Baker and Pinto from the Committee on Workforce, Labor, and Economic Development Finance and Policy to which was referred:

H. F. No. 3732, A bill for an act relating to economic development; repealing different unfunded programs of the Department of Employment and Economic Development; making conforming changes; amending Minnesota Statutes 2024, sections 116J.575, subdivision 1a; 116J.8731, subdivision 4; 446A.07, subdivision 9; Minnesota Statutes 2025 Supplement, section 446A.07, subdivision 8; repealing Minnesota Statutes 2024, sections 116J.437; 116J.438; 116J.617, subdivisions 1, 2, 3, 4; 116J.658; 116J.872; Minnesota Rules, part 3300.0500, subparts 1, 2a, 3, 4, 5, 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2024, section 116J.435, is amended by adding a subdivision to read:

Subd. 8. **Development restrictions expiration.** If, within ten years from the date of the grant award under this section, the eligible project for which the public infrastructure was intended has not been developed, the public infrastructure may thereafter be used to support any other lawful project. The city or county must notify the commissioner of the alternative project.

Sec. 2. Minnesota Statutes 2024, section 116L.362, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth, which may include support services that assist targeted youth with entering and completing that education or training. The purpose of these programs is to provide specialized training and work experience for targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, improvement, or construction of (1) residential units for the homeless; (2) improvements to the energy efficiency and environmental health of residential units and other green jobs purposes; (3) facilities to support community garden projects; or (4) education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.

(b) Eligible facilities must principally provide services to homeless or low income individuals and families, and include the following:

(1) Head Start or day care centers, including playhouses or similar incidental structures;

(2) homeless, battered women, or other shelters;

(3) transitional housing and tiny houses;

(4) youth or senior citizen centers;

(5) community health centers; and

(6) community garden facilities.

(c) Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Sec. 3. Minnesota Statutes 2024, section 116L.364, subdivision 1, is amended to read:

Subdivision 1. **Program purpose.** The grants awarded under section 116L.362 are for a youth employment and training program directed at targeted youth who are likely to be at risk of not completing their high school education. Each program must include education, work experience, job skills, and leadership training and peer support components and may include support services that assist targeted youth with entering and completing their education and training. Each participant must be offered counseling and other services to identify and overcome problems that might interfere with successfully completing the program.

Sec. 4. Minnesota Statutes 2024, section 116L.561, subdivision 6, is amended to read:

Subd. 6. **Allowable cost categories.** Of the total allocation, up to 15 percent may be used for administrative purposes and the remainder may be used for a combination of training and participant support activities, which may include support services that assist youth with entering and completing their training.

Sec. 5. Minnesota Statutes 2025 Supplement, section 116L.562, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner shall award grants to eligible organizations for the purpose of providing workforce development and training opportunities or preemployment services and mentorship opportunities to economically disadvantaged or at-risk youth ages 14 to 24<u>, which may include support services that assist youth with entering and completing such training and services</u>.

Sec. 6. Minnesota Statutes 2024, section 116L.665, is amended by adding a subdivision to read:

<u>Subd. 9.</u> **<u>Report to legislature.</u>** <u>(a) The board must convene a subcommittee of its members, plus four members specially appointed by the governor, to review applications from nonprofit organizations and recommend to the legislature which applicants should receive appropriations from the workforce development fund. The subcommittee must consist of:</u>

<u>(1) four members who are legislators;</u>

<u>(2) three members who represent businesses;</u>

<u>(3) two members who represent labor organizations;</u>

<u>(4) one worker representative who is not a representative of a labor organization, appointed by the governor; and</u>

<u>(5) three members, appointed by the governor, who represent community organizations and have experience with workforce development, including lived experience.</u>

<u>(b) The subcommittee must, in alignment with Minnesota's current Workforce Innovation and Opportunity Act combined state plan, identify workforce needs that are not likely to be met by market forces.</u>

<u>(c) The subcommittee must conduct outreach to make nonprofit organizations that provide workforce development services aware of the opportunity to apply to receive the board's recommendation for a legislative appropriation.</u>

<u>(d) In reviewing applications, the subcommittee must consider, at a minimum:</u>

<u>(1) the applicant's ability to meet the requirements of chapter 16B;</u>

<u>(2) the applicant's ability to meet workforce development needs identified in paragraph (b);</u>

(3) past state funding received by the applicant;

(4) the applicant's number of employees and executive compensation details;

(5) the applicant's past record of success at providing workforce development services; and

(6) the proposal's eligibility for existing competitive grant programs.

(e) After conducting this review, the subcommittee must submit a report to the board that contains recommendations to the legislature for which applicants should receive appropriations from the workforce development fund, along with the recommended amount and purpose of each appropriation. These recommendations should be grouped by the type of workforce development services that would be funded. The total amount of appropriations recommended may not exceed $10,000,000.

(f) The board must consider the subcommittee's report under paragraph (d) and vote to either approve the report or return it to the subcommittee for further consideration.

(g) By February 1 of every odd-numbered year, beginning in February 1, 2027, the board must submit an approved version of the report under paragraph (d) to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce development.

Sec. 7. Minnesota Statutes 2025 Supplement, section 116L.90, subdivision 3, is amended to read:

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for ~~both~~:

(1) developing a training program relevant to the legal cannabis industry ~~and for~~;

(2) providing such training to individuals; and

(3) support services for individuals enrolled in such training.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to train individuals for successful careers in the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed training;

(2) an analysis of the degree of demand in the legal cannabis industry for the skills gained through the proposed training;

(3) any evidence of the organization's past success in training individuals for successful careers, particularly in new or emerging industries;

(4) an estimate of the cost of providing the proposed training;

(5) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to participate in the training; and

(6) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

(1) result in an industry-relevant credential; or

(2) include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Sec. 8. **[116L.92] HEALTH CARE WORKFORCE GRANT PROGRAM.**

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

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

(c) "Eligible applicant" means a unit of local government, a nonprofit organization, or an educational institution.

(d) "Health care workforce grant program" or "program" means the competitive grant program created in this section.

Subd. 2. **Establishment.** The commissioner must establish a competitive grant program to address workforce shortages in the health care sector that are unlikely to be solved by normal market forces.

Subd. 3. **Grant process.** (a) The commissioner must award grants to eligible applicants through a competitive grant process using forms designed by the commissioner.

(b) All reporting requirements for grant recipients must be outlined in plain language in both the request for proposal and the grant contract.

(c) The commissioner must provide applicants with technical assistance with understanding application procedures and program guidelines, so that the program is accessible to even very small organizations without prior state grant experience.

(d) The commissioner must make efforts to ensure that grants are awarded in a manner that achieves geographic diversity, demographic diversity, and access for organizations that have not previously received state grants.

Subd. 4. **Award criteria.** The commissioner must develop criteria for evaluating applications and awarding grants. The commissioner's scoring criteria must evaluate each application's potential for successfully addressing workforce shortages in the health care sector that are unlikely to be solved by normal market forces.

Subd. 5. **Performance metrics.** The commissioner must establish performance metrics for grants that capture the effect of grant funds on workforce shortages in the health care sector.

Subd. 6. **Reporting.** By January 15 of every year that follows a year when the program received state funding, beginning in 2028, the commissioner must submit a report to the chairs and minority leads of the legislative committees with jurisdiction over workforce development on program outcomes and the performance metrics under subdivision 5 of individual grant projects.

Sec. 9. Minnesota Statutes 2025 Supplement, section 116L.98, subdivision 3, is amended to read:

Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December 31 each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for the previous two fiscal or calendar ~~year~~ years, for each program subject to the requirements of subdivision 1:

(1) the total number of participants enrolled;

(2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;

(3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;

(4) the total number of participants enrolled in training;

(5) the total number of participants enrolled in training by occupational group;

(6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;

(7) the total number of exited participants who completed training;

(8) the total number of exited participants who attained a credential;

(9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;

(10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;

(11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry;

(12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit;

(13) the total cost of the program;

(14) the total cost of the program per participant;

(15) the cost per credential received by a participant; and

(16) the administrative cost of the program.

(b) In addition to meeting any reporting requirements included in the grant agreement, each program grant recipient and any individually specified grantee named in an appropriation to be administered by or through the commissioner is subject to this section and must provide the following information to the commissioner:

(1) a summary of the purpose of the grant;

(2) the amount of the grant awarded to the grantee;

(3) the amount of previous grants issued by or through the commissioner of employment and economic development to the grantee for the previous four years;

(4) to the extent that participant geographic data is available, if a grantee uses grant money to provide services to persons who reside outside of Minnesota, the grantee must list the states where non-Minnesotan participants reside and an explanation of why grant money was used to provide services to non-Minnesota residents; and

(5) the organization's charitable giving ratio if available on the grantee's Internal Revenue Service Form 990.

The commissioner must provide the information required in this paragraph for each grantee separately in the report required under paragraph (a). A grantee must provide updated information required to complete the report under paragraph (a) to the commissioner ~~annually~~ by the October 1 immediately preceding the due date of the commissioner's report, until October 1 in the year when all of the grant funds have been spent or canceled.

(c) The report to the legislature must contain participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not.

(d) The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

(e) As a condition of receiving a grant from the department, a grantee must agree to provide the commissioner any information necessary to complete the report required by this section.

Sec. 10. **[116L.981] PATHWAYS TO PROSPERITY PROGRAM.**

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

(b) "Barriers to employment" means life circumstances that make finding and maintaining employment more difficult. This includes but is not limited to:

(1) being economically disadvantaged;

(2) being from a low-income community;

(3) having limited English proficiency;

(4) involvement with the justice system;

(5) having a disability;

(6) having a substance use disorder;

(7) receiving public assistance;

(8) being homeless, having a history of homelessness, or being housing insecure;

(9) being the single parent of a minor child; or

(10) having a basic skills deficiency.

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

(d) "Pathways to prosperity program" or "program" means the competitive grant program created in this section.

Subd. 2. **Establishment.** The pathways to prosperity program is established to assist adults facing barriers to employment with preparing for and finding employment that can lead to a family-sustaining career. The commissioner must award competitive grants to eligible organizations to accomplish this purpose.

Subd. 3. **Eligible services.** To be eligible for a pathways to prosperity grant, an applicant must propose a plan to provide one or more of the following services:

(1) individualized counseling to achieve personalized education and career goals;

(2) education, training, and other services, including English language learning, adult basic education, and GED preparation, tailored to the individual student in a manner that lowers barriers to completion and accelerates career advancement to the greatest extent practicable;

(3) training that results in a relevant academic award, certificate, or industry-recognized credential that helps the individual enter or advance in a specific occupation or occupational cluster;

(4) targeted placement and job search assistance; or

(5) wraparound support services to assist individuals with entering and completing a training program, including, but not limited to, assistance with housing, transportation, child care, adult basic education, and English as a second language services.

Subd. 4. **Award criteria.** The commissioner must develop criteria for evaluating applications and awarding grants. The commissioner's scoring criteria must evaluate each application's potential for successfully:

(1) providing one or more services listed under subdivision 3;

(2) working with populations facing significant barriers to employment;

(3) preparing participants for long-term employment opportunities with family-sustaining wages;

(4) aligning with the demands of the labor market of the community where the organization operates;

(5) leveraging nonstate funds in any amount, either in cash or in-kind; and

(6) either continuing a history of achieving positive outcomes or pursuing a novel but evidence-informed approach for achieving positive outcomes.

Subd. 5. **Grant process.** (a) The commissioner must award grants to applicants through a competitive grant process using forms designed by the commissioner.

(b) All reporting requirements for grant recipients must be outlined in plain language in both the request for proposal and the grant contract.

(c) The commissioner must provide applicants with technical assistance with understanding application procedures and program guidelines, so that the program is accessible to even very small organizations without prior state grant experience.

(d) The commissioner must make efforts to ensure that grants are awarded in a manner that achieves geographic diversity, demographic diversity, and access for organizations that have not previously received state workforce development grants.

Subd. 6. **Performance metrics.** Reporting and performance outcomes for the program must comply with the requirements under section 116L.98.

Sec. 11. Minnesota Statutes 2024, section 116L.99, subdivision 3, is amended to read:

Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

(1) recruitment, preparation, placement, and retention of women, including women of color, low-income women and women over 50 years old, in registered apprenticeships, postsecondary education programs, on-the-job training, and permanent employment in high-wage, high-demand, nontraditional occupations;

(2) secondary or postsecondary education or other training to prepare women to succeed in high-wage, high-demand, nontraditional occupations. Activities under this clause may be conducted by the grantee or in collaboration with another institution, including but not limited to a public or private secondary or postsecondary school;

(3) innovative, hands-on, best practices that stimulate interest in high-wage, high-demand, nontraditional occupations among girls, increase awareness among girls about opportunities

in high-wage, high-demand, nontraditional occupations, or increase access to secondary programming leading to jobs in high-wage, high-demand, nontraditional occupations. Best practices include but are not limited to mentoring, internships, or apprenticeships for girls in high-wage, high-demand, nontraditional occupations;

(4) training and other staff development for job seeker counselors and Minnesota family investment program (MFIP) caseworkers on opportunities in high-wage, high-demand, nontraditional occupations;

(5) incentives for employers and sponsors of registered apprenticeship programs to retain women in high-wage, high-demand, nontraditional occupations for more than one year;

(6) training and technical assistance for employers to create a safe and healthy workplace environment designed to retain and advance women, including best practices for addressing sexual harassment, and to overcome gender inequity among employers and registered apprenticeship programs;

(7) public education and outreach activities to overcome stereotypes about women in high-wage, high-demand, nontraditional occupations, including the development of educational and marketing materials;

(8) ~~services to~~ support services for women in high-wage, high-demand, nontraditional occupations, or training for such occupations, including but not limited to assistance with balancing work responsibilities; skills training and education; family caregiving; financial assistance for child care, transportation, and safe and stable housing; workplace issues resolution; and access to advocacy assistance and services; and

(9) recruitment, participation, and support of girls of color in approved training programs or a valid apprenticeship program subject to section 181A.07, subdivision 7.

(b) Grant applications must include detailed information about how the applicant plans to:

(1) increase women's participation in high-wage, high-demand occupations in which women are currently underrepresented in the workforce;

(2) comply with the requirements under subdivision 3;

(3) use grant funds in conjunction with funding from other public or private sources; and

(4) collaborate with existing, successful programs for training, education, recruitment, preparation, placement, and retention of women of color in high-wage, high-demand, nontraditional occupations and STEM occupations.

(c) In awarding grants under this subdivision, the commissioner shall give priority to eligible organizations:

(1) with demonstrated success in recruiting and preparing women, especially low-income women, women of color, and women over 50 years old, for high-wage, high-demand, nontraditional occupations; and

(2) that leverage additional public and private resources.

(d) At least 50 percent of total grant funds must be awarded to programs providing services and activities targeted to low-income women and women of color.

(e) The commissioner of employment and economic development in conjunction with the commissioner of labor and industry shall monitor the use of funds under this section, collect and compile information on the activities of other state agencies and public or private entities that have purposes similar to those under this section, and identify other public and private funding available for these purposes.

(f) By January 15, 2019, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that details the use of grant funds. If data is available, the report must contain data that is disaggregated by race, cultural groups, family income, age, geographical location, migrant or foreign immigrant status, primary language, whether the participant is an English learner under section 124D.59, disability, and status of homelessness.

Sec. 12. **IRON ORE MINING ADDITIONAL UNEMPLOYMENT BENEFITS PROGRAM.**

Subdivision 1. **Availability of additional benefits.** Additional unemployment benefits are available from the Minnesota unemployment insurance trust fund to an applicant who was laid off due to lack of work on or after November 1, 2025, and before March 15, 2026, from:

(1) an employer in the iron ore mining industry that laid off 40 percent or more of the employer's workforce on or after March 15, 2025, and before June 16, 2025; or

(2) an employer that is in the explosive manufacturing industry and providing goods or services to an employer in the iron ore mining industry, if the applicant was laid off due to the cessation or substantial reduction in operations of an employer in the iron ore mining industry as described in clause (1).

Subd. 2. **Eligibility requirements.** An applicant is eligible to receive additional unemployment benefits under this section for any week through the week ending March 20, 2027, if:

(1) the applicant established a benefit account under Minnesota Statutes, section 268.07, with 50 percent or greater of the wage credits from an employer as described in subdivision 1, and has exhausted the maximum amount of regular unemployment benefits available on that benefit account; and

(2) the applicant meets the same requirements that an applicant for regular unemployment benefits must meet under Minnesota Statutes, section 268.069, subdivision 1.

Subd. 3. **Weekly and maximum amount of additional unemployment benefits.** (a) The weekly benefit amount of additional unemployment benefits is the same as the weekly benefit amount of regular unemployment benefits on the benefit account established in subdivision 2, clause (1).

(b) The maximum amount of additional unemployment benefits available to an applicant under this section is an amount equal to 26 weeks of payment at the applicant's weekly additional unemployment benefit amount.

(c) If an applicant qualifies for a new regular benefit account that meets the requirements of subdivision 4, paragraph (b), before the applicant has been paid additional unemployment benefits, and the new regular benefit account meets the requirements of subdivision 2, clause (1), the applicant's weekly additional unemployment benefit amount is equal to the weekly unemployment benefit amount on the applicant's new regular benefit account.

Subd. 4. **Qualifying for a new regular benefit account.** (a) If, after exhausting the maximum amount of regular unemployment benefits available as a result of the layoff under subdivision 1, an applicant qualifies for the new regular benefit account under Minnesota Statutes, section 268.07, the applicant must apply for and establish the new regular benefit account.

(b) If the applicant's weekly benefit amount under the new regular benefit account is equal to or higher than the applicant's weekly additional unemployment benefit amount, the applicant must request unemployment benefits under the new regular benefit account. An applicant is ineligible for additional unemployment benefits under this section until the applicant has exhausted the maximum amount of unemployment benefits available on the new regular benefit account.

(c) If the applicant's weekly unemployment benefit amount on the new regular benefit account is less than the applicant's weekly benefit amount of additional unemployment benefits, the applicant must request additional unemployment benefits. An applicant is ineligible for new regular unemployment benefits until the applicant has exhausted the maximum amount of additional unemployment benefits available under this section.

Subd. 5. **Eligibility for federal Trade Readjustment Allowance benefits.** An applicant who has applied and been determined eligible for federal Trade Readjustment Allowance benefits is not eligible for additional unemployment benefits under this section.

EFFECTIVE DATE. This section is effective retroactively from November 1, 2025.

Sec. 13. **EXTENDED EMPLOYMENT.**

(a) Beginning July 1, 2026, through June 30, 2028, the commissioner of employment and economic development must waive enforcement of Minnesota Rules, part 3300.6005, subpart 1, item B, for a program participant when:

(1) no provider licensed under Minnesota Statutes, chapter 245D, that offers employment supports is available to serve the participant; or

(2) waitlists of existing providers licensed under Minnesota Statutes, chapter 245D, result in the inability to access services and the delay could reasonably result in disruption of services for the participant, potentially jeopardizing the participant's ability to maintain employment.

Nonwaivered participants must be prioritized without being waitlisted for the extended employment program.

(b) To qualify for a waiver under paragraph (a), the program provider must submit a form, developed by the commissioner, in consultation with the commissioner of human services and providers, that:

(1) demonstrates or attests to the participant's qualifying circumstances under paragraph (a); and

(2) documents that the individual is receiving separate services from the waiver program and the extended employment program and that no services are billed or reimbursed by more than one program.

EFFECTIVE DATE. This section is effective the day following final enactment and expires July 1, 2028.

Sec. 14. **RURAL CANCER INSTITUTE PILOT PROGRAM APPROPRIATION MODIFICATION.**

(a) The appropriation for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), must prioritize Minnesota clinicians and students. The Rural Cancer Institute may work with clinicians and students from elsewhere in the United States if the clinician or student receives the recommendation of a practicing Minnesota oncologist and all care is provided in Minnesota.

(b) The appropriations in fiscal years 2026 and 2027 for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), are available until June 30, 2028.

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

Sec. 15. **OFFICE OF COMMUNITY INVESTMENT; APPROPRIATION.**

$400,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of employment and economic development for the establishment and operation of a centralized Office of Community Investment overseen by a director appointed by the commissioner. The director is responsible for overseeing all grant processes at the Department of Employment and Economic Development, including engaging with stakeholders in the legislature, executive branch, and wider community to develop a strategic direction for grant-making, coordinating across the agency on orienting program design around achieving specific goals with documentable outcomes, ensuring compliance with all state and federal grant requirements, streamlining operations, increasing the accessibility and transparency of grant-making, maintaining best practices, and tracking grant outcomes.

Sec. 16. **APPROPRIATION.**

$401,000 in fiscal year 2027 is appropriated from the workforce development fund to the commissioner of employment and economic development for the subcommittee and report required under Minnesota Statutes, section 116L.665, subdivision 9.

ARTICLE 2

DEPARTMENT OF LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2024, section 326B.107, subdivision 2, is amended to read:

Subd. 2. **Municipal agreement for ~~all~~ building projects.** (a) The commissioner shall enter into an agreement with a municipality other than the state for plan review, inspection, code administration, and code enforcement on public buildings and state-licensed facilities in the jurisdiction if the municipality requests to provide those services and the commissioner determines that the municipality has enough adequately trained and qualified ~~inspectors~~ persons to provide those services. In determining whether a municipality has enough adequately trained and qualified ~~inspectors~~ persons to provide the service, the commissioner must consider all ~~inspectors~~ code enforcement staff who are employed by the municipality, are under contract with the municipality to provide ~~inspection~~ code enforcement services, or are obligated to provide ~~inspection~~ code enforcement services to the municipality under any other lawful agreement.

(b) The criteria used to make this determination shall be provided in writing to the municipality requesting an agreement.

(c) If the commissioner determines that the municipality lacks enough adequately trained and qualified ~~inspectors~~ persons to provide the required services, a written explanation of the deficiencies shall be provided to the municipality.

(d) The municipality shall be given an opportunity to remedy any deficiencies and request reconsideration of the commissioner's determination. A request for reconsideration must be in writing and accompanied by substantiating documentation. A request for reconsideration must be received by the commissioner within 90 days of the determination explanation. The commissioner shall review the information and issue a final determination to the municipality within 30 days of the request.

(e) A municipality aggrieved by a final decision of the commissioner to not enter into an agreement may appeal to be heard as a contested case in accordance with chapter 14.

Sec. 2. Minnesota Statutes 2024, section 326B.32, subdivision 2, is amended to read:

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

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

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

(3) adopt the Minnesota Electrical Code, which must be the most current edition of the National Electrical Code and any amendments thereto. The board shall adopt the most current edition of the National Electrical Code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b) and (c);

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

(5) adopt rules that regulate the licensure or registration of electrical businesses, electrical contractors, master electricians, journeyworker electricians, ~~Class A installer,~~ Class B installer, power limited technicians, and other persons who perform electrical work except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (d) and (e);

(6) adopt rules that regulate continuing education for individuals licensed or registered as electrical businesses, electrical contractors, master electricians, journeyworker electricians, ~~Class A installer,~~ Class B installer, power limited technicians, and other persons who perform electrical work. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (d) and (e);

(7) advise the commissioner regarding educational requirements for electrical inspectors;

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

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

(10) approve license reciprocity agreements;

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

(12) recommend the fees for licenses and certifications.

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

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

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

Sec. 3. Minnesota Statutes 2024, section 326B.33, subdivision 4, is amended to read:

Subd. 4. **Class B installer.** Notwithstanding the provisions of subdivisions 1, 2, and 14, any individual holding a Class B installer license may lay out and install electrical wiring, apparatus and equipment on center pivot irrigation booms on the load side of the main service on farmsteads, and install such other electrical equipment as is approved by the commissioner. As of December 1, 2027, no new Class B installer licenses shall be issued. An individual who holds a Class B installer license as of December 1, 2027, may retain and renew the license and exercise the privileges the license grants.

Sec. 4. Minnesota Statutes 2024, section 326B.33, subdivision 19, is amended to read:

Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor and satellite system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. All other personal licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

(b) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the registration of an unlicensed individual under subdivision 12 shall be considered an entry level license;

(2) the following licenses shall be considered journeyworker licenses: Class A journeyworker electrician, Class B journeyworker electrician, ~~Class A installer,~~ Class B installer, lineman, maintenance electrician, satellite system installer, and power limited technician;

(3) the following licenses shall be considered master licenses: Class A master electrician and Class B master electrician; and

(4) the following licenses shall be considered business licenses: Class A electrical contractor, Class B electrical contractor, satellite system contractor, and technology systems contractor.

(c) For each filing of a certificate of responsible person by an employer, the fee is $100.

Sec. 5. Minnesota Statutes 2024, section 326B.36, subdivision 3, is amended to read:

Subd. 3. **Licenses~~; bond~~.** All inspectors shall hold licenses as master or journeyworker electricians under this chapter. ~~All inspectors under contract with the department to provide electrical inspection services shall give bond in the amount of $1,000, conditioned upon the faithful performance of their duties.~~

Sec. 6. Minnesota Statutes 2025 Supplement, section 326B.37, subdivision 5, is amended to read:

Subd. 5. **Inspection fee for dwelling.** (a) The inspection fee for a one-family dwelling and each dwelling unit of a two-family dwelling is the following:

(1) the fee for each service or other source of power as provided in subdivision 3;

(2) $165 for up to 30 feeders and circuits; and

(3) for each additional feeder or circuit, the fee as provided in subdivision 4.

This fee applies to each separate installation for new dwellings and where ~~15~~ 14 or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwellings. Where existing feeders and circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is $2. The maximum number of separate inspections shall be determined in accordance with subdivision 2. The fee for additional inspections or other installations is that specified in subdivisions 2, 4, 6, and 8. The installer may submit fees for additional inspections when filing the request for electrical inspection. The fee for each detached accessory structure directly associated with a dwelling unit shall be calculated in accordance with subdivisions 3 and 4. When included on the same request for electrical inspection form, inspection fees for detached accessory structures directly associated with the dwelling unit may be combined with the dwelling unit fees to determine the maximum number of separate inspections in accordance with subdivision 2.

(b) The inspection fee for each dwelling unit of a multifamily dwelling with three or more dwelling units is $110 for a combination of up to 20 feeders and circuits and $12 for each additional feeder or circuit. This fee applies to each separate installation for each new dwelling unit and where ten or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwelling units. Where existing feeders or circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is $2. The maximum number of separate inspections for each dwelling unit shall be determined in accordance with subdivision 2. The fee for additional inspections or for inspection of other installations is that specified in subdivisions 2, 4, 6, and 8. These fees include only inspection of the wiring within individual dwelling units and the final feeder to that unit where the multifamily dwelling is provided with common service equipment and each dwelling unit is supplied by a separate feeder or feeders extended from common service or distribution equipment. The fee for multifamily dwelling services or other power source supplies and all other circuits is that specified in subdivisions 2 to 4.

(c) A separate request for electrical inspection form must be filed for each dwelling unit that is supplied with an individual set of service entrance conductors. These fees are the one-family dwelling rate specified in paragraph (a).

Sec. 7. Minnesota Statutes 2025 Supplement, section 326B.37, subdivision 6, is amended to read:

Subd. 6. **Additions to fees of subdivisions 3 to 5.** (a) The fee for the electrical supply for each manufactured home park lot is $35. This fee includes the service or feeder conductors up to and including the service equipment or disconnecting means. The fee for feeders and circuits that extend from the service or disconnecting means is that specified in subdivision 4.

(b) The fee for each recreational vehicle site electrical supply equipment is $12 for each circuit originating within the equipment. The fee for recreational vehicle park services, feeders, and circuits is that specified in subdivisions 3 and 4.

(c) The fee for each street, parking lot, or outdoor area lighting standard and each traffic signal standard is $5. Circuits originating within the standard or traffic signal controller shall not be used when calculating the fee for each standard.

(d) The fee for transformers for light, heat, and power is $15 for transformers rated up to ten kilovolt-amperes and $30 for transformers rated in excess of ten kilovolt-amperes. The previous sentence does not apply to Class 1 transformers or power supplies for Class 1 power-limited circuits or to Class 2 or Class 3 transformers or power supplies.

(e) The fee for transformers and electronic power supplies for electric signs and outline lighting is $5 per unit.

(f) The fee for technology circuits or systems, and circuits of less than 50 volts, is 75 cents for each system device or apparatus.

(g) The fee for each separate inspection of the bonding for a swimming pool, spa, fountain, an equipotential plane for an agricultural confinement area, or similar installation is ~~$35~~ <u>$55</u>. Bonding conductors and connections require an inspection before being concealed.

(h) The fee for all wiring installed on center pivot irrigation booms is $35 plus $5 for each electrical drive unit.

(i) The fee for retrofit modifications to existing lighting fixtures is 25 cents per luminaire.

(j) When a separate inspection of a concrete-encased grounding electrode is performed, the fee is $55.

(k) The fees required by subdivisions 3 and 4 are doubled for installations over 600 volts.

(l) The fee for a class 4 circuit or system transmitter, receiver, or utilization equipment is $0.50 for each system device or apparatus.

Sec. 8. Minnesota Statutes 2024, section 326B.37, subdivision 7, is amended to read:

Subd. 7. **Investigation fee: work without electrical inspection request.** (a) Whenever any work for which a request for electrical inspection is required has begun without the request for electrical inspection form being filed with the commissioner, a special investigation shall be made before a request for electrical inspection form is accepted.

(b) An investigation fee, in addition to the full fee required by subdivisions 1 to 6 <u>and 16 to 18</u>, shall be paid before an inspection is made. The investigation fee is two times the minimum fee specified in subdivision 2 or the <u>applicable</u> inspection fee required by subdivisions 1 to 6 and 16 to 18, whichever is greater, not to exceed $1,000. The payment of the investigation fee does not exempt any person from compliance with all other provisions of the department rules or statutes nor from any penalty prescribed by law.

Sec. 9. **REPEALER.**

(a) Minnesota Statutes 2024, section 326B.33, subdivision 5, is repealed effective December 1, 2027.

(b) Minnesota Statutes 2024, section 326B.33, subdivision 6, is repealed effective August 1, 2026.

(c) Minnesota Statutes 2024, sections 326B.31, subdivision 7; and 326B.33, subdivision 3, are repealed.

ARTICLE 3
EXPLORE MINNESOTA

Section 1. Minnesota Statutes 2024, section 116U.24, is amended to read:

116U.24 EXPLORE MINNESOTA COUNCILS.

(a) The director shall be advised by the Explore Minnesota Tourism Council and Explore Minnesota for Business Council, each consisting of voting members appointed by the governor for four-year terms. The director of Explore Minnesota serves as the chair ~~or cochair~~ of each council. The director may assign employees of the office to participate in oversight of council operations.

(b) Each council shall act to serve the broader interests of the council's divisions by promoting activities and programs of the office that support, maintain, and expand the state's domestic and international travel and trade markets, thereby generating increased visitor expenditures, revenue, and employment.

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

(d) ~~The~~ Each council shall meet at least ~~four~~ two times per year and at other times determined by each council.

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

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

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

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

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

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

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

(h) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and whether a cost will be incurred under paragraph (f). The timing and method of providing notice is governed by section 13D.04.

Sec. 2. Minnesota Statutes 2024, section 116U.242, is amended to read:

116U.242 EXPLORE MINNESOTA FOR BUSINESS COUNCIL.

(a) The director shall be advised by the Explore Minnesota for Business Council consisting of up to 14 voting members appointed by the governor for four-year terms, including:

(1) the executive director of Explore Minnesota ~~and the commissioner of employment and economic development, who serve as cochairs~~ who serves as chair;

(2) three representatives in marketing, human resources, or executive leadership from Minnesota-based companies with more than 100 employees representing Minnesota's key industries, including health care, technology, food and agriculture, manufacturing, retail, energy, and support services;

(3) two representatives from statewide or regional marketing or business association leadership, the Iron Range, and nonprofits focused on economic development or human resource management;

(4) one representative from a Minnesota college or university staff, faculty, leadership, student leadership, or alumni association;

(5) one member representing Minnesota's small business or start-up and entrepreneurial industry who has started at least one Minnesota-based business in the last five years ~~and has at least 20 employees~~;

(6) ~~two representatives from~~ one Ojibwe and one Dakota representative appointed by the Executive Board of the Minnesota Indian Affairs Council ~~and Minnesota Tribal leadership, including casino management~~;

(7) ~~two representatives~~ one representative from Minnesota's Ethnic Chambers of Commerce Leadership ~~and the Minnesota Chamber of Commerce~~; ~~and~~

(8) one ~~at-large representative in the field of general marketing, talent attraction, or economic development.~~ representative from the Minnesota Chamber of Commerce;

(9) one at-large representative in the field of general marketing, talent attraction, or economic development; and

(10) one representative from the Department of Employment and Economic Development who must be the commissioner, deputy commissioner, or an assistant commissioner.

(b) The council shall act to serve the broader interest of promoting overall livability and workforce and economic opportunity in Minnesota. Members shall advise Explore Minnesota for Business' marketing efforts by emphasizing and prioritizing diversity, equity, inclusion, and accessibility and providing professional marketing insights.

Sec. 3. Minnesota Statutes 2024, section 116U.25, is amended to read:

116U.25 EXPLORE MINNESOTA TOURISM COUNCIL.

(a) The director shall be advised by the Explore Minnesota Tourism Council consisting of up to ~~35~~ 25 voting members appointed by the governor for four-year terms, including:

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

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

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

(4) ~~ten~~ one Ojibwe and one Dakota representative;

(5) eight representatives of the tourism business representing transportation, retail, travel agencies, tour operators, travel media, convention facilities, arts and culture, sports, outdoor recreation, ~~and~~ or tourism business owners from underrepresented communities;

~~(5)~~ (6) one ~~or more~~ ex officio nonvoting ~~members including at least one~~ member from the University of Minnesota Tourism Center;

~~(6)~~ (7) four legislators, two from each house, one each from the two largest political party caucuses in each house, appointed according to the rules of the respective houses; and

~~(7)~~ (8) other persons, if any, as designated from time to time by the governor.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 4
NORTHERN TECHNOLOGY INITIATIVE, INC.

Section 1. Minnesota Statutes 2024, section 116T.02, is amended to read:

116T.02 CORPORATION; MEMBERS; BOARD OF DIRECTORS; POWERS.

Subdivision 1. **Public corporation.** Northern Technology Initiative, Inc. is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "Northern Technology Initiative, Inc." <u>or an assumed name that has been filed and published as required under chapter 333.</u>

Subd. 2. **Purpose.** Northern Technology Initiative, Inc. is a regional economic initiative of Minnesota counties, townships, home rule charter or statutory cities within participating counties, economic development groups, state and federal agencies, public and private postsecondary institutions, and businesses. The project area includes, at a minimum, the counties of ~~Carlton,~~ Chisago, Isanti, Kanabec, Mille Lacs, and Pine, but may be expanded as other contiguous counties elect to participate. The purpose of the corporation is to engage in an integrated, jointly planned economic development effort with a focus on encouraging growth among existing businesses and attracting ~~technology companies~~ new businesses to the region served by the corporation. A home rule charter city, statutory city, county, township, or other public entity participating in the initiative may budget public funds for the initiative.

Subd. 3. **Board of directors.** The corporation is governed by a board of directors ~~consisting of:~~, the membership composition, membership terms, compensation, removal, and filling of vacancies of which are as provided by the bylaws adopted and amended in accordance with subdivision 4.

~~(1) a member of the governing body of each participating county, appointed by the governing body;~~

~~(2) a member of the governing body of each participating home rule charter or statutory city, appointed by the governing body;~~

~~(3) the president of each participating postsecondary institution;~~

~~(4) the commissioner of the Department of Employment and Economic Development or an employee of the department designated by the commissioner; and~~

~~(5) other members as may be provided by the bylaws adopted and amended in accordance with subdivision 4.~~

~~The membership terms, compensation, removal, and filling of vacancies of members of the board are governed by the bylaws of the corporation.~~

Subd. 4. **Bylaws.** The board of directors shall adopt bylaws and publish the bylaws and amendments to the bylaws in the State Register. The bylaws must provide for financial and other contributions by participating entities to cover the operation of the corporation.

Subd. 5. **Places of business.** The board shall locate and maintain the corporation's places of business within ~~Carlton,~~ Chisago, Isanti, Kanabec, Mille Lacs, or Pine County.

Subd. 6. **Meetings and actions of board.** (a) The board must meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Except as provided in subdivision 7, board meetings are subject to chapter 13D.

(b) A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a board meeting if the number of directors participating in the conference is sufficient to constitute a quorum for the meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

Subd. 7. **Closed meetings; recording.** The board of directors may, by a majority vote in a public meeting, decide to hold a closed meeting for purposes of discussing data described in subdivision 8 or security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded. The data on the tape are nonpublic data or private data on individuals as defined in section 13.02, subdivision 9 or 12, whichever is applicable.

Subd. 8. **Application and investigative data.** Financial data, statistics, and information furnished to the corporation in connection with assistance or proposed assistance, including credit reports; financial statements; statements of net worth; income tax returns, either personal or corporate; and any other business and personal financial records, are private data with regard to data on individuals under section 13.02, subdivision 12, or nonpublic data with regard to data not on individuals under section 13.02, subdivision 9.

Subd. 9. **Conflict of interest.** A director, employee, or officer of the corporation may not participate in or vote on a decision of the board relating to an organization in which ~~the director~~ that director, employee, or officer has either a direct or indirect financial interest or a conflict of interest as described in section 10A.07.

Subd. 10. **Tort claims.** The corporation is a state agency for purposes of section 3.736, except the corporation, not the state, is responsible for paying for any tort liability.

Subd. 11. **Data practices and records management.** The corporation is subject to chapter 13 and sections 15.17 and 138.163 to 138.226.

Sec. 2. Minnesota Statutes 2024, section 116T.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The board shall ~~appoint and set the compensation for the executive director who serves as chief executive officer of the corporation. The compensation of the executive director may not exceed 85 percent of the governor's salary. The board may designate the executive director as its general agent. Subject to the approval of the board,~~

~~the executive director shall~~ employ staff consultants and other agents necessary to carry out the mission of the corporation.

ARTICLE 5
REPEALING OBSOLETE PROGRAMS

Section 1. Minnesota Statutes 2024, section 116J.575, subdivision 1a, is amended to read:

Subd. 1a. **Priorities.** (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, bioscience development, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

(1) the need for redevelopment in conjunction with contamination remediation needs;

(2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;

(3) the redevelopment potential within the municipality;

(4) proximity to public transit if located in the metropolitan area;

(5) redevelopment costs related to expansion of a bioscience business in Minnesota; or

(6) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact~~; or~~.

~~(7) the project advances or promotes the green economy as defined in section 116J.437.~~

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the redevelopment plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 50 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Sec. 2. Minnesota Statutes 2024, section 116J.8731, subdivision 4, is amended to read:

Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the following conditions:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) increase in the tax base;

(3) the project can demonstrate that investment of public dollars induces private funds;

(4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

(5) the project provides higher wage levels to the community or will add value to current workforce skills;

(6) the project supports the development of microenterprises, as defined by federal statutes, through financial assistance, technical assistance, advice, or business services;

(7) whether assistance is necessary to retain existing business; and

(8) whether assistance is necessary to attract out-of-state business~~; and~~.

~~(9) the project promotes or advances the green economy as defined in section 116J.437.~~

A grant or loan cannot be made based solely on a finding that the conditions in clause (7) or (8) exist. A finding must be made that a condition in clause (1), (2), (3), (4), (5), or (6) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 3. Minnesota Statutes 2025 Supplement, section 116L.05, subdivision 5, is amended to read:

Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the board may use workforce development funds for the purposes outlined in sections 116L.02 and 116L.04~~, or to provide incumbent worker training services under section 116L.18~~ if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits, job vacancy data, county labor force participation rates, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and management and budget, and to the public.

Sec. 4. Minnesota Statutes 2024, section 116L.20, subdivision 2, is amended to read:

Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under this section shall be deposited in the state treasury and credited to the workforce development fund to provide for employment and training programs. The workforce development fund is created as a special account in the state treasury.

(b) All money in the fund not otherwise appropriated or transferred is appropriated to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in paragraph (d). The board must act as the fiscal agent for the money and must disburse that money for the purposes of section 116L.17, not allowing the money to be used for any other obligation of the state. All money in the workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(d) If the board determines that the conditions of section 116L.05, subdivision 5, have been met, the board may use funds for the purposes outlined in section 116L.04~~, or to provide incumbent worker training services under section 116L.18~~.

Sec. 5. Minnesota Statutes 2025 Supplement, section 446A.07, subdivision 8, is amended to read:

Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works where debt was incurred and construction begun after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117~~,~~ and 103F.725, subdivision 1a~~, and 116J.617~~;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

(b) The clean water revolving fund may be used to provide additional subsidization as permitted under the Federal Water Pollution Control Act and other federal laws to provide principal forgiveness or grants:

(1) based on affordability criteria and requirements established for the water infrastructure funding program under section 446A.072;

(2) for 25 percent of project costs up to a maximum of $1,000,000 for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities; and

(3) for 50 percent of project costs up to a maximum of $3,000,000 for projects that address emerging contaminants as defined by the United States Environmental Protection Agency.

Sec. 6. Minnesota Statutes 2024, section 446A.07, subdivision 9, is amended to read:

Subd. 9. **Payments.** Payments from the fund must be made in accordance with the applicable state and federal law governing the payments, except that for projects other than those funded under section 17.117, 103F.725, subdivision 1a, ~~116J.617,~~ or 462A.05, no payment for a project may be made to an eligible recipient until and unless the authority has determined the total estimated cost of the project and ascertained that financing of the project is assured by:

(1) a loan authorized by state law or the appropriation of proceeds of bonds or other money of the governmental unit to a fund for the construction of the project; and

(2) an irrevocable undertaking, by resolution of the eligible recipient of the governmental unit, to use all money made available for the project exclusively for the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction fund of additional money or the proceeds of additional bonds to be issued by the eligible recipient.

Sec. 7. **CANCELLATION.**

The amount that remains in the account established under Minnesota Statutes, section 116J.876, subdivision 4, is canceled to the general fund.

Sec. 8. **REPEALER.**

Subdivision 1. **Capital access program.** Minnesota Statutes 2024, sections 116J.876; 116J.8761; 116J.8762; 116J.8763; 116J.8764; 116J.8765; 116J.8766; 116J.8767; 116J.8768; 116J.8769; 116J.8770; and 116J.8771, are repealed.

Subd. 2. **Rural job creation grants.** Minnesota Statutes 2024, section 469.309, is repealed.

Subd. 3. **Tourism loan program.** Minnesota Statutes 2024, section 116J.617, subdivisions 1, 2, 3, and 4, are repealed.

Subd. 4. **Minnesota green enterprise assistance.** Minnesota Statutes 2024, sections 116J.437; and 116J.438, are repealed.

Subd. 5. **Special incumbent worker training grants.** Minnesota Statutes 2024, section 116L.18, is repealed.

Subd. 6. **Central Minnesota opportunity grant program.** Minnesota Statutes 2024, section 116J.9922, is repealed.

Subd. 7. **Economic response team.** Minnesota Statutes 2024, section 116J.872, is repealed.

Subd. 8. **Microenterprise entrepreneurial assistance.** Minnesota Statutes 2024, section 116J.8745, is repealed.

Subd. 9. **Minnesota science and technology economic development project.** Minnesota Statutes 2024, section 116J.658, is repealed."

Delete the title and insert:

"A bill for an act

relating to state government; appropriating money for the Department of Employment and Economic Development; modifying economic development and workforce development policy; making labor and industry policy changes; canceling and modifying prior appropriations; modifying fees; requiring reports; amending Minnesota Statutes 2024, sections 116J.435, by adding a subdivision; 116J.575, subdivision 1a; 116J.8731, subdivision 4; 116L.20, subdivision 2; 116L.362, subdivision 1; 116L.364, subdivision 1; 116L.561, subdivision 6; 116L.665, by adding a subdivision; 116L.99, subdivision 3; 116T.02; 116T.03, subdivision 1; 116U.24; 116U.242; 116U.25; 326B.107, subdivision 2; 326B.32, subdivision 2; 326B.33, subdivisions 4, 19; 326B.36, subdivision 3; 326B.37, subdivision 7; 446A.07, subdivision 9; Minnesota Statutes 2025 Supplement, sections 116L.05, subdivision 5; 116L.562, subdivision 1; 116L.90, subdivision 3; 116L.98, subdivision 3; 326B.37, subdivisions 5, 6; 446A.07, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 2024, sections 116J.437; 116J.438; 116J.617, subdivisions 1, 2, 3, 4; 116J.658; 116J.872; 116J.8745; 116J.876; 116J.8761; 116J.8762; 116J.8763; 116J.8764; 116J.8765; 116J.8766; 116J.8767; 116J.8768; 116J.8769; 116J.8770; 116J.8771; 116J.9922; 116L.18; 326B.31, subdivision 7; 326B.33, subdivisions 3, 5, 6; 469.309."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

This Committee action taken April 16, 2026

...., Co-Chair

...., Co-Chair