within the service area of the city, that board, commission, or body shall be considered the
148.11 governing body of the municipal electric utility.

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

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

148.15 **Subd. 11. Cooperative electric association.** (a) For purposes of this section only, the
148.16 term "commission" means the board of directors of a cooperative association that (1) elects,
148.17 by resolution, to assume the authority delegated to the Public Utilities Commission over
148.18 cooperative electric associations under this section, and (2) adopts and has in effect rules
148.19 implementing this section. The rules must provide for a process to resolve disputes that
148.20 arise under this section, and must include a provision that a request by either party for
148.21 mediation of the dispute by an independent third party must be implemented in accordance
148.22 with paragraph (b). A cooperative electric association that has adopted a resolution and
148.23 rules under this subdivision is exempt from regulation by the Public Utilities Commission
148.24 under this section.

148.25 (b) In the event of a dispute between a cooperative electric association and one or more
148.26 of its members, either party may request mediation of the dispute only after all attempts to
148.27 settle the dispute under the cooperative electric association's dispute resolution process have
148.28 been exhausted. The parties must mutually agree upon the selection of a mediator, who
148.29 must be listed on the roster of neutrals for civil matters established by the state court
148.30 administrator under Rule 114.12 of Minnesota's General Rules of Practice for the District
148.31 Courts. The cooperative electric association shall pay 90 percent of the cost of mediation,
148.32 and the member or members who initiated the dispute shall pay ten percent of the cost of
148.33 mediation.

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

149.4 (d) The Public Utilities Commission may complete its investigation in Docket No. 16-512
149.5 to assess whether the methodology used by cooperative associations to establish a fee under
149.6 section 216B.164, subdivision 3, paragraph (a), complies with state law if the commission
149.7 determines that completing the investigation is necessary to protect the public interest, in
149.8 which case it shall complete the investigation no later than December 31, 2017. A
149.9 methodology that the commission determines complies with state law may not be challenged
149.10 in a dispute under this section. If the commission determines that a methodology does not
149.11 comply with state law, it shall clearly state the changes necessary to bring the methodology
149.12 into compliance, and a cooperative electric association shall modify its methodology in
149.13 accordance with the commission's directives.

149.14 (e) For a cooperative electric association that elects to operate under the provisions of
149.15 paragraph (a), disputes arising under this section subsequent to a cooperative electric
149.16 association's modification of its methodology under paragraph (d) shall be addressed under
149.17 the cooperative association's rules and paragraph (b), as applicable.

149.18 (f) A cooperative electric association that does not elect to operate under the provisions
149.19 of paragraph (a) remains subject to the commission's authority with respect to disputes
149.20 arising under this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

150.19 ~~(e)~~ (g) A public utility may not use energy used to satisfy the solar energy standard under
150.20 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
150.21 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
150.22 solar standard under this subdivision.

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

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

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

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

151.2 Subd. 3. **Staging and permitting.** (a) A natural gas-fired plant that is located on one
 151.3 site designated as an innovative energy project site under subdivision 1, clause (3), is
 151.4 accorded the regulatory incentives granted to an innovative energy project under subdivision
 151.5 2, clauses (1) to (3), and may exercise the authorities therein.

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

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

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

151.16 Sec. 13. Minnesota Statutes 2016, section 216B.241, subdivision 1b, is amended to read:

151.17 Subd. 1b. **Conservation improvement by cooperative association or municipality.**

151.18 (a) This subdivision applies to:

151.19 (1) a cooperative electric association that provides retail service to ~~its~~ more than 5,000
 151.20 members;

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

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

151.24 (b) Each cooperative electric association and municipality subject to this subdivision
 151.25 shall spend and invest for energy conservation improvements under this subdivision the
 151.26 following amounts:

151.27 (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas
 151.28 and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross
 151.29 operating revenues from electric and gas service provided in the state to large electric
 151.30 customer facilities; and

151.31 (2) for a cooperative electric association, 1.5 percent of its gross operating revenues
 151.32 from service provided in the state, excluding gross operating revenues from service provided

152.1 in the state to large electric customer facilities indirectly through a distribution cooperative
152.2 electric association.

152.3 (c) Each municipality and cooperative electric association subject to this subdivision
152.4 shall identify and implement energy conservation improvement spending and investments
152.5 that are appropriate for the municipality or association, except that a municipality or
152.6 association may not spend or invest for energy conservation improvements that directly
152.7 benefit a large energy facility or a large electric customer facility for which the commissioner
152.8 has issued an exemption under subdivision 1a, paragraph (b).

152.9 (d) Each municipality and cooperative electric association subject to this subdivision
152.10 may spend and invest annually up to ten percent of the total amount required to be spent
152.11 and invested on energy conservation improvements under this subdivision on research and
152.12 development projects that meet the definition of energy conservation improvement in
152.13 subdivision 1 and that are funded directly by the municipality or cooperative electric
152.14 association.

152.15 (e) Load-management activities may be used to meet 50 percent of the conservation
152.16 investment and spending requirements of this subdivision.

152.17 (f) A generation and transmission cooperative electric association that provides energy
152.18 services to cooperative electric associations that provide electric service at retail to consumers
152.19 may invest in energy conservation improvements on behalf of the associations it serves and
152.20 may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate
152.21 basis. A municipal power agency or other not-for-profit entity that provides energy service
152.22 to municipal utilities that provide electric service at retail may invest in energy conservation
152.23 improvements on behalf of the municipal utilities it serves and may fulfill the conservation,
152.24 spending, reporting, and energy-savings goals on an aggregate basis, under an agreement
152.25 between the municipal power agency or not-for-profit entity and each municipal utility for
152.26 funding the investments.

152.27 (g) Each municipality or cooperative shall file energy conservation improvement plans
152.28 by June 1 on a schedule determined by order of the commissioner, but at least every three
152.29 years. Plans received by June 1 must be approved or approved as modified by the
152.30 commissioner by December 1 of the same year. The municipality or cooperative shall
152.31 provide an evaluation to the commissioner detailing its energy conservation improvement
152.32 spending and investments for the previous period. The evaluation must briefly describe
152.33 each conservation program and must specify the energy savings or increased efficiency in
152.34 the use of energy within the service territory of the utility or association that is the result of

153.1 the spending and investments. The evaluation must analyze the cost-effectiveness of the
 153.2 utility's or association's conservation programs, using a list of baseline energy and capacity
 153.3 savings assumptions developed in consultation with the department. The commissioner
 153.4 shall review each evaluation and make recommendations, where appropriate, to the
 153.5 municipality or association to increase the effectiveness of conservation improvement
 153.6 activities.

153.7 ~~(h) MS 2010 [Expired, 1Sp2003 c 11 art 3 s 4; 2007 c 136 art 2 s 5]~~

153.8 ~~(h)~~ (h) The commissioner shall consider and may require a utility, association, or other
 153.9 entity providing energy efficiency and conservation services under this section to undertake
 153.10 a program suggested by an outside source, including a political subdivision, nonprofit
 153.11 corporation, or community organization.

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

153.13 Sec. 14. Minnesota Statutes 2016, section 216B.241, subdivision 1c, is amended to read:

153.14 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
 153.15 goals for energy conservation improvement expenditures and shall evaluate an energy
 153.16 conservation improvement program on how well it meets the goals set.

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

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

153.27 (d) In its energy conservation improvement plan filing, a utility or association may
 153.28 request the commissioner to adjust its annual energy-savings percentage goal based on its
 153.29 historical conservation investment experience, customer class makeup, load growth, a
 153.30 conservation potential study, or other factors the commissioner determines warrants an
 153.31 adjustment. The commissioner may not approve a plan of a public utility that provides for
 153.32 an annual energy-savings goal of less than one percent of gross annual retail energy sales
 153.33 from energy conservation improvements.

154.1 A utility or association may include in its energy conservation plan energy savings from
154.2 electric utility infrastructure projects approved by the commission under section 216B.1636
154.3 or waste heat recovery converted into electricity projects that may count as energy savings
154.4 in addition to a minimum energy-savings goal of at least one percent for energy conservation
154.5 improvements. Energy savings from electric utility infrastructure projects, as defined in
154.6 section 216B.1636, may be included in the energy conservation plan of a municipal utility
154.7 or cooperative electric association. Electric utility infrastructure projects must result in
154.8 increased energy efficiency greater than that which would have occurred through normal
154.9 maintenance activity.

154.10 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure
154.11 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
154.12 energy-savings goal established in this subdivision.

154.13 (f) An association or utility is not required to make energy conservation investments to
154.14 attain the energy-savings goals of this subdivision that are not cost-effective even if the
154.15 investment is necessary to attain the energy-savings goals. For the purpose of this paragraph,
154.16 in determining cost-effectiveness, the commissioner shall consider the costs and benefits
154.17 to ratepayers, the utility, participants, and society. In addition, the commissioner shall
154.18 consider the rate at which an association or municipal utility is increasing its energy savings
154.19 and its expenditures on energy conservation.

154.20 (g) On an annual basis, the commissioner shall produce and make publicly available a
154.21 report on the annual energy savings and estimated carbon dioxide reductions achieved by
154.22 the energy conservation improvement programs for the two most recent years for which
154.23 data is available. The commissioner shall report on program performance both in the
154.24 aggregate and for each entity filing an energy conservation improvement plan for approval
154.25 or review by the commissioner.

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

154.29 (i) This subdivision does not apply to:

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

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

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

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

155.2 Sec. 15. Minnesota Statutes 2016, section 216B.241, subdivision 1d, is amended to read:

155.3 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
155.4 improvement programs on the basis of cost-effectiveness and the reliability of the
155.5 technologies employed. The commissioner shall, by order, establish, maintain, and update
155.6 energy-savings assumptions that must be used when filing energy conservation improvement
155.7 programs. The commissioner shall establish an inventory of the most effective energy
155.8 conservation programs, techniques, and technologies, and encourage all Minnesota utilities
155.9 to implement them, where appropriate, in their service territories. The commissioner shall
155.10 describe these programs in sufficient detail to provide a utility reasonable guidance
155.11 concerning implementation. The commissioner shall prioritize the opportunities in order of
155.12 potential energy savings and in order of cost-effectiveness. The commissioner may contract
155.13 with a third party to carry out any of the commissioner's duties under this subdivision, and
155.14 to obtain technical assistance to evaluate the effectiveness of any conservation improvement
155.15 program. The commissioner may assess up to \$850,000 annually for the purposes of this
155.16 subdivision. The assessments must be deposited in the state treasury and credited to the
155.17 energy and conservation account created under subdivision 2a. An assessment made under
155.18 this subdivision is not subject to the cap on assessments provided by section 216B.62, or
155.19 any other law.

155.20 (b) Of the assessment authorized under paragraph (a), the commissioner may expend
155.21 up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing
155.22 technical support for a uniform electronic data reporting and tracking system available to
155.23 all utilities subject to this section, in order to enable accurate measurement of the cost and
155.24 energy savings of the energy conservation improvements required by this section. This
155.25 paragraph expires June 30, 2017, and may be used for no more than three annual assessments
155.26 occurring prior to that date 2018.

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

155.28 Sec. 16. Minnesota Statutes 2016, section 216B.241, subdivision 2, is amended to read:

155.29 Subd. 2. **Programs.** (a) The commissioner may require public utilities to make
155.30 investments and expenditures in energy conservation improvements, explicitly setting forth
155.31 the interest rates, prices, and terms under which the improvements must be offered to the
155.32 customers. The required programs must cover no more than a three-year period. Public
155.33 utilities shall file conservation improvement plans by June 1, on a schedule determined by

156.1 order of the commissioner, but at least every three years. Plans received by a public utility
156.2 by June 1 must be approved or approved as modified by the commissioner by December 1
156.3 of that same year. The commissioner shall evaluate the program on the basis of
156.4 cost-effectiveness and the reliability of technologies employed. The commissioner's order
156.5 must provide to the extent practicable for a free choice, by consumers participating in the
156.6 program, of the device, method, material, or project constituting the energy conservation
156.7 improvement and for a free choice of the seller, installer, or contractor of the energy
156.8 conservation improvement, provided that the device, method, material, or project seller,
156.9 installer, or contractor is duly licensed, certified, approved, or qualified, including under
156.10 the residential conservation services program, where applicable.

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

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

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

156.28 (e) A utility, a political subdivision, or a nonprofit or community organization that has
156.29 suggested a program, the attorney general acting on behalf of consumers and small business
156.30 interests, or a utility customer that has suggested a program and is not represented by the
156.31 attorney general under section 8.33 may petition the commission to modify or revoke a
156.32 department decision under this section, and the commission may do so if it determines that
156.33 the program is not cost-effective, does not adequately address the residential conservation
156.34 improvement needs of low-income persons, has a long-range negative effect on one or more
156.35 classes of customers, or is otherwise not in the public interest. The commission shall reject

157.1 a petition that, on its face, fails to make a reasonable argument that a program is not in the
157.2 public interest.

157.3 (f) The commissioner may order a public utility to include, with the filing of the utility's
157.4 annual status report, the results of an independent audit of the utility's conservation
157.5 improvement programs and expenditures performed by the department or an auditor with
157.6 experience in the provision of energy conservation and energy efficiency services approved
157.7 by the commissioner and chosen by the utility. The audit must specify the energy savings
157.8 or increased efficiency in the use of energy within the service territory of the utility that is
157.9 the result of the spending and investments. The audit must evaluate the cost-effectiveness
157.10 of the utility's conservation programs.

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

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

157.18 Sec. 17. Minnesota Statutes 2016, section 216B.241, subdivision 5, is amended to read:

157.19 Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric
157.20 association, and municipal utility that provides electric service to retail customers and is
157.21 subject to subdivision 1c shall include as part of its conservation improvement activities a
157.22 program to strongly encourage the use of fluorescent and high-intensity discharge lamps.
157.23 The program must include at least a public information campaign to encourage use of the
157.24 lamps and proper management of spent lamps by all customer classifications.

157.25 (b) A public utility that provides electric service at retail to 200,000 or more customers
157.26 shall establish, either directly or through contracts with other persons, including lamp
157.27 manufacturers, distributors, wholesalers, and retailers and local government units, a system
157.28 to collect for delivery to a reclamation or recycling facility spent fluorescent and
157.29 high-intensity discharge lamps from households and from small businesses as defined in
157.30 section 645.445 that generate an average of fewer than ten spent lamps per year.

157.31 (c) A collection system must include establishing reasonably convenient locations for
157.32 collecting spent lamps from households and financial incentives sufficient to encourage
157.33 spent lamp generators to take the lamps to the collection locations. Financial incentives may

158.1 include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash
158.2 back system, or any other financial incentive or group of incentives designed to collect the
158.3 maximum number of spent lamps from households and small businesses that is reasonably
158.4 feasible.

158.5 (d) A public utility that provides electric service at retail to fewer than 200,000 customers,
158.6 a cooperative electric association, or a municipal utility that provides electric service at
158.7 retail to customers may establish a collection system under paragraphs (b) and (c) as part
158.8 of conservation improvement activities required under this section.

158.9 (e) The commissioner of the Pollution Control Agency may not, unless clearly required
158.10 by federal law, require a public utility, cooperative electric association, or municipality that
158.11 establishes a household fluorescent and high-intensity discharge lamp collection system
158.12 under this section to manage the lamps as hazardous waste as long as the lamps are managed
158.13 to avoid breakage and are delivered to a recycling or reclamation facility that removes
158.14 mercury and other toxic materials contained in the lamps prior to placement of the lamps
158.15 in solid waste.

158.16 (f) If a public utility, cooperative electric association, or municipal utility contracts with
158.17 a local government unit to provide a collection system under this subdivision, the contract
158.18 must provide for payment to the local government unit of all the unit's incremental costs of
158.19 collecting and managing spent lamps.

158.20 (g) All the costs incurred by a public utility, cooperative electric association, or municipal
158.21 utility for promotion and collection of fluorescent and high-intensity discharge lamps under
158.22 this subdivision are conservation improvement spending under this section.

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

158.24 Sec. 18. Minnesota Statutes 2016, section 216B.241, subdivision 5d, is amended to read:

158.25 Subd. 5d. **On-bill repayment programs.** (a) For the purposes of this subdivision:

158.26 (1) "utility" means a public utility, municipal utility, or cooperative electric association
158.27 subject to subdivision 1c that provides electric or natural gas service to retail customers;
158.28 and

158.29 (2) "on-bill repayment program" means a program in which a utility collects on a
158.30 customer's bill repayment of a loan to the customer by an eligible lender to finance the
158.31 customer's investment in eligible energy conservation or renewable energy projects, and
158.32 remits loan repayments to the lender.

159.1 (b) A utility may include as part of its conservation improvement plan an on-bill
159.2 repayment program to enable a customer to finance eligible projects with installment loans
159.3 originated by an eligible lender. An eligible project is one that is either an energy conservation
159.4 improvement, or a project installed on the customer's site that uses an eligible renewable
159.5 energy source as that term is defined in section 216B.2411, subdivision 2, paragraph (b),
159.6 but does not include mixed municipal solid waste or refuse-derived fuel from mixed
159.7 municipal solid waste. An eligible renewable energy source also includes solar thermal
159.8 technology that collects the sun's radiant energy and uses that energy to heat or cool air or
159.9 water, and meets the requirements of section 216C.25. To be an eligible lender, a lender
159.10 must:

159.11 (1) have a federal or state charter and be eligible for federal deposit insurance;

159.12 (2) be a government entity, including an entity established under chapter 469, that has
159.13 authority to provide financial assistance for energy efficiency and renewable energy projects;

159.14 (3) be a joint venture by utilities established under section 452.25; or

159.15 (4) be licensed, certified, or otherwise have its lending activities overseen by a state or
159.16 federal government agency.

159.17 The commissioner must allow a utility broad discretion in designing and implementing an
159.18 on-bill repayment program, provided that the program complies with this subdivision.

159.19 (c) A utility may establish an on-bill repayment program for all customer classes or for
159.20 a specific customer class.

159.21 (d) A public utility that implements an on-bill repayment program under this subdivision
159.22 must enter into a contract with one or more eligible lenders that complies with the
159.23 requirements of this subdivision and contains provisions addressing capital commitments,
159.24 loan origination, transfer of loans to the public utility for on-bill repayment, and acceptance
159.25 of loans returned due to delinquency or default.

159.26 (e) A public utility's contract with a lender must require the lender to comply with all
159.27 applicable federal and state laws, rules, and regulations related to lending practices and
159.28 consumer protection; to conform to reasonable and prudent lending standards; and to provide
159.29 businesses that sell, maintain, and install eligible projects the ability to participate in an
159.30 on-bill repayment program under this subdivision on a nondiscriminatory basis.

159.31 (f) A public utility's contract with a lender may provide:

159.32 (1) for the public utility to purchase loans from the lender with a condition that the lender
159.33 must purchase back loans in delinquency or default; or

160.1 (2) for the lender to retain ownership of loans with the public utility servicing the loans
160.2 through on-bill repayment as long as payments are current.

160.3 The risk of default must remain with the lender. The lender shall not have recourse against
160.4 the public utility except in the event of negligence or breach of contract by the utility.

160.5 (g) If a public utility customer makes a partial payment on a utility bill that includes a
160.6 loan installment, the partial payment must be credited first to the amount owed for utility
160.7 service, including taxes and fees. A public utility may not suspend or terminate a customer's
160.8 utility service for delinquency or default on a loan that is being serviced through the public
160.9 utility's on-bill repayment program.

160.10 (h) An outstanding balance on a loan being repaid under this subdivision is a financial
160.11 obligation only of the customer who is signatory to the loan, and not to any subsequent
160.12 customer occupying the property associated with the loan. If the public utility purchases
160.13 loans from the lender as authorized under paragraph (f), clause (1), the public utility must
160.14 return to the lender a loan not repaid when a customer borrower no longer occupies the
160.15 property.

160.16 (i) Costs incurred by a public utility under this subdivision are recoverable as provided
160.17 in section 216B.16, subdivision 6b, paragraph (c), including reasonable incremental costs
160.18 for billing system modifications necessary to implement and operate an on-bill repayment
160.19 program and for ongoing costs to operate the program. Costs in a plan approved by the
160.20 commissioner may be counted toward a utility's conservation spending requirements under
160.21 subdivisions 1a and 1b. Energy savings from energy conservation improvements resulting
160.22 from this section may be counted toward satisfying a utility's energy-savings goals under
160.23 subdivision 1c.

160.24 (j) This subdivision does not require a utility to terminate or modify an existing financing
160.25 program and does not prohibit a utility from establishing an on-bill financing program in
160.26 which the utility provides the financing capital.

160.27 (k) A municipal utility or cooperative electric association that implements an on-bill
160.28 repayment program shall design the program to address the issues identified in paragraphs
160.29 (d) through (h) as determined by the governing board of the utility or association.

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

160.31 Sec. 19. Minnesota Statutes 2016, section 216B.241, subdivision 7, is amended to read:

160.32 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each utility
160.33 and association subject to subdivision 1c provides low-income programs. When approving

161.1 spending and energy-savings goals for low-income programs, the commissioner shall
161.2 consider historic spending and participation levels, energy savings for low-income programs,
161.3 and the number of low-income persons residing in the utility's service territory. A municipal
161.4 utility that furnishes gas service must spend at least 0.2 percent, and a public utility furnishing
161.5 gas service must spend at least 0.4 percent, of its most recent three-year average gross
161.6 operating revenue from residential customers in the state on low-income programs. A utility
161.7 or association that furnishes electric service must spend at least 0.1 percent of its gross
161.8 operating revenue from residential customers in the state on low-income programs. For a
161.9 generation and transmission cooperative association, this requirement shall apply to each
161.10 association's members' aggregate gross operating revenue from sale of electricity to residential
161.11 customers in the state. Beginning in 2010, a utility or association that furnishes electric
161.12 service must spend 0.2 percent of its gross operating revenue from residential customers in
161.13 the state on low-income programs.

161.14 (b) To meet the requirements of paragraph (a), a utility or association may contribute
161.15 money to the energy and conservation account. An energy conservation improvement plan
161.16 must state the amount, if any, of low-income energy conservation improvement funds the
161.17 utility or association will contribute to the energy and conservation account. Contributions
161.18 must be remitted to the commissioner by February 1 of each year.

161.19 (c) The commissioner shall establish low-income programs to utilize money contributed
161.20 to the energy and conservation account under paragraph (b). In establishing low-income
161.21 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and
161.22 community organizations, especially organizations engaged in providing energy and
161.23 weatherization assistance to low-income persons. Money contributed to the energy and
161.24 conservation account under paragraph (b) must provide programs for low-income persons,
161.25 including low-income renters, in the service territory of the utility or association providing
161.26 the money. The commissioner shall record and report expenditures and energy savings
161.27 achieved as a result of low-income programs funded through the energy and conservation
161.28 account in the report required under subdivision 1c, paragraph (g). The commissioner may
161.29 contract with a political subdivision, nonprofit or community organization, public utility,
161.30 municipality, or cooperative electric association to implement low-income programs funded
161.31 through the energy and conservation account.

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

162.1 (e) The costs and benefits associated with any approved low-income gas or electric
162.2 conservation improvement program that is not cost-effective when considering the costs
162.3 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation
162.4 of net economic benefits for purposes of calculating the financial incentive to the utility.
162.5 The energy and demand savings may, at the discretion of the utility, be applied toward the
162.6 calculation of overall portfolio energy and demand savings for purposes of determining
162.7 progress toward annual goals and in the financial incentive mechanism.

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

162.9 Sec. 20. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

162.10 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with
162.11 the commission periodically in accordance with rules adopted by the commission. The
162.12 commission shall approve, reject, or modify the plan of a public utility, as defined in section
162.13 216B.02, subdivision 4, consistent with the public interest.

162.14 (b) In the resource plan proceedings of all other utilities, the commission's order shall
162.15 be advisory and the order's findings and conclusions shall constitute prima facie evidence
162.16 which may be rebutted by substantial evidence in all other proceedings. With respect to
162.17 utilities other than those defined in section 216B.02, subdivision 4, the commission shall
162.18 consider the filing requirements and decisions in any comparable proceedings in another
162.19 jurisdiction.

162.20 (c) As a part of its resource plan filing, a utility shall include the least cost plan for
162.21 meeting 50 and 75 percent of all energy needs from both new and refurbished capacity
162.22 ~~needs~~ generating facilities through a combination of conservation and renewable energy
162.23 resources.

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

162.25 Paragraph (c) applies to resource plans filed with the commission on or after July 1, 2017.

162.26 Sec. 21. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

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

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

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

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

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

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

163.12 Sec. 22. Minnesota Statutes 2016, section 216B.2424, is amended by adding a subdivision
163.13 to read:

163.14 Subd. 9. **Adjustment of biomass fuel requirement.** (a) Notwithstanding any provision
163.15 in this section, the public utility subject to this section may, with respect to a facility approved
163.16 under this section, file a petition with the commission for approval of:

163.17 (1) a new or amended power purchase agreement;

163.18 (2) the early termination of a power purchase agreement; or

163.19 (3) the purchase and closure of the facility.

163.20 (b) The commission may approve a new or amended power purchase agreement under
163.21 this subdivision, notwithstanding the fuel requirements of this section, if the commission
163.22 determines that:

163.23 (1) all parties to the original power purchase agreement, or their successors or assigns,
163.24 as applicable, agree to the terms and conditions of the new or amended power purchase
163.25 agreement; and

163.26 (2) the new or amended power purchase agreement is in the best interest of the customers
163.27 of the public utility subject to this section, taking into consideration any savings realized
163.28 by customers in the new or amended power purchase agreement and any costs imposed on
163.29 customers under paragraph (c). A new or amended power purchase agreement approved
163.30 under this paragraph may be for any term agreed to by the parties and may govern the
163.31 purchase of any amount of energy.

164.1 (c) The commission may approve the early termination of a power purchase agreement
164.2 or the purchase and closure of a facility under this subdivision if it determines that:

164.3 (1) all parties to the power purchase agreement, or their successors or assigns, as
164.4 applicable, agree to the early termination of the power purchase agreement or the purchase
164.5 and closure of the facility; and

164.6 (2) the early termination of the power purchase agreement or the purchase and closure
164.7 of the facility is in the best interest of the customers of the public utility subject to this
164.8 section, taking into consideration any savings realized by customers as a result of the early
164.9 termination of the power purchase agreement or the purchase and closure of the facility and
164.10 any costs imposed on the customers under paragraph (e).

164.11 (d) The commission's approval of a new or amended power purchase agreement under
164.12 paragraph (b) or of the termination of a power purchase agreement or the purchase and
164.13 closure of a facility under paragraph (c), shall not require the public utility subject to this
164.14 section to purchase replacement amounts of biomass energy to fulfill the requirements of
164.15 this section.

164.16 (e) A utility may petition the commission to approve a rate schedule that provides for
164.17 the automatic adjustment of charges to recover investments, expenses and costs, and earnings
164.18 on the investments associated with a new or amended power purchase agreement, the early
164.19 termination of a power purchase agreement, or the purchase and closure of a facility. The
164.20 commission may approve the rate schedule upon a showing that the recovery of investments,
164.21 expenses and costs, and earnings on the investments is less than the costs that would have
164.22 been recovered from customers had the utility continued to purchase energy under the power
164.23 purchase agreement in effect before any option available under this section is approved by
164.24 the commission. If approved by the commission, cost recovery under this paragraph may
164.25 include all cost recovery allowed for renewable facilities under section 216B.1645,
164.26 subdivisions 2 and 2a.

164.27 (f) This subdivision does not apply to a St. Paul district heating and cooling system
164.28 cogeneration facility, and nothing in this subdivision precludes a public utility that operates
164.29 a nuclear-power electric generating plant from filing a petition with the commission for
164.30 approval of a new or amended power purchase agreement with such a facility.

164.31 (g) For the purposes of this subdivision, "facility" means a biomass facility previously
164.32 approved by the commission to satisfy a portion of the biomass mandate in this section.

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

165.1 Sec. 23. Minnesota Statutes 2016, section 216B.243, subdivision 8, is amended to read:

165.2 Subd. 8. **Exemptions.** (a) This section does not apply to:

165.3 (1) cogeneration or small power production facilities as defined in the Federal Power
165.4 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
165.5 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
165.6 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
165.7 any case where the commission has determined after being advised by the attorney general
165.8 that its application has been preempted by federal law;

165.9 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
165.10 the demand of a single customer at a single location, unless the applicant opts to request
165.11 that the commission determine need under this section or section 216B.2425;

165.12 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
165.13 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
165.14 request that the commission determine need under this section or section 216B.2425;

165.15 (4) a high-voltage transmission line of one mile or less required to connect a new or
165.16 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

165.17 (5) conversion of the fuel source of an existing electric generating plant to using natural
165.18 gas;

165.19 (6) the modification of an existing electric generating plant to increase efficiency, as
165.20 long as the capacity of the plant is not increased more than ten percent or more than 100
165.21 megawatts, whichever is greater;

165.22 (7) a wind energy conversion system or solar electric generation facility if the system
165.23 or facility is owned and operated by an independent power producer and the electric output
165.24 of the system or facility is not sold to an entity that provides retail service in Minnesota or
165.25 wholesale electric service to another entity in Minnesota other than an entity that is a federally
165.26 recognized regional transmission organization or independent system operator; ~~or~~

165.27 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
165.28 2, or a solar energy generating large energy facility, as defined in section ~~216B.2421,~~
165.29 ~~subdivision 2~~ 216E.01, subdivision 9a, engaging in a repowering project that:

165.30 (i) will not result in the facility exceeding the nameplate capacity under its most recent
165.31 interconnection agreement; or

166.1 (ii) will result in the facility exceeding the nameplate capacity under its most recent
 166.2 interconnection agreement, provided that the Midcontinent Independent System Operator
 166.3 has provided a signed generator interconnection agreement that reflects the expected net
 166.4 power increase;

166.5 (9) a large wind energy conversion system, as defined in section 216F.01, subdivision
 166.6 2;

166.7 (10) a solar energy generating system, as defined in section 216E.01, subdivision 9a,
 166.8 with a capacity of five megawatts or more;

166.9 (11) a pipeline transporting crude oil or refined petroleum products;

166.10 (12) a pipeline transporting natural gas or propane; or

166.11 (13) a replacement pipeline.

166.12 (b) For the purpose of this subdivision, the following terms have the meanings given:

166.13 (1) "repowering project" means:

166.14 ~~(1)~~ (i) modifying a large wind energy conversion system or a solar energy generating
 166.15 large energy facility to increase its efficiency without increasing its nameplate capacity;

166.16 ~~(2)~~ (ii) replacing turbines in a large wind energy conversion system without increasing
 166.17 the nameplate capacity of the system; or

166.18 ~~(3)~~ (iii) increasing the nameplate capacity of a large wind energy conversion system;
 166.19 and

166.20 (2) "replacement pipeline" means a pipeline constructed in a new or existing right-of-way
 166.21 that replaces service provided by an existing pipeline that will be permanently removed
 166.22 from service within 180 days of the date of initial service of the replacement pipeline.

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

166.24 Sec. 24. Minnesota Statutes 2016, section 216C.05, subdivision 2, is amended to read:

166.25 Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

166.26 (1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of
 166.27 electricity and natural gas be achieved through cost-effective energy efficiency;

166.28 (2) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the
 166.29 year 2015, through increased reliance on energy efficiency and renewable energy alternatives;

166.30 **and**

167.1 (3) 25 percent of the total energy used in the state be derived from renewable energy
167.2 resources by the year 2025; and

167.3 (4) retail electricity rates for each customer class be at least five percent below the
167.4 national average.

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

167.6 Sec. 25. Minnesota Statutes 2016, section 216C.41, subdivision 2, is amended to read:

167.7 Subd. 2. **Incentive payment; appropriation.** (a) Incentive payments must be made
167.8 according to this section to (1) a qualified on-farm biogas recovery facility, (2) the owner
167.9 or operator of a qualified hydropower facility or qualified wind energy conversion facility
167.10 for electric energy generated and sold by the facility, (3) a publicly owned hydropower
167.11 facility for electric energy that is generated by the facility and used by the owner of the
167.12 facility outside the facility, or (4) the owner of a publicly owned dam that is in need of
167.13 substantial repair, for electric energy that is generated by a hydropower facility at the dam
167.14 and the annual incentive payments will be used to fund the structural repairs and replacement
167.15 of structural components of the dam, or to retire debt incurred to fund those repairs.

167.16 (b) Payment may only be made upon receipt by the commissioner of commerce of an
167.17 incentive payment application that establishes that the applicant is eligible to receive an
167.18 incentive payment and that satisfies other requirements the commissioner deems necessary.
167.19 The application must be in a form and submitted at a time the commissioner establishes.

167.20 (c) There is annually appropriated from the ~~renewable development~~ C-LEAF account
167.21 established under section 116C.779 to the commissioner of commerce sums sufficient to
167.22 make the payments required under this section, in addition to the amounts funded by the
167.23 ~~renewable development~~ C-LEAF account as specified in subdivision 5a.

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

167.25 Sec. 26. Minnesota Statutes 2016, section 216C.41, subdivision 5a, is amended to read:

167.26 Subd. 5a. ~~Renewable development account~~ **Payment authorization.** The Department
167.27 of Commerce shall authorize payment of the renewable energy production incentive to wind
167.28 energy conversion systems that are eligible under this section or Laws 2005, chapter 40, to
167.29 on-farm biogas recovery facilities, and to hydroelectric facilities. Payment of the incentive
167.30 shall be made from the ~~renewable energy development~~ C-LEAF account as provided under
167.31 section 116C.779, subdivision 2.

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

168.1 Sec. 27. [216C.417] PROGRAM ADMINISTRATION; "MADE IN MINNESOTA"
168.2 SOLAR ENERGY PRODUCTION INCENTIVES.

168.3 Subdivision 1. General provisions. Payment of a "Made in Minnesota" solar energy
168.4 production incentive to an owner whose application was approved by the commissioner of
168.5 commerce under section 216C.415, by May 1, 2017, must be administered under the
168.6 provisions of Minnesota Statutes 2016, sections 216C.411; 216C.413; 216C.414, subdivisions
168.7 1 to 3 and 5; and 216C.415. No incentive payments may be made under this section to an
168.8 owner whose application was approved by the commissioner after May 1, 2017.

168.9 Subd. 2. Appropriation. (a) Unspent money remaining in the account established under
168.10 Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the
168.11 C-LEAF account in the special revenue fund established under Minnesota Statutes, section
168.12 116C.779, subdivision 1.

168.13 (b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), there is annually
168.14 appropriated from the C-LEAF account in the special revenue fund established in Minnesota
168.15 Statutes, section 116C.779, to the commissioner of commerce money sufficient to make
168.16 the incentive payments required under Minnesota Statutes 2016, section 216C.415. Any
168.17 funds appropriated under this paragraph that are unexpended at the end of a fiscal year
168.18 cancel to the C-LEAF account.

168.19 (c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of
168.20 this appropriation may be used for administrative costs.

168.21 Subd. 3. Eligibility window; payment duration. (a) Payments may be made under this
168.22 subdivision only for solar photovoltaic module installations that meet the requirements of
168.23 subdivision 1 and that first begin generating electricity between January 1, 2014, and October
168.24 31, 2018.

168.25 (b) The payment eligibility window of the incentive begins and runs consecutively from
168.26 the date the solar photovoltaic modules first begins generating electricity.

168.27 (c) An owner of solar photovoltaic modules may receive payments under this section
168.28 for a particular module for a period of ten years, provided that sufficient funds are available
168.29 in the account.

168.30 (d) No payment may be made under this section for electricity generated after October
168.31 31, 2028.

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

169.1 Sec. 28. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision
169.2 to read:

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

169.6 Sec. 29. Minnesota Statutes 2016, section 216E.03, subdivision 3, is amended to read:

169.7 Subd. 3. **Application.** Any person seeking to construct a large electric power generating
169.8 plant or a high-voltage transmission line must apply to the commission for a site or route
169.9 permit. The application shall contain such information as the commission may require. The
169.10 applicant ~~shall~~ may propose at least two sites for a large electric power generating plant and
169.11 two routes for a high-voltage transmission line. Neither of the two proposed routes may be
169.12 designated as a preferred route and all proposed routes must be numbered and designated
169.13 as alternatives. The commission shall determine whether an application is complete and
169.14 advise the applicant of any deficiencies within ten days of receipt. An application is not
169.15 incomplete if information not in the application can be obtained from the applicant during
169.16 the first phase of the process and that information is not essential for notice and initial public
169.17 meetings.

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

169.19 Sec. 30. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

169.20 Subd. 9. **Timing.** The commission shall make a final decision on an application within
169.21 60 days after receipt of the report of the administrative law judge. A final decision on the
169.22 request for a site permit or route permit shall be made within one year after the commission's
169.23 determination that an application is complete. The commission may extend this time limit
169.24 for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

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

169.26 Sec. 31. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

169.27 Subd. 7. **Timing.** The commission shall make a final decision on an application within
169.28 60 days after completion of the public hearing. A final decision on the request for a site
169.29 permit or route permit under this section shall be made within six months after the
169.30 commission's determination that an application is complete. The commission may extend
169.31 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the
169.32 applicant.

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

170.2 Sec. 32. Minnesota Statutes 2016, section 216F.01, subdivision 2, is amended to read:

170.3 Subd. 2. **Large wind energy conversion system or LWECS.** "Large wind energy
170.4 conversion system" or "LWECS" means any combination of WECS with a combined
170.5 nameplate capacity of 5,000 kilowatts or more and transmission lines directly associated
170.6 with the LWECS that are necessary to interconnect the LWECS to the transmission system.

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

170.8 Sec. 33. Minnesota Statutes 2016, section 216F.011, is amended to read:

170.9 **216F.011 SIZE DETERMINATION.**

170.10 (a) The total size of a combination of wind energy conversion systems for the purpose
170.11 of determining what jurisdiction has siting authority under this chapter must be determined
170.12 according to this section. The nameplate capacity of one wind energy conversion system
170.13 must be combined with the nameplate capacity of any other wind energy conversion system
170.14 that:

170.15 (1) is located within five miles of the wind energy conversion system;

170.16 (2) is constructed within the same 12-month period as the wind energy conversion
170.17 system; and

170.18 (3) exhibits characteristics of being a single development, including, but not limited to,
170.19 ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing
170.20 arrangements, and common debt or equity financing.

170.21 (b) The commissioner shall provide forms and assistance for project developers to make
170.22 a request for a size determination. Upon written request of a project developer, the
170.23 commissioner of commerce shall provide a written size determination within 30 days of
170.24 receipt of the request and of any information needed to complete the size determination that
170.25 has been requested by the commissioner. In the case of a dispute, the chair of the Public
170.26 Utilities Commission shall make the final size determination.

170.27 (c) An application to a county for a permit under this chapter for a wind energy conversion
170.28 system is not complete without a size determination made under this section.

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

171.1 Sec. 34. Minnesota Statutes 2016, section 216F.04, is amended to read:

171.2 **216F.04 SITE PERMIT.**

171.3 (a) No person may construct an LW ECS without a site permit issued by the Public
171.4 Utilities Commission.

171.5 (b) Any person seeking to construct an LW ECS shall submit an application to the
171.6 commission for a site permit in accordance with this chapter and any rules adopted by the
171.7 commission. The permitted site need not be contiguous land.

171.8 (c) The commission shall make a final decision on an application for a site permit for
171.9 an LW ECS within 180 days after acceptance of a complete application by the commission.
171.10 The commission may extend this deadline ~~for cause~~ if the proposer agrees to an extension
171.11 in writing.

171.12 (d) The commission may place conditions in a permit and may deny, modify, suspend,
171.13 or revoke a permit.

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

171.15 Sec. 35. **[216G.025] ALTERNATIVE PIPELINE ROUTES; RESTRICTION.**

171.16 Notwithstanding section 116D.04, subdivisions 2a and 6, and any other law or rule, no
171.17 environmental analysis of alternative routes for a pipeline seeking a routing permit may
171.18 include an alternative route that does not connect the pipeline's termini as proposed by the
171.19 applicant.

171.20 Sec. 36. Minnesota Statutes 2016, section 216H.03, subdivision 3, is amended to read:

171.21 Subd. 3. **Long-term increased emissions from power plants prohibited.** Unless
171.22 preempted by federal law, until a comprehensive and enforceable state law or rule pertaining
171.23 to greenhouse gases that directly limits and substantially reduces, over time, statewide power
171.24 sector carbon dioxide emissions is enacted and in effect, and except as allowed in
171.25 subdivisions 4 to 7, on and after August 1, 2009, no person shall:

171.26 ~~(1) construct within the state a new large energy facility that would contribute to statewide~~
171.27 ~~power sector carbon dioxide emissions;~~

171.28 ~~(2) import or commit to import from outside the state power from a new large energy~~
171.29 ~~facility that would contribute to statewide power sector carbon dioxide emissions; or~~

171.30 ~~(3) enter into a new long-term power purchase agreement that would increase statewide~~
171.31 ~~power sector carbon dioxide emissions. For purposes of this section, a long-term power~~

172.1 ~~purchase agreement means an agreement to purchase 50 megawatts of capacity or more for~~
172.2 ~~a term exceeding five years.~~

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

172.4 Sec. 37. Minnesota Statutes 2016, section 216H.03, subdivision 4, is amended to read:

172.5 Subd. 4. **Exception for facilities that offset emissions.** (a) ~~The prohibitions in~~ prohibition
172.6 under subdivision 3 ~~de~~ does not apply if the project proponent demonstrates to the Public
172.7 Utilities Commission's satisfaction that it will offset the new contribution to statewide power
172.8 sector carbon dioxide emissions with a carbon dioxide reduction project identified in
172.9 paragraph (b) and in compliance with paragraph (c).

172.10 (b) A project proponent may offset in an amount equal to or greater than the proposed
172.11 new contribution to statewide power sector carbon dioxide emissions in either, or a
172.12 combination of both, of the following ways:

172.13 (1) by reducing an existing facility's contribution to statewide power sector carbon
172.14 dioxide emissions; or

172.15 (2) by purchasing carbon dioxide allowances from a state or group of states that has a
172.16 carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

172.17 (c) The Public Utilities Commission shall not find that a proposed carbon dioxide
172.18 reduction project identified in paragraph (b) acceptably offsets a new contribution to statewide
172.19 power sector carbon dioxide emissions unless the proposed offsets are permanent,
172.20 quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section
172.21 does not exempt emissions that have been offset under this subdivision and emissions
172.22 exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

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

172.24 Sec. 38. Minnesota Statutes 2016, section 216H.03, subdivision 7, is amended to read:

172.25 Subd. 7. **Other exemptions.** ~~The prohibitions in~~ prohibition under subdivision 3 ~~de~~ does
172.26 not apply to:

172.27 (1) a new large energy facility under consideration by the Public Utilities Commission
172.28 pursuant to proposals or applications filed with the Public Utilities Commission before April
172.29 1, 2007, or to any power purchase agreement related to a facility described in this clause.
172.30 The exclusion of pending proposals and applications from the prohibitions in subdivision

173.1 3 does not limit the applicability of any other law and is not an expression of legislative
 173.2 intent regarding whether any pending proposal or application should be approved or denied;

173.3 (2) a contract not subject to commission approval that was entered into prior to April 1,
 173.4 2007, to purchase power from a new large energy facility that was approved by a comparable
 173.5 authority in another state prior to that date, for which municipal or public power district
 173.6 bonds have been issued, and on which construction has begun;

173.7 (3) a new large energy facility ~~or a power purchase agreement between a Minnesota~~
 173.8 ~~utility and a new large energy facility~~ located ~~outside~~ within Minnesota that the Public
 173.9 Utilities Commission has determined is essential to ensure the long-term reliability of
 173.10 Minnesota's electric system, to allow electric service for increased industrial demand, or to
 173.11 avoid placing a substantial financial burden on Minnesota ratepayers. An order of the
 173.12 commission granting an exemption under this clause is stayed until the June 1 following
 173.13 the next regular or annual session of the legislature that begins after the date of the
 173.14 commission's final order; or

173.15 (4) a new large energy facility with a combined electric generating capacity of less than
 173.16 100 megawatts, which did not require a Minnesota certificate of need, which received an
 173.17 air pollution control permit to construct from an adjoining state before January 1, 2008, and
 173.18 on which construction began before July 1, 2008, or to any power purchase agreement
 173.19 related to a facility described in this clause.

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

173.21 Sec. 39. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK**
 173.22 **FORCE.**

173.23 **Subdivision 1. Establishment.** The Residential PACE Consumer Protection Legislation
 173.24 Task Force shall develop recommendations for consumer protection legislation for any
 173.25 energy improvements financing program implemented under Minnesota Statutes, sections
 173.26 216C.435 to 216C.436, for single-family residential dwellings. For purposes of this section,
 173.27 "residential PACE" or "PACE" means energy improvement financing programs for
 173.28 single-family residential dwellings authorized under Minnesota Statutes, sections 216C.435
 173.29 to 216C.436.

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

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

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

- 174.1 (3) one member appointed by the Minnesota Bankers Association;
- 174.2 (4) one member appointed by the Legal Services Advocacy Project;
- 174.3 (5) one member appointed by the Minnesota Credit Union Network;
- 174.4 (6) one member appointed by the Minnesota Solar Energy Industry Association;
- 174.5 (7) one member appointed by the St. Paul Port Authority;
- 174.6 (8) one member appointed by the League of Minnesota Cities;
- 174.7 (9) one member appointed by the Association of Minnesota Counties;
- 174.8 (10) one member appointed by AARP Minnesota;
- 174.9 (11) one member appointed by Fresh Energy;
- 174.10 (12) one member appointed by the Citizens Utility Board of Minnesota;
- 174.11 (13) one member appointed by Clean Energy Economy Minnesota;
- 174.12 (14) one member appointed by the Minnesota Land Title Association;
- 174.13 (15) one member appointed by an organization with experience implementing residential
- 174.14 PACE programs in other states; and
- 174.15 (16) the commissioner of commerce or a designee.
- 174.16 (b) Any public member can designate a substitute from the same organization to replace
- 174.17 that member at a meeting of the task force.
- 174.18 Subd. 3. **Duties.** The task force must develop recommendations to:
- 174.19 (1) address concerns regarding the possible constraints on free alienation of residential
- 174.20 property caused by existence and amount of the PACE liens;
- 174.21 (2) reduce and minimize any point-of-sale confusion in transactions involving
- 174.22 PACE-encumbered homes;
- 174.23 (3) ensure conspicuous and meaningful disclosure of, among other things:
- 174.24 (i) all costs and fees of a residential PACE loan; and
- 174.25 (ii) the risks, such as foreclosure and higher costs, that may be associated with residential
- 174.26 PACE loans relative to other financing mechanisms;
- 174.27 (4) ensure that the ability to repay standard uses commonly accepted underwriting
- 174.28 principles;

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

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

175.6 (7) establish criteria to ensure the cost-effectiveness of PACE-enabled clean energy
175.7 improvements; and

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

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

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

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

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

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

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

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

175.30 Subd. 11. **Expiration.** The task force expires January 15, 2018, or after submitting the
175.31 report required in this section, whichever is earlier.

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

176.1 Sec. 40. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
176.2 **THERMAL REBATES.**

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

176.6 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,
176.7 section 216C.416, as of July 2, 2017, must be transferred to the C-LEAF account established
176.8 under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

176.10 Sec. 41. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**
176.11 **UNEXPENDED GRANT FUNDS.**

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

176.16 (1) after January 1, 2012; and

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

176.19 The notice must contain the provisions of this section and instructions directing grant
176.20 recipients how unexpended funds can be transferred to the clean energy advancement fund
176.21 account.

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

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

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

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

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

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

177.8 (d) A person who transfers funds to the clean energy advancement fund account under
177.9 this section is eligible to apply for funding from the clean energy advancement fund account.

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

177.11 Sec. 42. **REPEALER.**

177.12 (a) Laws 2013, chapter 85, article 6, section 11, is repealed.

177.13 (b) Minnesota Statutes 2016, sections 216B.8109; 216B.811; 216B.812; 216B.813; and
177.14 216B.815, are repealed.

177.15 (c) Minnesota Statutes 2016, sections 3.8852; and 116C.779, subdivision 3, are repealed.

177.16 (d) Minnesota Statutes 2016, sections 174.187; 216C.411; 216C.412; 216C.413;
177.17 216C.414; 216C.415; and 216C.416, are repealed.

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

177.19 **ARTICLE 10**

177.20 **HOUSING POLICY**

177.21 Section 1. Minnesota Statutes 2016, section 327C.01, is amended by adding a subdivision
177.22 to read:

177.23 Subd. 13. **Class I manufactured home park.** A "class I manufactured home park"
177.24 means a park that complies with the provisions of section 327C.16.

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

177.26 Sec. 2. **[327C.16] CLASS I MANUFACTURED HOME PARK.**

177.27 Subdivision 1. **Qualifications.** (a) To qualify as a class I manufactured home park, as
177.28 defined in section 327C.01, subdivision 13, a park owner, or on-site attendant as an employee
177.29 of the manufactured home park, must satisfy 12 hours of qualifying education courses every

178.1 three years, as prescribed in this subdivision. Park owners or on-site attendants may begin
178.2 accumulating qualifying hours to qualify as a class I manufactured home park beginning in
178.3 2017.

178.4 (b) The qualifying education courses required for classification under this subdivision
178.5 must be continuing education courses approved by the Department of Labor and Industry
178.6 or the Department of Commerce for:

178.7 (1) continuing education in real estate; or

178.8 (2) continuing education for residential contractors and manufactured home installers.

178.9 (c) The qualifying education courses must include:

178.10 (1) two hours on fair housing, approved for real estate licensure or residential contractor
178.11 licensure;

178.12 (2) one hour on the Americans with Disabilities Act, approved for real estate licensure
178.13 or residential contractor licensure;

178.14 (3) four hours on legal compliance related to any of the following: landlord/tenant,
178.15 licensing requirements, or home financing under chapters 58, 327, 327B, 327C, and 504B,
178.16 and Minnesota Rules, chapter 1350 or 4630;

178.17 (4) three hours of general education approved for real estate, residential contractors, or
178.18 manufactured home installers; and

178.19 (5) two hours of HUD-specific manufactured home installer courses as required under
178.20 section 327B.041.

178.21 (d) If the qualifying owner or employee attendant is no longer the person meeting the
178.22 requirements under this subdivision, but did qualify during the current assessment year,
178.23 then the manufactured home park shall still qualify for the class rate provided for class 4c
178.24 property classified under section 273.13, subdivision 25, paragraph (d), clause (5), item
178.25 (iii).

178.26 **Subd. 2. Proof of compliance.** (a) A park owner that has met the requirements of
178.27 subdivision 1 shall provide an affidavit to the park owner's county assessor certifying that
178.28 the park owner, corporate officer, or on-site attendant has complied with subdivision 1 and
178.29 that the park meets the definition of a class I manufactured home park as defined in this
178.30 section, and is entitled to the property tax classification rate for class I manufactured home
178.31 parks in section 273.13, subdivision 25. The park owner shall retain the original course

179.1 completion certificates issued by the course sponsor under this section for three years and,
179.2 upon written request for verification, provide these to the county assessor within 30 days.

179.3 (b) A park owner must provide the county assessor written notice of any change in
179.4 compliance status of the manufactured home park no later than December 15 of the
179.5 assessment year.

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

179.7 Sec. 3. Minnesota Statutes 2016, section 462.355, subdivision 4, is amended to read:

179.8 Subd. 4. **Interim ordinance.** (a) If a municipality is conducting studies or has authorized
179.9 a study to be conducted or has held or has scheduled a hearing for the purpose of considering
179.10 adoption or amendment of a comprehensive plan or official controls as defined in section
179.11 462.352, subdivision 15, or if new territory for which plans or controls have not been adopted
179.12 is annexed to a municipality, the governing body of the municipality may adopt an interim
179.13 ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning
179.14 process and the health, safety and welfare of its citizens. The interim ordinance may regulate,
179.15 restrict, or prohibit any use, development, or subdivision within the jurisdiction or a portion
179.16 thereof for a period not to exceed one year from the date it is effective.

179.17 (b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities
179.18 relating to livestock production, a public hearing must be held following a ten-day notice
179.19 given by publication in a newspaper of general circulation in the municipality before the
179.20 interim ordinance takes effect.

179.21 (c)(1) A statutory or home rule charter city may adopt an interim ordinance that regulates,
179.22 restricts, or prohibits a housing proposal only if the ordinance is approved by majority vote
179.23 of all members of the city council.

179.24 (2) Before adopting the interim ordinance, the city council must hold a public hearing
179.25 after providing written notice to any person who has submitted a housing proposal, has a
179.26 pending housing proposal, or has provided a written request to be notified of interim
179.27 ordinances related to housing proposals. The written notice must be provided at least three
179.28 business days before the public hearing. Notice also must be posted on the city's official
179.29 Web site, if the city has an official Web site.

179.30 (3) The date of the public hearing shall be the earlier of the next regularly scheduled
179.31 city council meeting after the notice period or within ten days of the notice.

179.32 (4) The activities proposed to be restricted by the proposed interim ordinance may not
179.33 be undertaken before the public hearing.

180.1 (5) For the purposes of this paragraph, "housing proposal" means a written request for
180.2 city approval of a project intended primarily to provide residential dwellings, either single
180.3 family or multi-family, and involves the subdivision or development of land or the
180.4 demolition, construction, reconstruction, alteration, repair, or occupancy of residential
180.5 dwellings.

180.6 ~~(e)~~ (d) The period of an interim ordinance applicable to an area that is affected by a city's
180.7 master plan for a municipal airport may be extended for such additional periods as the
180.8 municipality may deem appropriate, not exceeding a total additional period of 18 months.
180.9 In all other cases, no interim ordinance may halt, delay, or impede a subdivision that has
180.10 been given preliminary approval, nor may any interim ordinance extend the time deadline
180.11 for agency action set forth in section 15.99 with respect to any application filed prior to the
180.12 effective date of the interim ordinance. The governing body of the municipality may extend
180.13 the interim ordinance after a public hearing and written findings have been adopted based
180.14 upon one or more of the conditions in clause (1), (2), or (3). The public hearing must be
180.15 held at least 15 days but not more than 30 days before the expiration of the interim ordinance,
180.16 and notice of the hearing must be published at least ten days before the hearing. The interim
180.17 ordinance may be extended for the following conditions and durations, but, except as
180.18 provided in clause (3), an interim ordinance may not be extended more than an additional
180.19 18 months:

180.20 (1) up to an additional 120 days following the receipt of the final approval or review by
180.21 a federal, state, or metropolitan agency when the approval is required by law and the review
180.22 or approval has not been completed and received by the municipality at least 30 days before
180.23 the expiration of the interim ordinance;

180.24 (2) up to an additional 120 days following the completion of any other process required
180.25 by a state statute, federal law, or court order, when the process is not completed at least 30
180.26 days before the expiration of the interim ordinance; or

180.27 (3) up to an additional one year if the municipality has not adopted a comprehensive
180.28 plan under this section at the time the interim ordinance is enacted.

180.29 **EFFECTIVE DATE.** This section is effective for interim ordinances proposed on or
180.30 after August 1, 2017.

180.31 Sec. 4. Minnesota Statutes 2016, section 462A.201, subdivision 2, is amended to read:

180.32 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust
180.33 fund account to provide loans or grants for:

181.1 (1) projects for the development, construction, acquisition, preservation, and rehabilitation
181.2 of low-income rental and limited equity cooperative housing units, including temporary
181.3 and transitional housing;

181.4 (2) the costs of operating rental housing, as determined by the agency, that are unique
181.5 to the operation of low-income rental housing or supportive housing; ~~and~~

181.6 (3) rental assistance, either project-based or tenant-based; and

181.7 (4) projects to secure stable housing for families with children eligible for enrollment
181.8 in a prekindergarten through grade 12 academic program.

181.9 For purposes of this section, "transitional housing" has the meaning given by the United
181.10 States Department of Housing and Urban Development. Loans or grants for residential
181.11 housing for migrant farmworkers may be made under this section.

181.12 (b) The housing trust fund account must be used for the benefit of persons and families
181.13 whose income, at the time of initial occupancy, does not exceed 60 percent of median income
181.14 as determined by the United States Department of Housing and Urban Development for the
181.15 metropolitan area. At least 75 percent of the funds in the housing trust fund account must
181.16 be used for the benefit of persons and families whose income, at the time of initial occupancy,
181.17 does not exceed 30 percent of the median family income for the metropolitan area as defined
181.18 in section 473.121, subdivision 2. For purposes of this section, a household with a housing
181.19 assistance voucher under Section 8 of the United States Housing Act of 1937, as amended,
181.20 is deemed to meet the income requirements of this section.

181.21 The median family income may be adjusted for families of five or more.

181.22 (c) Rental assistance under this section must be provided by governmental units which
181.23 administer housing assistance supplements or by for-profit or nonprofit organizations
181.24 experienced in housing management. Rental assistance shall be limited to households whose
181.25 income at the time of initial receipt of rental assistance does not exceed 60 percent of median
181.26 income, as determined by the United States Department of Housing and Urban Development
181.27 for the metropolitan area. Priority among comparable applications for tenant-based rental
181.28 assistance will be given to proposals that will serve households whose income at the time
181.29 of initial application for rental assistance does not exceed 30 percent of median income, as
181.30 determined by the United States Department of Housing and Urban Development for the
181.31 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent
181.32 of a household's monthly income for four consecutive months equals or exceeds the market
181.33 rent for the unit in which the household resides plus utilities for which the tenant is
181.34 responsible. Rental assistance may only be used for rental housing units that meet the housing

182.1 maintenance code of the local unit of government in which the unit is located, if such a code
 182.2 has been adopted, or the housing quality standards adopted by the United States Department
 182.3 of Housing and Urban Development, if no local housing maintenance code has been adopted.

182.4 (d) In making the loans or grants, the agency shall determine the terms and conditions
 182.5 of repayment and the appropriate security, if any, should repayment be required. To promote
 182.6 the geographic distribution of grants and loans, the agency may designate a portion of the
 182.7 grant or loan awards to be set aside for projects located in specified congressional districts
 182.8 or other geographical regions specified by the agency. The agency may adopt rules for
 182.9 awarding grants and loans under this subdivision.

182.10 Sec. 5. Minnesota Statutes 2016, section 462A.2035, is amended to read:

182.11 **462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.**

182.12 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park
 182.13 redevelopment program for the purpose of making manufactured home park redevelopment
 182.14 grants or loans to cities, counties, ~~or~~ community action programs, nonprofit organizations,
 182.15 and cooperatives created under chapter 308A or 308B.

182.16 Subd. 1a. **Individual assistance grants.** Cities, counties, and community action programs
 182.17 Eligible recipients may use individual assistance grants and loans under this program to:

182.18 (1) provide current residents of manufactured home parks with buy-out assistance not
 182.19 to exceed \$4,000 per home with preference given to older manufactured homes; and

182.20 (2) provide down-payment assistance for the purchase of new and preowned manufactured
 182.21 homes that comply with the current version of the State Building Code in effect at the time
 182.22 of the sale, not to exceed \$10,000 per home; and.

182.23 ~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~

182.24 Subd. 1b. **Park infrastructure grants.** Eligible recipients may use park infrastructure
 182.25 grants under this program for:

182.26 (1) improvements in manufactured home parks; and

182.27 (2) infrastructure, including storm shelters and community facilities.

182.28 Subd. 2. **Eligibility requirements.** For individual assistance grants under subdivision
 182.29 1a, households assisted ~~under this section~~ must have an annual household income at or
 182.30 below 80 percent of the area median household income. Cities, counties, or community
 182.31 action programs receiving funds under the program must give preference to households at

183.1 or below 50 percent of the area median household income. Participation in the program is
183.2 voluntary and no park resident shall be required to participate.

183.3 Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in
183.4 approximately equal amounts to applicants outside and within the metropolitan area. Grants
183.5 and loans under this section shall be provided in a manner consistent with the agency's
183.6 policies and purposes in section 462A.02.

183.7 Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant
183.8 under subdivision 1b shall provide from year to year, on a cumulative basis, for adequate
183.9 reserve funds to cover the repair and replacement of the private infrastructure systems
183.10 serving the community.

183.11 Sec. 6. Minnesota Statutes 2016, section 462A.204, subdivision 8, is amended to read:

183.12 Subd. 8. **School stability.** (a) The agency in consultation with the Interagency ~~Task~~
183.13 ~~Force~~ Council on Homelessness may establish a school stability project under the family
183.14 homeless prevention and assistance program. The purpose of the project is to secure stable
183.15 housing for families with school-age children who have moved frequently and for
183.16 unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors
183.17 who are leaving foster care or juvenile correctional facilities, or minors who meet the
183.18 definition of a child in need of services or protection under section 260C.007, subdivision
183.19 6, but for whom no court finding has been made pursuant to that statute.

183.20 (b) The agency shall make grants to family homeless prevention and assistance projects
183.21 in communities with a school or schools that have a significant degree of student mobility.

183.22 (c) Each project must be designed to reduce school absenteeism; stabilize children in
183.23 one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each
183.24 project must include plans for the following:

183.25 (1) targeting of families with children ~~under age 12 who, in the last 12 months have~~
183.26 ~~either: changed schools or homes at least once or been absent from school at least 15 percent~~
183.27 ~~of the school year and who have either been evicted from their housing;~~ who are eligible
183.28 for a prekindergarten through grade 12 academic program and are living in overcrowded
183.29 conditions in their current housing; or are paying more than 50 percent of their income for
183.30 rent; or who lack a fixed, regular, and adequate nighttime residence;

183.31 (2) targeting of unaccompanied youth in need of an alternative residential setting;

184.1 (3) connecting families with the social services necessary to maintain the families'
 184.2 stability in their home, including but not limited to housing navigation, legal representation,
 184.3 and family outreach; and

184.4 (4) one or more of the following:

184.5 (i) provision of rental assistance for a specified period of time, which may exceed 24
 184.6 months; or

184.7 (ii) ~~development of permanent supportive housing or transitional housing~~ provision of
 184.8 support and case management services to improve housing stability, including but not limited
 184.9 to housing navigation and family outreach.

184.10 (d) ~~Notwithstanding subdivision 2, grants under this section may be used to acquire,~~
 184.11 ~~rehabilitate, or construct transitional or permanent housing~~ In selecting projects for funding
 184.12 under this subdivision, preference shall be given to organizations granted funding under
 184.13 section 462A.201, subdivision 2, paragraph (a), clause (4).

184.14 (e) ~~Each grantee under the project must include representatives of the local school district~~
 184.15 ~~or targeted schools, or both, and of the local community correction agencies on its advisory~~
 184.16 ~~committee~~ No grantee under this subdivision is required to have an advisory committee as
 184.17 described in subdivision 6.

184.18 **Sec. 7. [462A.39] WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

184.19 Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall
 184.20 establish a workforce housing development program to award grants or deferred loans to
 184.21 eligible project areas to be used for qualified expenditures.

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

184.24 (b) "Eligible project area" means a home rule charter or statutory city located outside
 184.25 of the metropolitan area as defined in section 473.121, subdivision 2, with a population
 184.26 exceeding 500; a community that has a combined population of 1,500 residents located
 184.27 within 15 miles of a home rule charter or statutory city located outside the metropolitan
 184.28 area as defined in section 473.121, subdivision 2; or an area served by a joint county-city
 184.29 economic development authority.

184.30 (c) "Joint county-city economic development authority" means an economic development
 184.31 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
 184.32 a city and county and excluding those established by the county only.

185.1 (d) "Market rate residential rental properties" means properties that are rented at market
185.2 value, including new modular homes, new manufactured homes, and new manufactured
185.3 homes on leased land or in a manufactured home park, and excludes:

185.4 (1) properties constructed with financial assistance requiring the property to be occupied
185.5 by residents that meet income limits under federal or state law of initial occupancy; and

185.6 (2) properties constructed with federal, state, or local flood recovery assistance, regardless
185.7 of whether that assistance imposed income limits as a condition of receiving assistance.

185.8 (e) "Qualified expenditure" means expenditures for market rate residential rental
185.9 properties including acquisition of property; construction of improvements; and provisions
185.10 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
185.11 costs.

185.12 Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting
185.13 and reviewing application for grants or deferred loans under this section. At a minimum, a
185.14 city must include in its application a resolution of its governing body certifying that the
185.15 matching amount as required under this section is available and committed.

185.16 Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or
185.17 deferred loans to an eligible project area under this section until the following determinations
185.18 are made:

185.19 (1) the average vacancy rate for rental housing located in the eligible project area, and
185.20 in any other city located within 15 miles or less of the boundaries of the area, has been five
185.21 percent or less for at least the prior two-year period;

185.22 (2) one or more businesses located in the eligible project area, or within 25 miles of the
185.23 area, that employs a minimum of 20 full-time equivalent employees in aggregate have
185.24 provided a written statement to the eligible project area indicating that the lack of available
185.25 rental housing has impeded their ability to recruit and hire employees; and

185.26 (3) the eligible project area has certified that the grants or deferred loans will be used
185.27 for qualified expenditures for the development of rental housing to serve employees of
185.28 businesses located in the eligible project area or surrounding area.

185.29 (b) Preference for grants or deferred loans awarded under this section shall be given to
185.30 eligible project areas with less than 30,000 people.

185.31 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent
185.32 of the rental housing development project cost. The commissioner shall not award a grant
185.33 or deferred loans to a city without certification by the city that the amount of the grant or

186.1 deferred loans shall be matched by a local unit of government, business, or nonprofit
186.2 organization with \$1 for every \$2 provided in grant or deferred loans funds.

186.3 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually submit
186.4 a report to the chairs and ranking minority members of the senate and house of representatives
186.5 committees having jurisdiction over taxes and workforce development specifying the projects
186.6 that received grants or deferred loans under this section and the specific purposes for which
186.7 the grant funds were used.

186.8 Sec. 8. **[462C.16] HOUSING TRUST FUNDS FOR LOCAL HOUSING**
186.9 **DEVELOPMENT.**

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

186.12 (b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

186.13 (c) "Fund" means a local housing trust fund or a regional housing trust fund.

186.14 (d) "Local government" means any statutory or home rule charter city or a county.

186.15 (e) "Local housing trust fund" means a fund established by a local government with one
186.16 or more dedicated sources of public revenue for housing.

186.17 (f) "Regional housing trust fund" means a fund established and administered under a
186.18 joint powers agreement entered into by two or more local governments with one or more
186.19 dedicated sources of public revenue for housing.

186.20 Subd. 2. **Creation and administration.** (a) A local government may establish a local
186.21 housing trust fund by ordinance or participate in a joint powers agreement to establish a
186.22 regional housing trust fund.

186.23 (b) A local or regional housing trust fund may be, but is not required to be, administered
186.24 through a nonprofit organization. If administered through a nonprofit organization, that
186.25 organization shall encourage private charitable donations to the fund.

186.26 Subd. 3. **Authorized expenditures.** Money in a local or regional housing trust fund may
186.27 be used only to:

186.28 (1) pay for administrative expenses, but not more than ten percent of the balance of the
186.29 fund may be spent on administration;

186.30 (2) make grants, loans, and loan guarantees for the development, rehabilitation, or
186.31 financing of housing;

187.1 (3) match other funds from federal, state, or private resources for housing projects; or
187.2 (4) provide down payment assistance, rental assistance, and homebuyer counseling
187.3 services.

187.4 Subd. 4. **Funding.** (a) A local government may finance its local or regional housing
187.5 trust fund with any money available to the local government, unless expressly prohibited
187.6 by state law. Sources of these funds include, but are not limited to:

187.7 (1) donations;

187.8 (2) bond proceeds;

187.9 (3) grants and loans from a state, federal, or private source;

187.10 (4) appropriations by a local government to the fund;

187.11 (5) investment earnings of the fund; and

187.12 (6) housing and redevelopment authority levies.

187.13 (b) The local government may alter a source of funding for the local or regional housing
187.14 trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts
187.15 or expenditures authorized by the fund in its budget.

187.16 Subd. 5. **Reports.** A local or regional housing trust fund established under this section
187.17 must report annually to the local government that created the fund. The local government
187.18 or governments must post this report on its public Web site.

187.19 Subd. 6. **Effect of legislation on existing local or regional housing trust funds.** A
187.20 local or regional housing trust fund existing on the effective date of this section is not
187.21 required to alter the existing terms of its governing documents or take any additional
187.22 authorizing actions required by subdivision 2.

187.23 Sec. 9. **MINNESOTA HOUSING FINANCE AGENCY REPORT.**

187.24 By September 30, 2017, and September 30, 2018, the Housing Finance Agency shall
187.25 provide to the chairs and ranking minority members of the house of representatives and
187.26 senate committees with jurisdiction over the agency a draft and final version of its affordable
187.27 housing plan before and after it has been submitted to the agency board for consideration.
187.28 The affordable housing plan must include information on the availability of funds within
187.29 the Housing Affordability Fund, or Pool 3, the anticipated uses of those funds, and the prior
187.30 year's actual uses of those funds.

188.1

ARTICLE 11

188.2

MISCELLANEOUS POLICY

188.3

188.4

188.5

Section 1. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special Session chapter 1, article 7, section 1, and Laws 2016, chapter 189, article 7, section 42, is amended to read:

188.6

Sec. 13. EFFECTIVE DATE.

188.7

188.8

Sections 1 to 3 and 6 to 11 are effective July 1, ~~2017~~ 2020. Sections 4, 5, and 12 are effective July 1, 2014.

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EFFECTIVE DATE. This section is effective the day following final enactment. Until July 1, 2020, any employee, employer, employee or employer organization, exclusive representative, or any other person or organization aggrieved by an unfair labor practice as defined in Minnesota Statutes, section 179A.13, may bring an action for injunctive relief and for damages caused by the unfair labor practice in the district court of the county in which the practice is alleged to have occurred.

188.15

Sec. 2. AGENCY ACTIVITY AND EXPENDITURE REPORTS.

188.16

188.17

188.18

188.19

188.20

(a) The commissioners of employment and economic development, housing finance, labor and industry, and commerce, as well as the Public Utilities Commission, must each submit a report, as described in paragraph (b), to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over their budget appropriations by October 15, 2018.

188.21

(b) The reports must include:

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188.23

(1) the number of employees in each operational division and descriptions of the work of each employee;

188.24

(2) a description of the responsibilities that fall under each operational division;

188.25

188.26

(3) a detailed list of the source of all revenue, including any fees, taxes, or other revenues collected, as well as details of base budgets, including all prior appropriation riders;

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188.28

(4) how much of each budgetary division appropriation passes through as grants, as well as the costs related to each grant program;

188.29

188.30

(5) a detailed description of the costs related to each budgetary division, as well as the statutory authority under which those costs are allocated; and

188.31

(6) the statutory authority for all expenditures."

189.1 Delete the title and insert:

189.2 "A bill for an act

189.3 relating to state government; appropriating money for jobs and economic
 189.4 development; appropriating money for the Department of Employment and
 189.5 Economic Development, Housing Finance Agency, Department of Labor and
 189.6 Industry, Bureau of Mediation Services, Workers' Compensation Court of Appeals,
 189.7 Department of Commerce, Public Utilities Commission, and Public Facilities
 189.8 Authority; making policy and housekeeping changes to labor and industry
 189.9 provisions; making policy changes to employment, economic development, and
 189.10 workforce development provisions; making policy changes to the Department of
 189.11 Iron Range Resources and Rehabilitation; making changes related to workers'
 189.12 compensation; making changes to commerce and energy policy; making other
 189.13 housing and miscellaneous policy changes; modifying fees; modifying criminal
 189.14 penalties; requiring reports; amending Minnesota Statutes 2016, sections 3.732,
 189.15 subdivision 1; 3.736, subdivision 3; 3.8851, subdivision 1; 15.01; 15.38, subdivision
 189.16 7; 15A.0815, subdivision 3; 16B.323; 43A.02, subdivision 22; 45.0135, subdivision
 189.17 6; 65B.84, subdivision 1; 85.0146, subdivision 1; 116.03, by adding a subdivision;
 189.18 116C.779, subdivision 1, by adding a subdivision; 116C.7792; 116D.04, subdivision
 189.19 1a; 116J.423, subdivision 2; 116J.424; 116J.8731, subdivision 2, by adding a
 189.20 subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116J.994, subdivisions 3, 5, 7;
 189.21 116L.17, subdivision 1; 116L.665; 116M.14, subdivision 4; 116M.17, subdivision
 189.22 4; 116M.18, subdivisions 1a, 4, 4a, 8; 175.45; 176.361, subdivisions 2, 3; 176.521,
 189.23 by adding a subdivision; 176.541, subdivisions 1, 8, by adding a subdivision;
 189.24 176.611, subdivision 2; 216B.03; 216B.16, subdivisions 1a, 6; 216B.161,
 189.25 subdivision 1; 216B.164, subdivisions 2, 5, 9, by adding a subdivision; 216B.1691,
 189.26 subdivision 2f; 216B.1694, subdivisions 1, 3; 216B.241, subdivisions 1b, 1c, 1d,
 189.27 2, 5, 5d, 7; 216B.2422, subdivisions 2, 3, 4; 216B.2424, by adding a subdivision;
 189.28 216B.243, subdivision 8; 216C.05, subdivision 2; 216C.41, subdivisions 2, 5a;
 189.29 216C.435, by adding a subdivision; 216E.03, subdivisions 3, 9; 216E.04,
 189.30 subdivision 7; 216F.01, subdivision 2; 216F.011; 216F.04; 216H.03, subdivisions
 189.31 3, 4, 7; 237.01, by adding subdivisions; 276A.01, subdivisions 8, 17; 276A.06,
 189.32 subdivision 8; 282.38, subdivisions 1, 3; 297I.11, subdivision 2; 298.001,
 189.33 subdivision 8, by adding a subdivision; 298.018, subdivision 1; 298.17; 298.22,
 189.34 subdivisions 1, 1a, 5a, 6, 10, 11, by adding subdivisions; 298.221; 298.2211,
 189.35 subdivisions 3, 6; 298.2212; 298.223, subdivisions 1, 2; 298.227; 298.27; 298.28,
 189.36 subdivisions 7, 7a, 9c, 9d, 11; 298.292, subdivision 2; 298.296; 298.2961; 298.297;
 189.37 298.46, subdivisions 2, 5, 6; 325J.06; 326B.092, subdivision 7; 326B.153,
 189.38 subdivision 1; 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50,
 189.39 subdivision 3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.805,
 189.40 subdivision 3; 326B.89, subdivisions 1, 5; 327C.01, by adding a subdivision;
 189.41 345.42, by adding a subdivision; 345.49; 462.355, subdivision 4; 462A.2035;
 189.42 466.03, subdivision 6c; 469.310, subdivision 9; 474A.02, subdivision 21; Laws
 189.43 2010, chapter 389, article 5, section 7; Laws 2014, chapter 211, section 13, as
 189.44 amended; Laws 2014, chapter 312, article 2, section 14, as amended; Laws 2015,
 189.45 First Special Session chapter 1, article 1, section 5, subdivision 2; Laws 2016,
 189.46 chapter 189, article 7, section 46; Laws 2017, chapter 68, article 1, section 1;
 189.47 proposing coding for new law in Minnesota Statutes, chapters 116J; 175; 176;
 189.48 216B; 216C; 216G; 237; 239; 326B; 327C; 462A; 462C; 471; repealing Minnesota
 189.49 Statutes 2016, sections 3.8852; 116C.779, subdivision 3; 116J.549; 174.187;
 189.50 176.541, subdivision 7; 216B.8109; 216B.811; 216B.812; 216B.813; 216B.815;
 189.51 216C.29; 216C.411; 216C.412; 216C.413; 216C.414; 216C.415; 216C.416; 298.22,
 189.52 subdivision 8; 298.2213; 298.298; 326B.89, subdivision 14; Laws 2013, chapter
 189.53 85, article 6, section 11; Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300;
 189.54 4355.0400; 4355.0500."