.... moves to amend H.F. No. ..... as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

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

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

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

	APPROPRIATIONS Available for the Year Ending June 30	
	2018	**2019**
Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**		
Subdivision 1. **Total Appropriation**	**$ 131,656,000**	**$ 113,011,000**

Appropriations by Fund		
	2018	2019
General	$95,989,000	$78,311,000

Remediation	$700,000	$700,000
Workforce Development	$34,967,000	$34,000,000

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

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

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

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

Subd. 2. **Business and Community Development**	$	42,160,000	$	39,435,000

Appropriations by Fund

General	$39,599,000	$36,924,000
Remediation	$700,000	$700,000

Workforce Development	$1,861,000	$1,811,000

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

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

(1) training, lending, and business services;

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

(3) development of new business incubators.

This is a onetime appropriation.

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) $500,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $1,000,000.

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

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

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

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

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

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

(t) $875,000 each year is for the Host Community Economic Development Program established in Minnesota Statutes, section 116J.548.

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

(v) $161,000 each year is from the workforce development fund for transfer to the rural policy and development center fund account in the special revenue fund under Minnesota

Statutes, section 116J.4221. This is a onetime transfer.

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

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

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

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

Appropriations by Fund		
General	$5,889,000	$5,886,000
Workforce Development	$25,259,000	$24,342,000

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

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

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

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

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

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

(3) increase the number of summer internship opportunities;

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

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

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

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

(e) $500,000 each year is from the general fund for the Pathways to Prosperity adult workforce development competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. When awarding grants under this paragraph, the commissioner of employment and economic development may give preference to any previous grantee with demonstrated success in job training and placement for hard-to-train individuals. In fiscal year 2020 and beyond, the base amount for this program is $3,500,000.

(f) $750,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to four percent is for administration and monitoring of the program. The base amount for this program is $1,000,000 in fiscal year 2020 and $1,000,000 in fiscal year 2021.

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

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

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

Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training in information technology;

(3) assistance in obtaining a GED;

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

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

(6) contextualized adult basic education.

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

(j) $1,039,000 in the first year and $1,036,000 in the second year are for the adult workforce development competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. In fiscal year 2020 and beyond, the base amount is $1,039,000.

(k) $100,000 each year is for the "Getting to Work" grant program. This is a onetime appropriation and is available until June 30, 2021.

(l) $525,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

(m) $1,500,000 each year is from the workforce development fund for a grant to FastTRAC-Minnesota Adult Careers Pathways Program. Up to ten percent of this appropriation may be used to provide leadership, oversight, and technical assistance services for low-skilled, low-income adults.

(n) $3,104,000 each year is for the adult workforce development competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(o) $1,350,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota, having fewer than 250 employees worldwide. At least 300 students must be matched in the first year and at least 350 students must be matched in the second year. No more than 15 percent of the hires may be graduate students.

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

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

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

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

(s) $215,000 each year is from the workforce development fund for grants to Big Brothers, Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Twin Cities, Central Minnesota, and Southern Minnesota Big Brothers, Big Sisters chapters. This is a onetime appropriation.

(t) $250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(u) $1,000,000 each year is from the workforce development fund for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(v) $1,000,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

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

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

(y) $1,297,000 in the first year and $800,000 in the second year are from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amounts appropriated, $497,000 in fiscal year 2018 is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and Hennepin Technical College for the Metro Transit technician training program. This is a onetime appropriation and funds are available until June 30, 2020.

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

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

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

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

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

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

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

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

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

(ee) $1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(ff) $3,348,000 each year is from the workforce development fund for the "Youth at Work" youth workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(gg) $500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs.

(hh) $750,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand their contextualized GED and employment placement program. This is a onetime appropriation.

(ii) $500,000 each year is from the workforce development fund for a grant to Goodwill Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

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

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

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

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

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

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

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

Appropriations by Fund		
General Fund	$3,173,000	$3,173,000
Workforce Development	$17,000	$17,000

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

(b) $500,000 each year is for a statewide capacity-building grant program. The commissioner of employment and economic development shall, through a request for proposal process, select a nonprofit organization to administer the capacity-building grant program. The selected organization must have demonstrated experience in providing financial and technical assistance to nonprofit organizations statewide. The selected organization shall provide financial assistance in the form of subgrants and technical assistance to small to medium-sized nonprofit organizations offering, or seeking to offer, workforce or economic development programming that addresses economic disparities in underserved cultural communities. This assistance can be provided in-house or in partnership with other organizations depending on need. The nonprofit organization selected to administer the grant program shall report to the commissioner by February 1 each year regarding assistance provided, including the demographic and geographic distribution of the grant awards, services, and outcomes. By April 1 each year, the commissioner shall report the information submitted by the nonprofit to the legislative committees having jurisdiction over economic development issues. Of this amount, one percent is for the commissioner to conduct the request for proposal process and monitoring the selected organization. The nonprofit selected to administer the grant program may use up to five percent of the grant funds for administration costs and providing technical assistance to potential sub-grantees.

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

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

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

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

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

Subd. 6. **Vocational Rehabilitation**	$	31,191,000	$	31,191,000

Appropriations by Fund

General	$23,361,000	$23,361,000
Workforce Development	$7,830,000	$7,830,000

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

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

(c) $6,995,000 each year from the general fund and $6,830,000 each year from the workforce development fund for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the general fund amount appropriated $500,000 each year is for rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. In fiscal year 2020 and beyond, the general fund base amount is $8,995,000. Of the base amounts in fiscal years 2020 and 2021, $1,625,000 in fiscal year 2020 and $1,625,000 in fiscal year 2021 is for rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

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

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

Subd. 7. **Services for the Blind**	$	6,425,000	$	6,425,000
Subd. 8. **Broadband Development**	$	15,250,000	$	250,000

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

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

Subd. 9. **Reporting**

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

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

Subd. 10. **Competitive Grant Limitations**

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

Sec. 3. **HOUSING FINANCE AGENCY**

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

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

Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

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

(a)(1) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33. The agency must continue to strengthen its efforts to address the disparity rate between white households and indigenous American Indians and communities of color. Of this amount, $1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first 11 months of each fiscal year shall be available for any eligible activity under Minnesota Statutes, section 462A.33.

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

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

(b) $2,000,000 each year is for the purposes of the workforce housing development program under Minnesota Statutes, section 462A.39. Notwithstanding article 11, section 13, the commissioner of housing finance may hire staff sufficient for the purposes of this paragraph.

Subd. 3. **Housing Trust Fund**	11,471,000	11,471,000

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

Subd. 4. **Rental Assistance for Mentally Ill**	4,088,000	4,088,000

This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness, under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

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

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

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

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

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

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

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

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

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

This appropriation is for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14. Of this amount, $2,772,000 each year is for the rehabilitation of owner-occupied housing, $3,743,000 each year is for the rehabilitation of eligible rental housing. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33.

Subd. 9. **Homeownership Education, Counseling, and Training**	857,000	857,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209. Priority may be given to funding programs that are aimed at culturally specific groups who are providing services to members of their communities.

Subd. 10. **Capacity Building Grants**	875,000	875,000

This appropriation is for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount:

(1) $125,000 each year is for support of the Homeless Management Information System (HMIS); and

(2) $500,000 each year is for grants to Build Wealth MN to provide a family stabilization plan program including program outreach, financial literacy education, and budget and debt counseling.

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

Subdivision 1. **Total Appropriation**	**$**	**28,309,000**	**$**	**28,609,000**

Appropriations by Fund

	2018	2019
General	1,327,000	1,327,000
Workers' Compensation	24,975,000	24,975,000
Workforce Development	2,007,000	2,307,000

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

(b) Notwithstanding Minnesota Statutes, section 16A.285, the commissioner of labor and industry must not allow transfers of money appropriated in this section between divisions or programs of the Department of Labor and Industry.

(c) Notwithstanding Minnesota Statutes, section 16B.37, subdivision 4, the commissioner of labor and industry must not allow billing between divisions or programs of amounts appropriated within the Department of Labor and Industry, or otherwise use any "Internal Billing Expenditures" of amounts appropriated.

(d) Notwithstanding Minnesota Statutes, sections 16B.37, subdivision 4, and 471.59, except for work performed by MN.IT under Minnesota Statutes, chapter 16E, the commissioner of labor and industry must not allow billing or transfers between other executive branch agencies or departments and the Department of Labor and Industry.

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

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

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

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

Subd. 3. **Labor Standards and Apprenticeship**			3,134,000	3,134,000

Appropriations by Fund

General	1,327,000	1,327,000
Workforce Development	1,807,000	1,807,000

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

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

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

(d) $200,000 each year is from the workforce development fund for grants to the Construction Careers Foundation Inc. for the Helmets to Hardhats Minnesota Initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, active duty military members, and veteran's participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

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

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

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

This appropriation is from the workers' compensation fund.

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

Appropriations by Fund

Workforce Development Fund	200,000	500,000
Workers' Compensation	6,039,000	6,039,000

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

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

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

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

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

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

(c) Notwithstanding Minnesota Statutes, section 16B.37, subdivision 4, and Minnesota Statutes, section 471.59, except for work performed by MN.IT under Minnesota Statutes, chapter 16E, the commissioner of mediation services must not allow billing or transfers between other executive branch agencies or departments and the Bureau of Mediation Services.

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

(e) $68,0000 each year is from the general fund for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

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

This appropriation is from the workers' compensation fund.

Sec. 7. **DEPARTMENT OF COMMERCE**

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

Appropriations by Fund		
General	27,160,000	26,671,000
Special Revenue	2,210,000	2,210,000
Petroleum Tank	1,052,000	1,052,000
Workers' Compensation	751,000	751,000

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

(b) Notwithstanding Minnesota Statutes, section 16A.285, the commissioner of commerce must not allow transfers of money appropriated in this section between divisions or programs of the Department of Commerce.

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

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

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

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

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

This appropriation is from the petroleum tank fund.

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

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

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

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

Subd. 5. **Telecommunications**			2,619,000	2,330,000
Appropriations by Fund				
General	1,009,000	720,000		
Special Revenue	1,610,000	1,610,000		

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

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

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

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

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

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

Subd. 6. **Enforcement**			5,299,000	5,099,000
Appropriations by Fund				
General	5,101,000	4,901,000		
Workers' Compensation	198,000	198,000		

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

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

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

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

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

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

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

Appropriations by Fund		
General	4,247,000	4,247,000
Special Revenue	600,000	600,000

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

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

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

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

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

Appropriations by Fund

General	4,315,000	4,315,000
Workers' Compensation	553,000	553,000

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

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

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

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

(b) Notwithstanding Minnesota Statutes, section 16A.285, the Public Utilities Commission and its members must not allow transfers of money appropriated in this section between divisions or programs of the Public Utilities Commission.

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

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

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

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

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

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

Ramsey/Washington Recycling and Energy Center in Newport.

ARTICLE 2

LABOR AND INDUSTRY

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

175.45 ~~COMPETENCY~~ STANDARDS FOR DUAL TRAINING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) issue requests for proposals for grants;

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

(5) develop model program guides;

(6) monitor youth skills training programs;

(7) provide technical assistance to local partnership grantees;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

License Classification	License Duration	
	1 year	2 years
Entry level	$10	$20
Journeyworker	$20	$40
Master	$40	$80
Business		$180

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

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

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

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

License Classification	License Duration	
	1 year	2 years
Entry level	$10	$20
Journeyworker	$15	~~$35~~ $30
Master	$30	~~$75~~ $60
Business		~~$160~~ $120

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

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

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

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

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

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

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

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

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

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

(b) The total valuation and fee schedule is:

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

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

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

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

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

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

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

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

(c) Other inspections and fees are:

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

(2) reinspection fees, $63.25 per hour;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 8. Minnesota Statutes 2016, section 326B.435, 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 such other provisions as may be useful and necessary for the efficient conduct of the business of the board;

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

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

(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, certification, or registration of plumbing contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and testers, water conditioning contractors, and water conditioning installers, and other persons engaged in the design, installation, and alteration of plumbing systems or engaged in or working at the business of water conditioning installation or service, or engaged in or working at the business of medical gas system installation, maintenance, or repair, 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 (e) and (f);

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

(7) refer complaints or other communications to the commissioner, whether oral or written, 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, or an offering to perform or performance of unlicensed plumbing services;

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

(9) approve license reciprocity agreements;

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

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

Except for the powers granted to the Plumbing Board, the 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 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. 9. Minnesota Statutes 2016, section 326B.50, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Each water conditioning contractor must designate a responsible licensed master plumber or a responsible licensed water conditioning master, who shall be responsible for the performance of all water conditioning installation and servicing in accordance with the requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If the water conditioning contractor is an individual or sole proprietorship, the responsible licensed master must be the individual, proprietor, or managing employee. If the water conditioning contractor is a partnership, the responsible licensed master must be a general partner or managing employee. If the water conditioning contractor is a limited liability company, the responsible licensed master must be a chief manager or managing employee. If the water conditioning contractor is a corporation, the responsible licensed master must be an officer or managing employee. If the responsible licensed master is a managing employee, the responsible licensed master must be actively engaged in performing water conditioning work on behalf of the water conditioning contractor and cannot be employed in any capacity as a water conditioning master or water conditioning journeyman for any other water conditioning contractor. An individual must not be the responsible licensed master for more than one water conditioning contractor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This appropriation is from the workers' compensation fund.

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

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

Sec. 19. **RULEMAKING.**

The commissioner of labor and industry shall amend Minnesota Rules, part 1309.0313, IRC sections R313.1 to R313.3, to establish that one- and two-family dwellings and two-unit townhouses are not required to have installed automatic fire sprinkler systems. The commissioner may use the exempt provisions of Minnesota Statutes, section 14.386, except that paragraph (b) shall not apply. Notwithstanding Minnesota Statutes, section 326B.13, subdivision 8, the amendments to Minnesota Rules, part 1309.0313, shall be effective on the date of publication in the State Register.

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

Sec. 20. **REPEALER.**

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

ARTICLE 3

EMPLOYMENT AND ECONOMIC DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) any other criteria the commissioner deems necessary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

116L.665 WORKFORCE DEVELOPMENT ~~COUNCIL~~ BOARD.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Voting members shall consist of the following:

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

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

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

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

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

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

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

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

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

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

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

(i) the Department of Employment and Economic Development;

(ii) the Department of Education; and

(iii) the Department of Human Services;

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

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

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

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

(ii) the president of the University of Minnesota;

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

(iv) a representative of career and technical education.

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

(1) a representative of Adult Basic Education;

(2) a representative of public libraries;

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

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

(5) the commissioner of labor and industry;

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

(7) the commissioner of corrections;

(8) the commissioner of management and budget;

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

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

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

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

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

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

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

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

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

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

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

Subd. 2a. **~~Council~~ Board meetings; chair.** ~~(a) If compliance with section 13D.02 is impractical, the Governor's Workforce Development 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.~~

~~(b) 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.~~

~~(c) 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.~~

~~(d) 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 (c). The timing and method of providing notice is governed by section 13D.04.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Minneapolis, St. Paul;

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

(3) the area outside the metropolitan area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) they do not require a match.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 6. **Vocational Rehabilitation**

Appropriations by Fund		
General	22,611,000	21,611,000
Workforce Development	7,830,000	7,830,000

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

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

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

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

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

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

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

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

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

Sec. 18. Laws 2016, chapter 189, article 7, section 2, subdivision 2, is amended to read:

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

Appropriations by Fund

General	-0-	7,271,000
Workforce Development	-0-	750,000

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

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

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

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

(e) $300,000 in fiscal year 2017 is from the workforce development fund for expansion of business assistance services provided by business development specialists located in the Northwest Region, Northeast Region, West Central Region, Southwest Region, Southeast Region, and Twin Cites Metro Region offices established throughout the state. Funds under this section may be used to provide services including, but not limited to, business start-ups; expansion; location or relocation; finance; regulatory and permitting assistance; and other services determined by the commissioner. The commissioner may also use funds under this section to increase the number of business development specialists in each region of the state, increase and expand the services provided through each regional office, and publicize the services available and provide outreach to communities in each region regarding services and assistance available through the business development specialist program. This is a onetime appropriation.

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

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

(h) $2,500,000 in fiscal year 2017 is for grants to initiative foundations to provide financing for business startups, expansions, and maintenance; and for business ownership transition and succession. This is a onetime appropriation. Of the amount appropriated:

(1) $357,000 is for a grant to the Southwest Initiative Foundation;

(2) $357,000 is for a grant to the West Central Initiative Foundation;

(3) $357,000 is for a grant to the Southern Minnesota Initiative Foundation;

(4) $357,000 is for a grant to the Northwest Minnesota Foundation;

(5) $357,000 is for a grant to the Initiative Foundation;

(6) $357,000 is for a grant to the Northland Foundation; and

(7) $357,000 is for a grant for the Minnesota emerging entrepreneur program under Minnesota Statutes, chapter 116M. Funds available under this clause <u>are for deposit in the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent and </u>must be allocated as follows:

(i) 50 percent of the funds must be allocated for projects in the counties of Dakota, Ramsey, and Washington; and

(ii) 50 percent of the funds must be allocated for projects in the counties of Anoka, Carver, Hennepin, and Scott.

(i) $600,000 in fiscal year 2017 is for a grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce for economic development, redevelopment, and job creation programs and projects. This is a onetime appropriation and is available until June 30, 2019.

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

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

(l) $500,000 in fiscal year 2017 is from the general fund for grants to local communities outside of the metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2, to increase the supply of quality child care providers in order to support regional economic development. Grant recipients must match state funds on a dollar-for-dollar basis. Grant funds available under this section must be used to implement solutions to reduce the child care shortage in the state, including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities in greater Minnesota that have documented a shortage of child care providers in the area. This is a onetime appropriation and is available until June 30, 2019.

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

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

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

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

(o) $400,000 in fiscal year 2017 is from the workforce development fund for grants to small business development centers under Minnesota Statutes, section 116J.68. Funds made available under this section may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, provide consulting and technical services, or to build additional SBDC network capacity to serve entrepreneurs and small businesses. The commissioner shall allocate funds equally among the nine regional centers and lead center. This is a onetime appropriation.

(p) $2,600,000 in fiscal year 2017 is for a transfer to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute to develop new technologies that enhance the long-term viability of the Minnesota mining industry. The research must be done in consultation with the Mineral Coordinating Committee established by Minnesota Statutes, section 93.0015. This is a onetime transfer.

(q) Of the amount appropriated in fiscal year 2017 for the Minnesota Investment Fund in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2, paragraph (a), $450,000 is for a grant to the Lake Superior-Poplar River Water District to acquire interests in real property, engineer, design, permit, and construct infrastructure to transport and treat water from Lake Superior through the Poplar River Valley to serve domestic, irrigation, commercial, stock watering, and industrial water users. This grant does not require a local match. This is a onetime appropriation. This amount is available until June 30, 2019.

(r) $500,000 is for the Minnesota emerging entrepreneur program under Minnesota Statutes, section 116M.18. Of this amount, up to five percent is for administration and monitoring of the program. For fiscal year 2018 and thereafter, the base amount is $750,000 per year. Funds available under this paragraph are for deposit in the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2016.

Sec. 19. Laws 2016, chapter 189, article 7, section 46, subdivision 3, is amended to read:

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

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

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

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

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

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

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

Sec. 20. Laws 2016, chapter 189, article 7, section 46, the effective date, is amended to read:

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

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

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

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

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

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

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

(3) create an implementation strategy; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) motor vehicle repair and maintenance services; or

(3) motor vehicle loans.

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

(1) financial literacy education;

(2) education on budgeting for vehicle ownership;

(3) car maintenance and repair instruction;

(4) credit counseling; or

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

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

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

(2) the area to be served;

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

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

(i) automobile dealers;

(ii) automobile parts dealers;

(iii) independent local mechanics and automobile repair facilities;

(iv) banks and credit unions;

(v) employers;

(vi) employment and training agencies;

(vii) insurance companies and agents;

(viii) local workforce centers; and

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

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

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

(2) be at least 22 years of age;

(3) have a valid driver's license;

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

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

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

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

(1) the total number of program participants;

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

(i) provision of a motor vehicle;

(ii) motor vehicle repair services; and

(iii) motor vehicle loans;

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

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

Sec. 25. **REPEALER.**

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

ARTICLE 4

IRON RANGE RESOURCES AND REHABILITATION POLICY

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

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

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

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

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

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

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

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

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

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

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

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

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

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

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

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

(i) a loss incurred by a user arising from the construction, operation, or maintenance of the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the construction, operation, maintenance, or administration of grants-in-aid trails as defined in section 85.018, or for a loss arising from the construction, operation, or maintenance of a water access site created by the Department of Iron Range Resources and Rehabilitation

~~Board~~, except that the state is liable for conduct that would entitle a trespasser to damages against a private person. For the purposes of this clause, a water access site, as defined in section 86A.04 or created by the commissioner of Iron Range resources and rehabilitation ~~Board~~, that provides access to an idled, water filled mine pit, also includes the entire water filled area of the pit and, further, includes losses caused by the caving or slumping of the mine pit walls;

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

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

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

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

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

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

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

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

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

The state will not pay punitive damages.

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

15.01 DEPARTMENTS OF THE STATE.

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

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

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

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

Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall not exceed 120 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's Web site. This subdivision applies to the following positions:

Executive director of Gambling Control Board;

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

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

Chair, Metropolitan Council;

School trust lands director;

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

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

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

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

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

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

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

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

(4) a representative of the Crow Wing County Board;

(5) an elected state official;

(6) a representative of the Grand Rapids regional office of the Department of Natural Resources;

(7) a designee of the <u>commissioner of</u> Iron Range resources and rehabilitation ~~Board~~;

(8) a designee of the local business community selected by the area chambers of commerce;

(9) a designee of the local environmental community selected by the Crow Wing County District 5 commissioner;

(10) a designee of a local education organization selected by the Crosby-Ironton School Board;

(11) a designee of one of the recreation area user groups selected by the Cuyuna Range Chamber of Commerce; and

(12) a member of the Cuyuna Country Heritage Preservation Society.

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

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

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

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

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

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

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 103D, counties, towns, cities, port authorities, housing authorities, and economic development authorities established under sections 469.090 to 469.108, but not including courts, school districts, the Department of Iron Range Resources and Rehabilitation, and regional development commissions other than the Metropolitan Council.

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

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

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

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

116J.424 IRON RANGE RESOURCES AND REHABILITATION ~~BOARD~~ CONTRIBUTION.

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

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

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

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

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

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

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

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

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

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

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

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

(c) If a business subsidy benefits more than one recipient, the grantor must assign a proportion of the business subsidy to each recipient that signs a subsidy agreement. The proportion assessed to each recipient must reflect a reasonable estimate of the recipient's share of the total benefits of the project.

(d) The state or local government agency and the recipient must both sign the subsidy agreement and, if the grantor is a local government agency, the agreement must be approved by the local elected governing body, except for the St. Paul Port Authority and a seaway port authority.

(e) Notwithstanding the provision in paragraph (a), clause (6), a recipient may be authorized to move from the jurisdiction where the subsidy is used within the five-year period after the benefit date if, after a public hearing, the grantor approves the recipient's request to move. For the purpose of this paragraph, if the grantor is a state government agency other than the Department of Iron Range Resources and Rehabilitation ~~Board~~, "jurisdiction" means a city or township.

Sec. 12. Minnesota Statutes 2016, section 116J.994, subdivision 5, is amended to read:

Subd. 5. **Public notice and hearing.** (a) Before granting a business subsidy that exceeds $500,000 for a state government grantor and $150,000 for a local government grantor, the grantor must provide public notice and a hearing on the subsidy. A public hearing and notice under this subdivision is not required if a hearing and notice on the subsidy is otherwise required by law.

(b) Public notice of a proposed business subsidy under this subdivision by a state government grantor, other than the commissioner of Iron Range resources and rehabilitation ~~Board~~, must be published in the State Register. Public notice of a proposed business subsidy under this subdivision by a local government grantor or the commissioner of Iron Range resources and rehabilitation ~~Board~~ must be published in a local newspaper of general circulation. The public notice must identify the location at which information about the business subsidy, including a summary of the terms of the subsidy, is available. Published notice should be sufficiently conspicuous in size and placement to distinguish the notice from the surrounding text. The grantor must make the information available in printed paper copies and, if possible, on the Internet. The government agency must provide at least a ten-day notice for the public hearing.

(c) The public notice must include the date, time, and place of the hearing.

(d) The public hearing by a state government grantor other than the commissioner of Iron Range resources and rehabilitation ~~Board~~ must be held in St. Paul.

(e) If more than one nonstate grantor provides a business subsidy to the same recipient, the nonstate grantors may designate one nonstate grantor to hold a single public hearing regarding the business subsidies provided by all nonstate grantors. For the purposes of this paragraph, "nonstate grantor" includes the commissioner of Iron Range resources and rehabilitation ~~Board~~.

(f) The public notice of any public meeting about a business subsidy agreement, including those required by this subdivision and by subdivision 4, must include notice that a person with residence in or the owner of taxable property in the granting jurisdiction may file a written complaint with the grantor if the grantor fails to comply with sections 116J.993 to 116J.995, and that no action may be filed against the grantor for the failure to comply unless a written complaint is filed.

Sec. 13. Minnesota Statutes 2016, section 116J.994, subdivision 7, is amended to read:

Subd. 7. **Reports by recipients to grantors.** (a) A business subsidy grantor must monitor the progress by the recipient in achieving agreement goals.

(b) A recipient must provide information regarding goals and results for two years after the benefit date or until the goals are met, whichever is later. If the goals are not met, the recipient must continue to provide information on the subsidy until the subsidy is repaid. The information must be filed on forms developed by the commissioner in cooperation with representatives of local government. Copies of the completed forms must be sent to the local government agency that provided the subsidy or to the commissioner if the grantor is a state agency. If the commissioner of Iron Range resources and rehabilitation ~~Board~~ is the grantor, the copies must be sent to the ~~board~~ commissioner of Iron Range resources and rehabilitation. The report must include:

(1) the type, public purpose, and amount of subsidies and type of district, if the subsidy is tax increment financing;

(2) the hourly wage of each job created with separate bands of wages;

(3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(4) the date the job and wage goals will be reached;

(5) a statement of goals identified in the subsidy agreement and an update on achievement of those goals;

(6) the location of the recipient prior to receiving the business subsidy;

(7) the number of employees who ceased to be employed by the recipient when the recipient relocated to become eligible for the business subsidy;

(8) why the recipient did not complete the project outlined in the subsidy agreement at their previous location, if the recipient was previously located at another site in Minnesota;

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

(10) a list of all financial assistance by all grantors for the project; and

(11) other information the commissioner may request.

A report must be filed no later than March 1 of each year for the previous year. The local agency and the commissioner of Iron Range resources and rehabilitation ~~Board~~ must forward copies of the reports received by recipients to the commissioner by April 1.

(c) Financial assistance that is excluded from the definition of "business subsidy" by section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting requirements of this subdivision, except that the report of the recipient must include instead:

(1) the type, public purpose, and amount of the financial assistance, and type of district if the assistance is tax increment financing;

(2) progress towards meeting goals stated in the assistance agreement and the public purpose of the assistance;

(3) if the agreement includes job creation, the hourly wage of each job created with separate bands of wages;

(4) if the agreement includes job creation, the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(5) the location of the recipient prior to receiving the assistance; and

(6) other information the grantor requests.

(d) If the recipient does not submit its report, the local government agency must mail the recipient a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the recipient fails to provide a report, the recipient must pay to the grantor a penalty of $100 for each subsequent day until the report is filed. The maximum penalty shall not exceed $1,000.

Sec. 14. Minnesota Statutes 2016, section 216B.161, subdivision 1, is amended to read:

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

(b) "Area development rate" means a rate schedule established by a utility that provides customers within an area development zone service under a base utility rate schedule, except that charges may be reduced from the base rate as agreed upon by the utility and the customer consistent with this section.

(c) "Area development zone" means a contiguous or noncontiguous area designated by an authority or municipality for development or redevelopment and within which one of the following conditions exists:

(1) obsolete buildings not suitable for improvement or conversion or other identified hazards to the health, safety, and general well-being of the community;

(2) buildings in need of substantial rehabilitation or in substandard condition; or

(3) low values and damaged investments.

(d) "Authority" means a rural development financing authority established under sections 469.142 to 469.151; a housing and redevelopment authority established under sections 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an economic development authority established under sections 469.090 to 469.108; a redevelopment agency as defined in sections 469.152 to 469.165; the commissioner of Iron Range resources and rehabilitation ~~Board~~ established under section 298.22; a municipality that is administering a development district created under sections 469.124 to 469.133 or any special law; a municipality that undertakes a project under sections 469.152 to 469.165, except a town located outside the metropolitan area as defined in section 473.121, subdivision 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers of a port authority under any general or special law.

(e) "Municipality" means a city, however organized, and, with respect to a project undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142

to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008, also includes any county.

Sec. 15. Minnesota Statutes 2016, section 216B.1694, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purposes of this section, the term "innovative energy project" means a proposed energy-generation facility or group of facilities which may be located on up to three sites:

(1) that makes use of an innovative generation technology utilizing coal as a primary fuel in a highly efficient combined-cycle configuration with significantly reduced sulfur dioxide, nitrogen oxide, particulate, and mercury emissions from those of traditional technologies;

(2) that the project developer or owner certifies is a project capable of offering a long-term supply contract at a hedged, predictable cost; and

(3) that is designated by the commissioner of ~~the~~ Iron Range resources and rehabilitation ~~Board~~ as a project that is located in the taconite tax relief area on a site that has substantial real property with adequate infrastructure to support new or expanded development and that has received prior financial and other support from the board.

Sec. 16. Minnesota Statutes 2016, section 276A.01, subdivision 8, is amended to read:

Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole or part within the area. If a municipality is located partly within and partly without the area, the references in sections 276A.01 to 276A.09 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to the property or portion thereof that is located in that portion of the municipality within the area, except that the fiscal capacity of the municipality must be computed upon the basis of the valuation and population of the entire municipality. A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving an agricultural use. The commissioner of Iron Range resources and rehabilitation ~~Board~~ and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this chapter for the following year. Before making the determination, the commissioner of Iron Range resources and rehabilitation must consult the Iron Range Resources and Rehabilitation Advisory Board.

Sec. 17. Minnesota Statutes 2016, section 276A.01, subdivision 17, is amended to read:

Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to 25 percent of the areawide levy certified by the commissioner of Iron Range resources and rehabilitation ~~Board~~, after consultation with the Iron Range Resources and Rehabilitation Advisory Board, to be used for the purposes of the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a.

(b) The allocation under paragraph (a) shall only be made after the commissioner of Iron Range resources and rehabilitation ~~Board~~, after consultation with the Iron Range Resources and Rehabilitation Advisory Board, has certified by June 30 that the Iron Range school consolidation and cooperatively operated account has insufficient funds to make payments as authorized under section 298.28, subdivision 7a.

Sec. 18. Minnesota Statutes 2016, section 276A.06, subdivision 8, is amended to read:

Subd. 8. **Certification of values; payment.** The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (1), including the school fund allocation within the county and the total tax on contribution value pursuant to subdivision 7, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined and the county's portion of the school fund allocation to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditor's certification. On or before June 15 and November 15 of each year, each county treasurer shall pay to the administrative auditor that county's share of the school fund allocation. On or before December 1 of each year, the administrative auditor shall pay the school fund allocation to the commissioner of Iron Range resources and rehabilitation ~~Board~~ for deposit in the Iron Range school consolidation and cooperatively operated account.

Sec. 19. Minnesota Statutes 2016, section 282.38, subdivision 1, is amended to read:

Subdivision 1. **Development.** In any county where the county board by proper resolution sets aside funds for forest development pursuant to section 282.08, clause (5), item (i), or section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation ~~with the approval of the board~~, after consultation with the Iron Range Resources and Rehabilitation Advisory Board, may upon request of the county board assist said county in carrying out any project for the long range development of its forest resources through matching of funds or otherwise.

Sec. 20. Minnesota Statutes 2016, section 282.38, subdivision 3, is amended to read:

Subd. 3. **Not to affect commissioner of Iron Range resources and rehabilitation.** Nothing herein shall be construed to limit or abrogate the authority of the commissioner of Iron Range resources and rehabilitation to give temporary assistance to any county in the development of its land use program.

Sec. 21. Minnesota Statutes 2016, section 298.001, subdivision 8, is amended to read:

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of revenue of the state of Minnesota, except that when used in sections 298.22 to 298.227 and 298.291 to 298.298, "commissioner" means the commissioner of Iron Range resources and rehabilitation.

Sec. 22. Minnesota Statutes 2016, section 298.001, is amended by adding a subdivision to read:

Subd. 11. **Advisory board.** "Advisory board" means the Iron Range Resources and Rehabilitation Advisory Board, as established under section 298.22. The acronym "IRRRB" or "IRRRAB" means the advisory board. The acronym "IRRRB" may continue to be used in matters relating to the advisory board on signage, stationery, or any other official correspondence.

Sec. 23. Minnesota Statutes 2016, section 298.018, subdivision 1, is amended to read:

Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the taconite assistance area defined in section 273.1341, shall be allocated as follows:

(1) five percent to the city or town within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction, and the remainder to the concentrating plant and to the processes of concentration, and with

respect to each thereof giving due consideration to the relative extent of the respective operations performed in each taxing district;

(2) ten percent to the taconite municipal aid account to be distributed as provided in section 298.282;

(3) ten percent to the school district within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one school district, distribution among the school districts must be based on the apportionment formula prescribed in clause (1);

(4) 20 percent to a group of school districts comprised of those school districts wherein the mineral or energy resource was mined or extracted or in which there is a qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions;

(5) 20 percent to the county within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one county, distribution among the counties must be based on the apportionment formula prescribed in clause (1), provided that any county receiving distributions under this clause shall pay one percent of its proceeds to the Range Association of Municipalities and Schools;

(6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;

(7) five percent to the <u>commissioner of</u> Iron Range resources and rehabilitation ~~Board~~ for the purposes of section 298.22;

(8) three percent to the Douglas J. Johnson economic protection trust fund; and

(9) seven percent to the taconite environmental protection fund.

The proceeds of the tax shall be distributed on July 15 each year.

Sec. 24. Minnesota Statutes 2016, section 298.17, is amended to read:

298.17 OCCUPATION TAXES TO BE APPORTIONED.

(a) All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university.

(b) Of the money apportioned to the general fund by this section: (1) there is annually appropriated and credited to the mining environmental and regulatory account in the special revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Money in the mining environmental and regulatory account is appropriated annually to the commissioner of natural resources to fund agency staff to work on environmental issues and provide regulatory services for ferrous and nonferrous mining operations in this state. Payment to the mining environmental and regulatory account shall be made by July 1 annually. The commissioner of natural resources shall execute an interagency agreement with the Pollution Control Agency to assist with the provision of environmental regulatory services such as monitoring and permitting required for ferrous and nonferrous mining operations; (2) there is annually appropriated and credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund an amount equal to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund for transfer to the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a, an amount equal to that which would have been generated by a six cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

(c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (ii) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the commissioner of Iron Range resources and rehabilitation ~~Board~~ regarding the loans. Payment to the Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

(d) Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

Sec. 25. Minnesota Statutes 2016, section 298.22, subdivision 1, is amended to read:

Subdivision 1. **~~The Office of Commissioner~~ Department of Iron Range Resources and Rehabilitation.** (a) The ~~Office of the Commissioner~~ Department of Iron Range Resources and Rehabilitation is created as an agency in the executive branch of state government. The governor shall appoint the commissioner of Iron Range resources and rehabilitation under section 15.06. The commissioner may expend amounts appropriated to the commissioner for projects after consultation with the advisory board created under subdivision 1a.

(b) The commissioner may hold other positions or appointments that are not incompatible with duties as commissioner of Iron Range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of staff and other assistance as may be necessary, must be paid out of the amounts appropriated by section 298.28 or otherwise made available by law to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner may utilize contracting options available under section 471.345 when the commissioner determines it is in the best interest of the agency. The agency is not subject to sections 16E.016 and 16C.05. The commissioner has the authority to reimburse any nongovernmental manager operating state-owned facilities within the Giants Ridge Recreation Area for purchasing materials, supplies, equipment, or other items used in the operations at such facilities.

(c) When the commissioner determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use of natural resources in the future and any resulting decrease in employment, the commissioner may use whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 that are determined to be necessary and proper in the development of the remaining resources of the county and in the vocational training and rehabilitation of its residents~~, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund~~. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 26. Minnesota Statutes 2016, section 298.22, subdivision 1a, is amended to read:

Subd. 1a. **Iron Range Resources and Rehabilitation Advisory Board.** (a) The Iron Range Resources and Rehabilitation Advisory Board consists of the state senators and representatives elected from state senatorial or legislative districts in which one-third or more of the residents reside in a taconite assistance area as defined in section 273.1341. One additional state senator shall also be appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration. All expenditures and projects made by the commissioner shall first be submitted to the advisory board ~~for approval~~. The advisory board shall recommend approval or disapproval or modification of the expenditures and projects. The expenses of the advisory board shall be paid by the state from the funds raised pursuant to this section. Members of the advisory board may be reimbursed for expenses in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the interims between legislative sessions in the manner provided in section 3.099, subdivision 1.

The members shall be appointed in January of every odd-numbered year, and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as original members were chosen.

(b) The advisory board will develop procedures to elect a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter. The advisory board must meet at least two times per year to review the actions of the commissioner.

Sec. 27. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

Subd. 1b. **Evaluation of programs.** (a) In evaluating programs proposed by the commissioner, the advisory board must consider factors, including but not limited to the extent to which the program:

(1) contributes to increasing the effectiveness of promoting or managing Iron Range economic and workforce development, community development, minerals and natural resources development, and any other issue as determined by the advisory board; and

(2) advances the strategic plan adopted under subdivision 1c.

(b) In evaluating programs proposed by the commissioner, the advisory board must consider factors, including but not limited to:

(1) job creation or retention goals for the program, including but not limited to wages and benefits; whether the jobs created are full time, part time, temporary, or permanent; and whether the stated job creation or retention goals in the program proposal can be adequately measured using methods established by the commissioner;

(2) how and to what extent the program is expected to impact the economic climate of the Iron Range resources and rehabilitation services area;

(3) how the program would meet match requirements, if any; and

(4) whether the program meets the written objectives, priorities, and policies established by the commissioner.

Sec. 28. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

Subd. 1c. **Strategic plan required.** The commissioner, in consultation with the advisory board, shall adopt a four-year strategic plan for making expenditures, including identifying the priority areas for funding for the term of the commissioner's appointment. The strategic plan must be reviewed annually. The strategic plan must have clearly stated short- and long-term goals and strategies for expenditures, provide measurable outcomes for expenditures, and determine areas of emphasis for funding.

Sec. 29. Minnesota Statutes 2016, section 298.22, subdivision 5a, is amended to read:

Subd. 5a. **Forest trust.** The commissioner, ~~upon approval by the board~~ after consultation with the advisory board, may purchase forest lands in the taconite assistance area defined ~~in~~ under section 273.1341 with funds specifically authorized for the purchase. The acquired forest lands must be held in trust for the benefit of the citizens of the taconite assistance area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and developed for recreation and economic development purposes. The commissioner, ~~upon approval by the~~ after consultation with the advisory board, may sell forest lands purchased under this subdivision if the ~~board finds~~ commissioner determines that the sale advances the purposes of the trust. Proceeds derived from the management or sale of the lands and from the sale of timber or removal of gravel or other minerals from these forest lands shall be deposited into an Iron Range Miners' Memorial Forest account that is established within the state financial accounts. Funds may be expended from the account ~~upon approval~~ by the commissioner, after consultation with the advisory board, to purchase, manage, administer, convey interests in, and improve the forest lands. ~~With approval by the board,~~ After consultation with the advisory board, the commissioner may transfer money in the Iron Range Miners' Memorial Forest account ~~may be transferred~~ into the corpus of the Douglas J. Johnson economic protection trust fund established under sections 298.291 to 298.294. The property acquired under the authority granted by this subdivision and income derived from the property or the operation or management of the property are exempt from taxation by the state or its political subdivisions while held by the forest trust.

Sec. 30. Minnesota Statutes 2016, section 298.22, subdivision 6, is amended to read:

Subd. 6. **Private entity participation.** The commissioner, after consultation with the advisory board, may acquire an equity interest in any project for which ~~it~~ the commissioner provides funding. The commissioner may, after consultation with the advisory board, establish, participate in the management of, and dispose of the assets of charitable foundations, nonprofit limited liability companies, and nonprofit corporations associated with any project for which ~~it~~ the commissioner provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6.

Sec. 31. Minnesota Statutes 2016, section 298.22, subdivision 10, is amended to read:

Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources and rehabilitation may not sell or privatize the ~~Ironworld~~ Minnesota Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by the advisory board.

Sec. 32. Minnesota Statutes 2016, section 298.22, subdivision 11, is amended to read:

Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation shall annually prepare a budget for operational expenditures, programs, and projects, and submit it to the Iron Range Resources and Rehabilitation Advisory Board. After the budget is approved by the advisory board and the governor, the commissioner may spend money in accordance with the approved budget.

Sec. 33. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

Subd. 13. **Grants and loans for economic development projects; requirements.** (a) Prior to awarding any grants or approving loans from any fund or account from which the commissioner has the authority under law to expend money, the commissioner must evaluate applications based on criteria including, but not limited to:

(1) job creation or retention goals for the project, including but not limited to wages and benefits, and whether the jobs created are full time, part time, temporary, or permanent;

(2) whether the applicant's stated job creation or retention goals can be adequately measured using methods established by the commissioner;

(3) how and to what extent the project proposed by the applicant is expected to impact the economic climate of the Iron Range resources and rehabilitation services area;

(4) how the applicant would meet match requirements, if any; and

(5) whether the project for which a grant or loan application has been submitted meets the written objectives, priorities, and policies established by the commissioner.

(b) The commissioner, if appropriate, may include incentives in loan and grant award agreements to promote and assist grant recipients in achieving the stated job creation and retention objectives established by the commissioner.

(c) For all loans and grants awarded from funds under the commissioner's authority pursuant to this chapter, the commissioner must:

(1) maintain a database for tracking loan and grant awards;

(2) maintain an objective mechanism for measuring job creation and retention;

(3) verify achievement of job creation and retention goals by grant and loan recipients;

(4) monitor grant and loan awards to ensure that projects comply with applicable Iron Range resources and rehabilitation policies; and

(5) verify that grant or loan recipients have met applicable matching fund requirements.

Sec. 34. Minnesota Statutes 2016, section 298.221, is amended to read:

298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.

(a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant to the terms of any contract entered into by the state under authority of section 298.22 and any fees which may, in the discretion of the commissioner of Iron Range resources and rehabilitation, be charged in connection with any project pursuant to that section as amended, shall be deposited in the state treasury to the credit of the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund and are hereby appropriated for the purposes of section 298.22.

(b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner of the Iron Range resources and rehabilitation ~~Board~~ for payment of advertising contracts if the commissioner determines that the merchandise can be used for special event prizes or mementos at facilities operated by the ~~board~~ commissioner. Nothing in this paragraph authorizes the commissioner or a member of the advisory board to receive merchandise for personal use.

(c) All fees charged by the commissioner in connection with public use of the state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived by the commissioner from the operation or lease of those facilities and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be deposited into an Iron Range resources and rehabilitation ~~Board~~ account that is created within the state enterprise fund. All funds deposited in the enterprise fund account are appropriated to the commissioner ~~to be expended, subject to approval by the board~~, and may only be used, after consultation with the advisory board, as follows:

(1) to pay costs associated with the construction, equipping, operation, repair, or improvement of the Giants Ridge Recreation Area facilities or lands;

(2) to pay principal, interest and associated bond issuance, reserve, and servicing costs associated with the financing of the facilities; and

(3) to pay the costs of any other project authorized under section 298.22.

Sec. 35. Minnesota Statutes 2016, section 298.2211, subdivision 3, is amended to read:

Subd. 3. **Project approval.** ~~All projects authorized by this section shall be submitted by the commissioner to the Iron Range Resources and Rehabilitation Board for approval by the board~~ The commissioner may authorize a project under this section only after consulting the advisory board. Prior to the commencement of a project involving the exercise by the commissioner of any authority of sections 469.174 to 469.179, the governing body of each municipality in which any part of the project is located and the county board of any county containing portions of the project not located in an incorporated area shall by majority vote approve or disapprove the project. Any project approved by the ~~board~~ commissioner and the applicable governing bodies, if any, together with detailed information concerning the project, its costs, the sources of its funding, and the amount of any bonded indebtedness to be incurred in connection with the project, shall be transmitted to the governor, who shall approve, disapprove, or return the proposal for additional consideration within 30 days of receipt. No project authorized under this section shall be undertaken, and no obligations shall be issued and no tax increments shall be expended for a project authorized under this section until the project has been approved by the governor.

Sec. 36. Minnesota Statutes 2016, section 298.2211, subdivision 6, is amended to read:

Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the commissioner of Iron Range resources and rehabilitation ~~Board~~ that have been established according to prevailing market conditions and to recover operating costs need not be set by rule.

Sec. 37. Minnesota Statutes 2016, section 298.2212, is amended to read:

298.2212 INVESTMENT OF FUNDS.

All funds credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund for the purposes of section 298.22 must be invested pursuant to law. The net interest and dividends from the investments are included and become part of the funds available for purposes of section 298.22.

Sec. 38. Minnesota Statutes 2016, section 298.2214, subdivision 2, is amended to read:

Subd. 2. **Iron Range Higher Education Committee; membership.** The members of the committee shall consist of:

(1) one member appointed by the governor;

(2) one member appointed by the president of the University of Minnesota;

(3) four members of the Iron Range Resources and Rehabilitation Advisory Board appointed by the chair;

(4) the commissioner of Iron Range resources and rehabilitation; and

(5) the president of the Northeast Higher Education District or its successor.

Sec. 39. Minnesota Statutes 2016, section 298.223, subdivision 1, is amended to read:

Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within the taconite assistance area defined in section 273.1341, that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

(1) to initiate investigations into matters the commissioner of Iron Range resources and rehabilitation ~~Board~~ determines are in need of study and which will determine the environmental problems requiring remedial action;

(2) reclamation, restoration, or reforestation of mine lands not otherwise provided for by state law;

(3) local economic development projects ~~but only if those projects are approved by the board,~~ and public works, including construction of sewer and water systems located within the taconite assistance area defined in section 273.1341;

(4) monitoring of mineral industry related health problems among mining employees; and

(5) local public works projects under section 298.227, paragraph (c).

Sec. 40. Minnesota Statutes 2016, section 298.223, subdivision 2, is amended to read:

Subd. 2. **Administration.** ~~(a)~~ The taconite area environmental protection fund shall be administered by the commissioner ~~of the Iron Range Resources and Rehabilitation Board~~, who must consult with the advisory board before expending any funds. ~~The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary.~~

~~(b) Each year no less than one-half of the amounts deposited into the taconite environmental protection fund must be used for public works projects, including construction of sewer and water systems, as specified under subdivision 1, clause (3). the Iron Range Resources and Rehabilitation Board may waive the requirements of this paragraph.~~

~~(c) Upon approval by the board, the list of projects approved under this subdivision shall be submitted to the governor by November 1 of each year. By December 1 of each year,~~

~~the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and the governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.~~

Sec. 41. Minnesota Statutes 2016, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

~~(a)~~ An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation ~~Board~~ in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development and associated public facility improvement, or for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose beginning with distributions in 2014. Effective for proposals for expenditures of money from the fund beginning May 26, 2007, the commissioner may not release the funds before the next scheduled meeting of the board. If a proposed expenditure is not approved by the commissioner, after consultation with the advisory board, the funds must be deposited in the Taconite Environmental Protection Fund under sections 298.222 to 298.225. ~~If a producer uses money which has been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile equipment, or mining shovels, and the producer removes the piece of equipment from the taconite tax relief area defined in section 273.134 within ten years from the date of receipt of the money from the fund, a portion of the money granted from the fund must be repaid to the taconite economic development fund. The portion of the money to be repaid is 100 percent of the grant if the equipment is removed from the taconite tax relief area within 12 months after receipt of the money from the fund, declining by ten percent for~~

~~each of the subsequent nine years during which the equipment remains within the taconite tax relief area.~~ If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of distributions and the review process, an amount equal to ten cents per taxable ton of production in 2007, for distribution in 2008 only, that would otherwise be distributed under paragraph (a), may be used for a loan or grant for the cost of providing for a value-added wood product facility located in the taconite tax relief area and in a county that contains a city of the first class. This amount must be deducted from the distribution under paragraph (a) for which a matching expenditure by the producer is not required. The granting of the loan or grant is subject to approval by the board. If the money is provided as a loan, interest must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii) Repayments of the loan and interest, if any, must be deposited in the taconite environment protection fund under sections 298.222 to 298.225. If a loan or grant is not made under this paragraph by July 1, 2012, the amount that had been made available for the loan under this paragraph must be transferred to the taconite environment protection fund under sections 298.222 to 298.225. (iii) Money distributed in 2008 to the fund established under this section that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a pro rata basis.~~

~~(c) Repayment or transfer of money to the taconite environmental protection fund under paragraph (b), item (ii), must be allocated by the Iron Range resources and rehabilitation Board for public works projects in house legislative districts in the same proportion as taxable tonnage of production in 2007 in each house legislative district, for distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph do not~~

~~require approval by the governor. For purposes of this paragraph, "house legislative districts" means the legislative districts in existence on May 15, 2009.~~

Sec. 42. Minnesota Statutes 2016, section 298.27, is amended to read:

298.27 COLLECTION AND PAYMENT OF TAX.

The taxes provided by section 298.24 shall be paid directly to each eligible county and the commissioner of Iron Range resources and rehabilitation ~~Board~~. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 15. Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner of revenue. The report shall be filed by each producer on or before February 1. A remittance equal to 50 percent of the total tax required to be paid hereunder shall be paid on or before February 24. A remittance equal to the remaining total tax required to be paid hereunder shall be paid on or before August 24. On or before February 25 and August 25, the county auditor shall make distribution of the payments previously received by the county in the manner provided by section 298.28. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

A person having a liability of $120,000 or more during a calendar year must remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 43. Minnesota Statutes 2016, section 298.28, subdivision 7, is amended to read:

Subd. 7. **Iron Range resources and rehabilitation ~~Board~~ account.** For the 1998 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range resources and rehabilitation ~~Board~~ account for the purposes of section 298.22. That amount shall be increased for distribution years 1999 through 2014 and for distribution in 2018 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341. ~~No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor.~~

Sec. 44. Minnesota Statutes 2016, section 298.28, subdivision 7a, is amended to read:

Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.** (a) The following amounts must be allocated to the commissioner of Iron Range resources and rehabilitation ~~Board~~ to be deposited in the Iron Range school consolidation and cooperatively operated school account that is hereby created:

(1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax imposed under section 298.24; and

(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed under section 298.24;

(2) the amount as determined under section 298.17, paragraph (b), clause (3);

(3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J. Johnson economic protection trust fund;

(ii) for distributions in 2016, an amount equal to two-thirds of the sum of the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, for distribution years 2015 and 2016, with the remaining one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

(iii) for distributions in 2017, an amount equal to two-thirds of the sum of the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, for distribution years 2015, 2016, and 2017, with the remaining one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

(4) any other amount as provided by law.

(b) Expenditures from this account may be approved as ongoing annual expenditures and shall be made only to provide disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Advisory Board. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless approved by ~~seven members of~~ the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Advisory Board.

Sec. 45. Minnesota Statutes 2016, section 298.28, subdivision 9c, is amended to read:

Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the Hockey Hall of Fame, provided that it continues to operate in that city, and provided that the city of Eveleth certifies to the St. Louis County auditor that it has received donations for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of Fame ceases to operate in the city of Eveleth prior to receipt of the distribution in any year, and the governing body of the city determines that it is unlikely to resume operation there within a six-month period, the distribution under this subdivision shall be made to the commissioner of Iron Range resources and rehabilitation ~~Board~~.

Sec. 46. Minnesota Statutes 2016, section 298.28, subdivision 9d, is amended to read:

Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be ~~allocated to the Iron Range Resources and Rehabilitation Board to be~~ deposited in an Iron Range higher education account that is hereby created, to be used for higher education programs conducted at educational institutions in the taconite assistance area defined in section 273.1341. The Iron Range Higher Education committee under section 298.2214, and the commissioner of Iron Range resources and rehabilitation ~~Board~~, after consultation with the advisory board, must approve all expenditures from the account.

Sec. 47. Minnesota Statutes 2016, section 298.28, subdivision 11, is amended to read:

Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in subdivisions 2 to 10a, as certified by the commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with interest earned on all money distributed under this section prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(b) There shall be distributed to each city, town, and county the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(c) There shall be distributed to the Iron Range resources and rehabilitation ~~Board~~ account the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount distributed under this paragraph shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341.

(d) There shall be distributed to each school district 62 percent of the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

Sec. 48. Minnesota Statutes 2016, section 298.292, subdivision 2, is amended to read:

Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

(3) to pay in periodic payments or in a lump-sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources;

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least $500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the

commissioner ~~upon approval by the~~, after consultation with the advisory board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341.

Sec. 49. Minnesota Statutes 2016, section 298.296, is amended to read:

298.296 OPERATION OF FUND.

Subdivision 1. **Project approval.** ~~The board and commissioner shall by August 1 of each year prepare a list of projects to be funded from the Douglas J. Johnson economic protection trust with necessary supporting information including description of the projects, plans, and cost estimates. These~~ Projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the ~~board unless it~~ commissioner unless the commissioner, after consultation with the advisory board, finds that:

(a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(b) the prospective benefits of the expenditure exceed the anticipated costs; and

(c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

~~Each project must be approved by over one-half of all of the members of the board and the commissioner of Iron Range resources and rehabilitation. The list of projects shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be expended only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.~~

Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus $10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust.

(b) ~~Additionally, upon recommendation by the board, up to $13,000,000 from the corpus of the trust may be made available for use as provided in subdivision 4, and up to $10,000,000 from the corpus of the trust may be made available for use as provided in section 298.2961.~~

~~(c)~~ Additionally, an amount equal to 20 percent of the value of the corpus of the trust on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8, section 17, may be expended on projects. ~~Funds~~ The commissioner may ~~be expended~~ expend funds for projects under this paragraph only if ~~the project~~:

(1) the project is for the purposes established under section 298.292, subdivision 1, clause (1) or (2); and

(2) ~~is approved by two-thirds of all of the members of the board~~ the commissioner has consulted with the advisory board.

No money made available under this paragraph or paragraph (d) can be used for administrative or operating expenses of the Department of Iron Range resources and rehabilitation ~~Board~~ or expenses relating to any facilities owned or operated by the ~~board~~ commissioner on May 18, 2002.

~~(d)~~ (c) ~~Upon recommendation by a unanimous vote of all members of the board,~~ The commissioner may spend amounts in addition to those authorized under paragraphs (a), (b), and (c) ~~may be expended~~ on projects described in section 298.292, subdivision 1, only after consultation with the advisory board.

~~(e)~~ (d) Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

~~(f)~~ (e) Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

~~(g)~~ (f) Additionally, notwithstanding section 298.293, ~~upon the approval of the board,~~ the commissioner, after consultation with the advisory board, may expend money from the corpus of the trust ~~may be expanded~~ to purchase forest lands within the taconite assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

Subd. 3. **Administration.** The commissioner ~~and staff~~ of ~~the~~ Iron Range resources and rehabilitation ~~Board~~ shall administer the program under which funds are expended pursuant to sections 298.292 to 298.298.

Subd. 4. **Temporary loan authority.** (a) ~~The board may recommend that~~ After consultation with advisory board, the commissioner may use up to $7,500,000 from the corpus of the trust ~~may be used~~ for loans, loan guarantees, grants, or equity investments as provided in this subdivision. The money would be available for loans for construction and equipping of facilities constituting (1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject to the net proceeds tax imposed under section 298.015. A loan or loan guarantee under this paragraph may not exceed $5,000,000 for any facility.

(b) ~~Additionally, the board must reserve the first $2,000,000 of the net interest, dividends, and earnings arising from the investment of the trust after June 30, 1996, to be used for grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a). This amount must be reserved until it is used as described in this subdivision.~~

~~(c)~~ Additionally, ~~the board may recommend that~~ the commissioner, after consultation with the advisory board, may use up to $5,500,000 from the corpus of the trust ~~may be used~~ for additional grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a).

~~(d)~~ (c) The ~~board~~ commissioner, after consultation with the advisory board, may require that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this section.

Sec. 50. Minnesota Statutes 2016, section 298.2961, is amended to read:

298.2961 PRODUCER GRANTS.

Subdivision 1. **Appropriation.** (a) $10,000,000 is appropriated from the Douglas J. Johnson economic protection trust fund to a special account in the taconite area environmental protection fund for grants to producers on a project-by-project basis as provided in this section.

(b) The proceeds of the tax designated under section 298.28, subdivision 9b, are appropriated for grants to producers on a project-by-project basis as provided in this section.

Subd. 2. **Projects; approval.** (a) Projects funded must be for:

(1) environmentally unique reclamation projects; or

(2) pit or plant repairs, expansions, or modernizations other than for a value added iron products plant.

(b) ~~To be proposed by the board, a project must be approved by the board. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time~~ The commissioner may approve a project only after consultation with the advisory board.

(c) The commissioner, after consultation with the advisory board, may require that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this section.

Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the taconite environmental fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section.

(b) Any portion of the taconite environmental fund that is not released by the commissioner within three years of its deposit in the taconite environmental fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds must be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision. Any grant or loan made under this subdivision must be approved by the commissioner, after consultation with the advisory board, established under section 298.22.

(b) All distributions received in 2009 and subsequent years are allocated for projects under section 298.223, subdivision 1.

Sec. 51. Minnesota Statutes 2016, section 298.297, is amended to read:

298.297 ADVISORY COMMITTEES.

Before submission of a project to the advisory board, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of one or more persons who are knowledgeable in areas related to the objectives of the proposal. Members of the committees shall be compensated as provided in section 15.059, subdivision

3. The advisory board shall not ~~act~~ make recommendations on a proposal until it has received the evaluation and recommendations of the technical advisory committee or until 15 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first.

Sec. 52. Minnesota Statutes 2016, section 298.46, subdivision 2, is amended to read:

Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly constituted authorities of a taxing district there are in existence reserves of unmined iron ore located in such district, these authorities may petition the commissioner of Iron Range resources and rehabilitation ~~Board~~ for authority to petition the county assessor to verify the existence of such reserves and to ascertain the value thereof by drilling in a manner consistent with established engineering and geological exploration methods, in order that such taxing district may be able to forecast in a proper manner its future economic and fiscal potentials. The commissioner may grant the authority to petition only after consultation with the advisory board.

Sec. 53. Minnesota Statutes 2016, section 298.46, subdivision 5, is amended to read:

Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or drilling plus any damages to the property which may be assessed by the district court shall be paid by the commissioner of Iron Range resources and rehabilitation ~~Board~~ from amounts appropriated to ~~that board~~ the commissioner under section 298.22. The commissioner of Iron Range resources and rehabilitation ~~Board~~ shall be reimbursed for one-half of the amounts thus expended. Such reimbursement shall be made by the taxing districts in the proportion that each such taxing district's levy on the property involved bears to the total levy on such property. Such reimbursement shall be made to the commissioner of Iron Range resources and rehabilitation ~~Board~~ in the manner provided by section 298.221.

Sec. 54. Minnesota Statutes 2016, section 298.46, subdivision 6, is amended to read:

Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor is hereby authorized to reduce payments required to be made by the county to such taxing district under other provisions of law. Thereafter the auditor shall draw a warrant, which shall be deposited with the state treasury in accordance with section 298.221, to the credit of the commissioner of Iron Range resources and rehabilitation ~~Board~~.

Sec. 55. Minnesota Statutes 2016, section 466.03, subdivision 6c, is amended to read:

Subd. 6c. **Water access sites.** Any claim based upon the construction, operation, or maintenance by a municipality of a water access site created by the commissioner of Iron Range resources and rehabilitation ~~Board~~. A water access site under this subdivision that provides access to an idled, water filled mine pit also includes the entire water filled area of the pit, and, further, claims related to a mine pit water access site under this subdivision include those based upon the caving or slumping of mine pit walls.

Sec. 56. Minnesota Statutes 2016, section 469.310, subdivision 9, is amended to read:

Subd. 9. **Local government unit.** "Local government unit" means a statutory or home rule charter city, county, town, the Department of Iron Range Resources and Rehabilitation ~~agency~~, regional development commission, or a federally designated economic development district.

Sec. 57. Minnesota Statutes 2016, section 474A.02, subdivision 21, is amended to read:

Subd. 21. **Preliminary resolution.** "Preliminary resolution" means a resolution adopted by the governing body or board of the issuer, or ~~in the case of the~~ by the commissioner of Iron Range resources and rehabilitation ~~Board by the commissioner~~. The resolution must express a preliminary intention of the issuer to issue obligations for a specific project, identify the proposed project, and disclose the proposed amount of qualified bonds to be issued. Preliminary resolutions for mortgage bonds and student loan bonds need not identify a specific project.

Sec. 58. Laws 2010, chapter 389, article 5, section 7, is amended to read:

Sec. 7. **GIANTS RIDGE RECREATION AREA TAXING AUTHORITY.**

Subdivision 1. **Additional taxes authorized.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or charter provision to the contrary, the city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose any or all of the taxes described in this section.

Subd. 2. **Use of proceeds.** The proceeds of any taxes imposed under this section, less refunds and costs of collection, must be deposited into the Iron Range Resources and Rehabilitation ~~Board~~ account enterprise fund created under the provisions of Minnesota Statutes, section 298.221, paragraph (c), and must be dedicated and expended by the commissioner of ~~the~~ Iron Range resources and rehabilitation ~~Board, upon approval by the~~

~~vote of at least seven members of~~ after consultation with the Iron Range Resources and Rehabilitation Advisory Board, to pay costs for the construction, renovation, improvement, expansion, and maintenance of public recreational facilities located in those portions of the city within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7, or to pay any principal, interest, or premium on any bond issued to finance the construction, renovation, improvement, or expansion of such public recreational facilities.

Subd. 3. **Lodging tax.** (a) The city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on the gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and may be imposed only on gross lodging receipts generated within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7.

(b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax imposed under paragraph (a), the change must be approved by both the governing body of the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after the commissioner consults with the Iron Range Resources and Rehabilitation Advisory Board.

Subd. 4. **Admissions and recreation tax.** (a) The city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on admission receipts to entertainment and recreational facilities and on receipts from the rental of recreation equipment, at sites within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration, collection, and enforcement of the tax authorized in this subdivision.

(b) If the city imposes the tax under paragraph (a), it must include in the ordinance an exemption for purchases of season tickets or passes.

(c) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax imposed under paragraph (a), the change must be approved by both the governing body of the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after the commissioner consults with the Iron Range Resources and Rehabilitation Advisory Board.

Subd. 5. **Food and beverage tax.** (a) The city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose, by ordinance, an additional sales tax of not more than one percent on gross receipts of food and beverages sold whether it is consumed on or off the premises by restaurants and places of refreshment as defined by resolution of the city within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration, collection, and enforcement of the tax authorized in this subdivision.

(b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax imposed under paragraph (a), the change must be approved by both the governing body of the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after the commissioner consults with the Iron Range Resources and Rehabilitation Advisory Board.

EFFECTIVE DATE. This section is effective August 1, 2017, without local approval pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 59. **DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

(a) "Commissioner" as used in this section means the commissioner of Iron Range Resources and Rehabilitation unless otherwise specified.

(b) Notwithstanding any law to the contrary, the commissioner, in consultation with the commissioner of management and budget, shall offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years or who have received credit for at least 30 years of allowable service under the provisions of Minnesota Statutes, chapter 352. The commissioner shall also offer a targeted separation incentive program for employees of the commissioner whose positions are in support of operations at Giants Ridge and will be eliminated if the department no longer directly manages Giants Ridge operations.

(c) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

(d) The commissioner shall establish eligibility requirements for employees to receive an incentive. The commissioner must exclude from eligibility for the incentive program employees having fewer than 20 years of allowable service, who would otherwise qualify for the incentive program.

(e) The commissioner, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (f), may designate specific programs or employees as eligible to be offered the incentive program.

(f) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner.

(g) The cost of the incentive is payable solely by funds made available to the commissioner by law, but only on prior approval of the expenditures by the commissioner, after consultation with the Iron Range Resources and Rehabilitation Advisory Board.

(h) Unilateral implementation of this section by the commissioner is not an unfair labor practice under Minnesota Statutes, chapter 179A.

EFFECTIVE DATE. This section is effective the day following final enactment. This section is repealed July 30, 2018.

Sec. 60. **REVISOR'S INSTRUCTION.**

The revisor of statutes, with cooperation from the House Research Department and the Office of Senate Counsel, Research, and Fiscal Analysis, shall prepare legislation that makes conforming changes in accordance with the provisions of this article. The revisor shall submit the proposal, in a form ready for introduction, during the 2018 regular legislative session to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over jobs and economic development.

Sec. 61. **REPEALER.**

Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; and 298.298, are repealed.

ARTICLE 5

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL POLICY

Section 1. Minnesota Statutes 2016, section 268.046, subdivision 3, is amended to read:

Subd. 3. **Penalties; application.** (a) Any person that violates the requirements of this section and any taxpaying employer that violates subdivision 1, paragraph (b), or any nonprofit or government employer that violates subdivision 2, paragraph (b), is subject to the penalties under section 268.184, subdivision 1a. Penalties are credited to the trust fund.

(b) Section 268.051, subdivision 4, does not apply to contracts under this section. This section does not limit or prevent the application of section 268.051, subdivision 4, to any other transactions or acquisitions involving the taxpaying employer. This section does not limit or prevent the application of section 268.051, subdivision 4a.

(c) An assignment of an account upon the execution of a contract under this section and a termination of a contract with the corresponding assignment of the account is not ~~considered~~ a separation from employment of any worker covered by the contract. Nothing under this subdivision causes the person to be liable for any amounts past due under this chapter from the taxpaying employer or the nonprofit or government employer.

(d) ~~This section applies to, but is not limited to, persons registered under section 79.255, but does not apply to persons that obtain~~ An exemption from registration under section 79.255, subdivision 9, does not determine the application of this section.

Sec. 2. Minnesota Statutes 2016, section 268.065, subdivision 2, is amended to read:

Subd. 2. **Employee leasing company, professional employer organization, or similar person.** (a) A person whose work force consists of 50 percent or more of workers provided by an employee leasing company, professional employer organization, or similar person for a fee, is jointly and severally liable for the unpaid amounts that are due under this chapter or section 116L.20 on the wages paid on the contract with the employee leasing company, professional employer organization, or similar person.

(b) ~~This subdivision applies to, but is not limited to, persons registered under section 79.255, but does not apply to agreements with persons that obtain~~ An exemption from registration under section 79.255, subdivision 9, does not determine the application of this section.

Sec. 3. Minnesota Statutes 2016, section 268.085, subdivision 13, is amended to read:

Subd. 13. **Suspension from employment.** (a) An applicant who has been suspended from employment without pay for 30 calendar days or less, as a result of employment misconduct or aggravated employment misconduct as defined under section 268.095, ~~subdivision 6,~~ is ineligible for unemployment benefits beginning the Sunday of the week that the applicant was suspended and continuing for the duration of the suspension.

(b) A suspension from employment without pay that is of indefinite duration or is for more than 30 calendar days is considered, at the time the suspension begins, a discharge from employment ~~under~~ subject to section 268.095~~, subdivision 5~~.

(c) A suspension from employment with pay, regardless of duration, is not ~~considered~~ a separation from employment and the applicant is ineligible for unemployment benefits for the duration of the suspension with pay.

Sec. 4. Minnesota Statutes 2016, section 268.095, subdivision 5, is amended to read:

Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any words or actions by an employer would lead a reasonable employee to believe that the employer will no longer allow the employee to work for the employer in any capacity. A layoff because of lack of work is a discharge.

(b) A suspension from employment without pay that is of an indefinite duration or is for more than 30 calendar days is considered a discharge at the time the suspension begins.

~~(b)~~ (c) When determining if an applicant was discharged, the theory of a constructive discharge does not apply.

~~(c)~~ (d) An employee who gives notice of intention to quit the employment and is not allowed by the employer to work the entire notice period is discharged from the employment as of the date the employer will no longer allow the employee to work. If the discharge occurs within 30 calendar days before the intended date of quitting, then, as of the intended date of quitting, the separation from employment is a quit from employment subject to subdivision 1.

~~(d)~~ (e) The end of a job assignment with the client of a staffing service is a discharge from employment with the staffing service unless subdivision 2, paragraph (e), applies.

Sec. 5. Minnesota Statutes 2016, section 268.101, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant under subdivision 1, paragraph (a) or (c), and send to the applicant and any involved employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge of the applicant must state the effect on the employer under section 268.047. A determination must be made in accordance with this paragraph even if a notified employer has not raised the issue of ineligibility.

(b) The commissioner must determine any issue of ineligibility raised by an employer and send to the applicant and that employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility as is appropriate. The determination on an issue of ineligibility as a result of a quit or discharge of the applicant must state the effect on the employer under section 268.047.

If a base period employer:

(1) was not the applicant's most recent employer before the application for unemployment benefits;

(2) did not employ the applicant during the six calendar months before the application for unemployment benefits; and

(3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant within ten calendar days of notification under subdivision 1, paragraph (b);

then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two weeks following the week that the issue of ineligibility as a result of a quit or discharge of the applicant was raised by the employer.

A communication from an employer must specifically set out why the applicant should be determined ineligible for unemployment benefits for that communication to be considered to have raised an issue of ineligibility for purposes of this section. A statement of "protest" or a similar term without more information does not constitute raising an issue of ineligibility for purposes of this section.

(c) Subject to section 268.031, an issue of ineligibility is determined based upon that information required of an applicant, any information that may be obtained from an applicant or employer, and information from any other source.

(d) Regardless of the requirements of this subdivision, the commissioner is not required to send to an applicant a copy of the determination where the applicant has satisfied a period of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

(e) The ~~commissioner may~~ department is authorized to issue a determination on an issue of ineligibility within 24 months from the establishment of a benefit account based upon information from any source, even if the issue of ineligibility was not raised by the applicant or an employer.

If an applicant obtained unemployment benefits through ~~fraud~~ misrepresentation under section 268.18, subdivision 2, the department is authorized to issue a determination of ineligibility ~~may be issued~~ within 48 months of the establishment of the benefit account.

If the department has filed an intervention in a worker's compensation matter under section 176.361, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

(f) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant or employer within 20 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of unemployment benefits under this chapter except for issues under section 268.07. An issue of ineligibility for purposes of this section includes any question of effect on an employer under section 268.047.

ARTICLE 6

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL HOUSEKEEPING

Section 1. Minnesota Statutes 2016, section 268.035, subdivision 20, is amended to read:

Subd. 20. **Noncovered employment.** "Noncovered employment" means:

(1) employment for the United States government or an instrumentality thereof, including military service;

(2) employment for a state, other than Minnesota, or a political subdivision or instrumentality thereof;

(3) employment for a foreign government;

(4) employment covered under the federal Railroad Unemployment Insurance Act;

(5) employment for a church or convention or association of churches, or a nonprofit organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

(6) employment for an elementary or secondary school with a curriculum that includes religious education that is operated by a church, a convention or association of churches, or a nonprofit organization that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

~~(6)~~ (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order;

~~(7)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed in a facility certified by the Rehabilitation Services Branch of the department or in a day training or habilitation program licensed by the Department of Human Services;

~~(8)~~ (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving work relief or work training as part of an unemployment work relief or work training program ~~assisted or~~ financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. This clause does not apply to programs that require unemployment benefit coverage for the participants;

~~(9)~~ (10) employment for Minnesota or a political subdivision, as an elected official, a member of a legislative body, or a member of the judiciary;

~~(10)~~ (11) employment as a member of the Minnesota National Guard or Air National Guard;

~~(11)~~ (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of an individual serving on a temporary basis in case of fire, flood, tornado, or similar emergency;

~~(12)~~ (13) employment as an election official or election worker for Minnesota or a political subdivision, if the compensation for that employment was less than $1,000 in a calendar year;

~~(13)~~ (14) employment for Minnesota that is a major policy-making or advisory position in the unclassified service;

~~(14)~~ (15) employment for Minnesota in an unclassified position established under section 43A.08, subdivision 1a;

~~(15)~~ (16) employment for a political subdivision of Minnesota that is a nontenured major policy making or advisory position;

~~(16)~~ (17) domestic employment in a private household, local college club, or local chapter of a college fraternity or sorority, if the wages paid in any calendar quarter in either the current or prior calendar year to all individuals in domestic employment totaled less than $1,000.

"Domestic employment" includes all service in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade or business;

~~(17)~~ (18) employment of an individual by a son, daughter, or spouse, and employment of a child under the age of 18 by the child's father or mother;

~~(18)~~ (19) employment of an inmate of a custodial or penal institution;

~~(19)~~ (20) employment for a school, college, or university, by a student who is enrolled and whose primary relation to the school, college, or university is as a student. This does not include an individual whose primary relation to the school, college, or university is as an employee who also takes courses;

~~(20)~~ (21) employment of an individual who is enrolled as a student in a full-time program at a nonprofit or public educational institution that maintains a regular faculty and curriculum and has a regularly organized body of students in attendance at the place where its educational activities are carried on, taken for credit at the institution, that combines academic instruction with work experience, if the employment is an integral part of the program, and the institution has so certified to the employer, except that this clause does not apply to employment in a program established for or on behalf of an employer or group of employers;

~~(21)~~ (22) employment of university, college, or professional school students in an internship or other training program with the city of St. Paul or the city of Minneapolis under Laws 1990, chapter 570, article 6, section 3;

~~(22)~~ (23) employment for a hospital by a patient of the hospital. "Hospital" means an institution that has been licensed by the Department of Health as a hospital;

~~(23)~~ (24) employment as a student nurse for a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in an accredited nurses' training school;

~~(24)~~ (25) employment as an intern for a hospital by an individual who has completed a four-year course in an accredited medical school;

~~(25)~~ (26) employment as an insurance salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission. The word "insurance" includes an annuity and an optional annuity;

~~(26)~~ (27) employment as an officer of a township mutual insurance company or farmer's mutual insurance company under chapter 67A;

~~(27)~~ (28) employment of a corporate officer, if the officer directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer corporation, and employment of a member of a limited liability company, if the member directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer limited liability company;

~~(28)~~ (29) employment as a real estate salesperson, other than a corporate officer, if all the wages from the employment is solely by way of commission;

~~(29)~~ (30) employment as a direct seller as defined in United States Code, title 26, section 3508;

~~(30)~~ (31) employment of an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

~~(31)~~ (32) casual employment performed for an individual, other than domestic employment under clause ~~(16)~~ (17), that does not promote or advance that employer's trade or business;

~~(32)~~ (33) employment in "agricultural employment" unless it is "covered agricultural employment" under subdivision 11; or

~~(33)~~ (34) if employment during one-half or more of any pay period was covered employment, all the employment for the pay period is covered employment; but if during more than one-half of any pay period the employment was noncovered employment, then all of the employment for the pay period is noncovered employment. "Pay period" means a period of not more than a calendar month for which a payment or compensation is ordinarily made to the employee by the employer.

Sec. 2. Minnesota Statutes 2016, section 268.035, subdivision 21d, is amended to read:

Subd. 21d. **Staffing service.** A "staffing service" is an employer whose business involves employing individuals directly for the purpose of furnishing temporary assignment workers to ~~clients~~ support or supplement the workforce of the business that is a client of the staffing service.

Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 9, is amended to read:

Subd. 9. **Assessments, fees, and surcharges; treatment.** ~~Any assessment, fee, or surcharge imposed under the Minnesota Unemployment Insurance Law is treated the same as, and considered as, a tax.~~ Any assessment, fee, or surcharge is subject to the same collection procedures that apply to past due taxes.

Sec. 4. Minnesota Statutes 2016, section 268.07, subdivision 3b, is amended to read:

Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for unemployment benefits is effective the Sunday of the calendar week that the application was filed. An application for unemployment benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant requests the backdating within seven calendar days of the date the application is filed. An application may be backdated only if the applicant was unemployed during the period of the backdating. If an individual attempted to file an application for unemployment benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

(b) A benefit account established under subdivision 2 is effective the date the application for unemployment benefits was effective.

(c) A benefit account, once established, may later be withdrawn only if:

(1) the applicant has not been paid any unemployment benefits on that benefit account; and

(2) a new application for unemployment benefits is filed and a new benefit account is established at the time of the withdrawal.

A benefit account may be withdrawn after the expiration of the benefit year, and the new work requirements of subdivision 2, paragraph (b), do not apply if the applicant was not paid any unemployment benefits on the benefit account that is being withdrawn.

A determination or amended determination of eligibility or ineligibility issued under section 268.101, that was sent before the withdrawal of the benefit account, remains in effect and is not voided by the withdrawal of the benefit account.

(d) An application for unemployment benefits is not allowed before the Sunday following the expiration of the benefit year on a prior benefit account. Except as allowed under paragraph (c), an applicant may establish only one benefit account each 52 calendar weeks. This paragraph applies to benefit accounts established under any federal law or the law of any other state.

Sec. 5. Minnesota Statutes 2016, section 268.085, subdivision 1, is amended to read:

Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive unemployment benefits for any week if:

(1) the applicant has filed a continued request for unemployment benefits for that week under section 268.0865;

(2) the week for which unemployment benefits are requested is in the applicant's benefit year;

(3) the applicant was unemployed as defined in section 268.035, subdivision 26;

(4) the applicant was available for suitable employment as defined in subdivision 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each day the applicant is unavailable for suitable employment. This clause does not apply to an applicant who is in reemployment assistance training, or each day the applicant is on jury duty or serving as an election judge;

(5) the applicant was actively seeking suitable employment as defined in subdivision 16. This clause does not apply to an applicant who is in reemployment assistance training or who was on jury duty throughout the week;

(6) the applicant has served a nonpayable period of one week that the applicant is otherwise eligible for some amount of unemployment benefits. This clause does not apply if the applicant would have been eligible for federal disaster unemployment assistance because of a disaster in Minnesota, but for the applicant's establishment of a benefit account under section 268.07; and

(7) the applicant has been participating in reemployment assistance services, such as development of, and adherence to, a work search plan, if the applicant has been directed to participate by the commissioner. This clause does not apply if the applicant has good cause for failing to participate. "Good cause" is a reason that would have prevented a reasonable person acting with due diligence from participating.

Sec. 6. Minnesota Statutes 2016, section 268.085, subdivision 13a, is amended to read:

Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is ineligible for unemployment benefits for the duration of the leave of absence. An applicant on an involuntary leave of absence is not ineligible under this subdivision.

A leave of absence is voluntary when work that the applicant can then perform is available with the applicant's employer but the applicant chooses not to work. A medical leave of absence is not presumed to be voluntary.

(b) A period of vacation requested by the applicant, paid or unpaid, is ~~considered~~ a voluntary leave of absence. A vacation period assigned by an employer under: (1) a uniform vacation shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is ~~considered~~ an involuntary leave of absence.

(c) A leave of absence is a temporary stopping of work that has been approved by the employer. A voluntary leave of absence is not ~~considered~~ a quit and an involuntary leave of absence is not ~~considered~~ a discharge from employment for purposes of section 268.095.

(d) An applicant who is on a paid leave of absence, whether the leave of absence is voluntary or involuntary, is ineligible for unemployment benefits for the duration of the leave.

(e) This subdivision applies to a leave of absence from a base period employer, an employer during the period between the end of the base period and the effective date of the benefit account, or an employer during the benefit year.

Sec. 7. Minnesota Statutes 2016, section 268.105, subdivision 2, is amended to read:

Subd. 2. **Request for reconsideration.** (a) Any party, or the commissioner, may within 20 calendar days of the sending of the unemployment law judge's decision under subdivision 1a, file a request for reconsideration asking the judge to reconsider that decision.

(b) Upon a request for reconsideration having been filed, the chief unemployment law judge must send a notice, by mail or electronic transmission, to all parties that a request for reconsideration has been filed. The notice must inform the parties:

(1) that reconsideration is the procedure for the unemployment law judge to correct any factual or legal mistake in the decision, or to order an additional hearing when appropriate;

(2) of the opportunity to provide comment on the request for reconsideration, and the right under subdivision 5 to obtain a copy of any recorded testimony and exhibits offered or received into evidence at the hearing;

(3) that providing specific comments as to a perceived factual or legal mistake in the decision, or a perceived mistake in procedure during the hearing, will assist the unemployment law judge in deciding the request for reconsideration;

(4) of the right to obtain any comments and submissions provided by any other party regarding the request for reconsideration; and

(5) of the provisions of paragraph (c) regarding additional evidence.

This paragraph does not apply if paragraph (d) is applicable. Sending the notice does not mean the unemployment law judge has decided the request for reconsideration was timely filed.

(c) In deciding a request for reconsideration, the unemployment law judge must not consider any evidence that was not submitted at the hearing, except for purposes of determining whether to order an additional hearing.

The unemployment law judge must order an additional hearing if a party shows that evidence which was not submitted at the hearing:

(1) would likely change the outcome of the decision and there was good cause for not having previously submitted that evidence; or

(2) would show that the evidence that was submitted at the hearing was likely false and that the likely false evidence had an effect on the outcome of the decision.

"Good cause" for purposes of this paragraph is a reason that would have prevented a reasonable person acting with due diligence from submitting the evidence.

(d) If the party who filed the request for reconsideration failed to participate in the hearing, the unemployment law judge must issue an order setting aside the decision and ordering an additional hearing if the party who failed to participate had good cause for failing to do so. The party who failed to participate in the hearing must be informed of the requirement to show good cause for failing to participate. If the unemployment law judge determines that good cause for failure to participate has not been shown, the judge must state that in the decision issued under paragraph (f).

Submission of a written statement at the hearing does not constitute participation for purposes of this paragraph.

"Good cause" for purposes of this paragraph is a reason that would have prevented a reasonable person acting with due diligence from participating in the hearing.

(e) A request for reconsideration must be decided by the unemployment law judge who issued the decision under subdivision 1a unless that judge:

(1) is no longer employed by the department;

(2) is on an extended or indefinite leave; or

(3) has been removed from the proceedings by the chief unemployment law judge.

(f) If a request for reconsideration is timely filed, the unemployment law judge must issue:

(1) a decision affirming the findings of fact, reasons for decision, and decision issued under subdivision 1a;

(2) a decision modifying the findings of fact, reasons for decision, and decision under subdivision 1a; or

(3) an order setting aside the findings of fact, reasons for decision, and decision issued under subdivision 1a, and ordering an additional hearing.

The unemployment law judge must issue a decision dismissing the request for reconsideration as untimely if the judge decides the request for reconsideration was not filed within 20 calendar days after the sending of the decision under subdivision 1a.

The unemployment law judge must send to all parties, by mail or electronic transmission, the decision or order issued under this subdivision. A decision affirming or modifying the previously issued findings of fact, reasons for decision, and decision, or a decision dismissing the request for reconsideration as untimely, is the final decision on the matter and is binding on the parties unless judicial review is sought under subdivision 7.

ARTICLE 7

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL TECHNICAL

Section 1. Minnesota Statutes 2016, section 268.031, subdivision 1, is amended to read:

Subdivision 1. **Standard of proof.** All issues ~~of fact~~ under the Minnesota Unemployment Insurance Law are determined by a preponderance of the evidence.

Sec. 2. Minnesota Statutes 2016, section 268.035, subdivision 15, is amended to read:

Subd. 15. **Employment.** (a) "Employment" means service performed by:

(1) an individual who is ~~considered~~ an employee under the common law of employer-employee and not ~~considered~~ an independent contractor;

(2) an officer of a corporation;

(3) a member of a limited liability company who is ~~considered~~ an employee under the common law of employer-employee; or

(4) product demonstrators in retail stores or other locations to aid in the sale of products. The person that pays the wages is ~~considered~~ the employer~~; or~~.

~~(5) an individual who performs services for a person for compensation, as:~~

~~(i) an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, beverages, or laundry or dry cleaning services; or~~

~~(ii) a traveling or city salesperson, other than as an agent-driver or commission-driver, engaged full-time in the solicitation on behalf of the person, of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.~~

~~This clause applies only if the contract of service provides that substantially all of the services are to be performed personally by the individual, and the services are part of a continuing relationship with the person for whom the services are performed, and the individual does not have a substantial investment in facilities used in connection with the performance of the services, other than facilities for transportation.~~

(b) Employment does not include service as a juror.

(c) Construction industry employment is defined in subdivision 9a. Trucking and messenger/courier industry employment is defined in subdivision 25b. Rules on determining worker employment status are described under Minnesota Rules, chapter 3315.

Sec. 3. Minnesota Statutes 2016, section 268.035, subdivision 23, is amended to read:

Subd. 23. **State's average annual and average weekly wage.** (a) On or before June 30 of each year, the commissioner must calculate, from wage detail reports under section 268.044, the state's average annual wage and the state's average weekly wage in the following manner:

(1) the sum of the total monthly covered employment reported by all employers for the prior calendar year is divided by 12 to calculate the average monthly covered employment~~.~~;

(2) the sum of the total wages paid for all covered employment reported by all employers for the prior calendar year is divided by the average monthly covered employment to calculate the state's average annual wage~~.~~; and

(3) the state's average annual wage is divided by 52 to calculate the state's average weekly wage.

(b) For purposes of calculating the amount of taxable wages under subdivision 24, the state's average annual wage applies to the calendar year following the calculation.

(c) For purposes of calculating ~~(1)~~ the state's maximum weekly unemployment benefit amount available on any benefit account under section 268.07, subdivision 2a, ~~and (2)~~ the state's average weekly wage applies to the one-year period beginning the last Sunday in October of the calendar year of the calculation.

(d) For purposes of calculating the wage credits necessary to establish a benefit account under section 268.07, subdivision 2, the state's average weekly wage applies to the one-year period beginning the last Sunday in October of the calendar year of the calculation.

Sec. 4. Minnesota Statutes 2016, section 268.035, subdivision 30, is amended to read:

Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages:

(1) that have been actually paid; or

(2) that have been credited to or set apart so that payment and disposition is under the control of the employee.

(b) Wage payments delayed beyond the regularly scheduled pay date are ~~considered~~ "wages paid" on the missed pay date. Back pay is ~~considered~~ "wages paid" on the date of actual payment. Any wages earned but not paid with no scheduled date of payment ~~is considered~~ are "wages paid" on the last day of employment.

(c) Wages paid does not include wages earned but not paid except as provided for in this subdivision.

Sec. 5. Minnesota Statutes 2016, section 268.042, subdivision 1, is amended to read:

Subdivision 1. **Employer registration.** (a) Each employer must, upon or before the submission of its first wage detail report under section 268.044, register with the commissioner for a tax account or a reimbursable account, by electronic transmission in a format prescribed by the commissioner. The employer must provide all required information for registration, including the actual physical street and city address of the employer.

(b) Within 30 calendar days, each employer must notify the commissioner by electronic transmission, in a format prescribed, of a change in legal entity, of the transfer, sale, or acquisition of a business conducted in Minnesota, in whole or in part, if the transaction results in the creation of a new or different employer or affects the establishment of employer accounts, the assignment of tax rates, or the transfer of experience rating history.

(c) Except as provided in subdivision 3, any person that is or becomes an employer ~~subject to the Minnesota Unemployment Insurance Law~~ with covered employment within any calendar year is ~~considered to be~~ subject to this chapter the entire calendar year.

(d) Within 30 calendar days of the termination of business, an employer that has been assigned a tax account or reimbursable account must notify the commissioner by electronic transmission, in a format prescribed by the commissioner, if that employer does not intend or expect to pay wages to any employees in covered employment during the current or the next calendar year. Upon notification, the employer is no longer required to file wage detail reports under section 268.044, subdivision 1, paragraph (d), and the employer's account must be terminated.

(e) An employer that has its account terminated regains its previous tax account under section 268.045, with the experience rating history of that account, if the employer again commences business and again pays wages in covered employment if:

(1) less than 14 calendar quarters have elapsed in which no wages were paid for covered employment;

(2) the experience rating history regained contains taxable wages; and

(3) the experience rating history has not been transferred to a successor under section 268.051, subdivision 4.

Sec. 6. Minnesota Statutes 2016, section 268.051, subdivision 1, is amended to read:

Subdivision 1. **Payments.** (a) Unemployment insurance taxes ~~and any special assessments, fees, or surcharges~~ accrue and become payable by each employer for each calendar year on the taxable wages that the employer paid to employees in covered employment, except for:

(1) nonprofit organizations that elect to make reimbursements as provided in section 268.053; and

(2) the state of Minnesota and political subdivisions that make reimbursements, unless they elect to pay taxes as provided in section 268.052.

Each employer must pay taxes quarterly, at the employer's assigned tax rate under subdivision 6, on the taxable wages paid to each employee. The commissioner must compute the tax due from the wage detail report required under section 268.044 and notify the employer of the tax due. The taxes ~~and any special assessments, fees, or surcharges~~ must be paid to the trust fund and must be received by the department on or before the last day of the month following the end of the calendar quarter.

(b) If for any reason the wages on the wage detail report under section 268.044 are adjusted for any quarter, the commissioner must recompute the taxes due for that quarter and assess the employer for any amount due or credit the employer as appropriate.

Sec. 7. Minnesota Statutes 2016, section 268.07, subdivision 2, is amended to read:

Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to establish a benefit account an applicant must have ~~total~~ wage credits ~~in the applicant's four quarter base period~~ of at least 5.3 percent of the state's average annual wage rounded down to the next lower $100.

(b) To establish a new benefit account following the expiration of the benefit year on a prior benefit account, an applicant must have performed actual work in subsequent covered employment and have been paid wages in one or more completed calendar quarters that started after the effective date of the prior benefit account. The wages paid for that employment must be at least enough to meet the requirements of paragraph (a). A benefit account under this paragraph may not be established effective earlier than the Sunday following the end of the most recent completed calendar quarter in which the requirements of paragraph (a) were met. An applicant may not establish a second benefit account as a result of one loss of employment.

Sec. 8. Minnesota Statutes 2016, section 268.07, subdivision 3a, is amended to read:

Subd. 3a. **Right of appeal.** (a) A determination or amended determination of benefit account is final unless an applicant or base period employer within 20 calendar days after the sending of the determination or amended determination files an appeal. Every determination or amended determination of benefit account must contain a prominent statement indicating in clear language the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(b) Any applicant or base period employer may appeal from a determination or amended determination of benefit account on the issue of whether services performed constitute employment, whether the employment is ~~considered~~ covered employment, and whether money paid constitutes wages. ~~Proceedings on the appeal are conducted in accordance with section 268.105.~~

Sec. 9. Minnesota Statutes 2016, section 268.085, subdivision 6, is amended to read:

Subd. 6. **Receipt of back pay.** (a) Back pay received by an applicant within 24 months of the establishment of the benefit account with respect to any week must be deducted from unemployment benefits paid for that week, and the applicant is ~~considered to have been~~ overpaid the unemployment benefits under section 268.18, subdivision 1.

If the back pay is not paid with respect to a specific period, the back pay must be applied to the period immediately following the last day of employment.

(b) If the back pay is reduced by the amount of unemployment benefits that have been paid, the amount of back pay withheld and not paid the applicant must be:

(1) paid by the taxpaying or reimbursing employer to the trust fund within 30 calendar days and is subject to the same collection procedures that apply to past due taxes and reimbursements; and

(2) when received by the trust fund:

(i) an overpayment of unemployment benefits must be created which, under section 268.047, subdivision 2, clause (8), clears the employer's tax or reimbursable account of any effect; and

(ii) the back pay must then be applied to the unemployment benefit overpayment, eliminating any effect on the applicant.

(c) The following must result when applying paragraph (b):

(1) an employer neither overpays nor underpays the employer's proper portion of the unemployment benefit costs; and

(2) the applicant is placed in the same position as never having been paid the unemployment benefits.

(d) This subdivision applies to payments labeled front pay, settlement pay, and other terms describing or dealing with wage loss.

Sec. 10. Minnesota Statutes 2016, section 268.085, subdivision 7, is amended to read:

Subd. 7. **School employees; between terms denial.** (a) ~~No~~ Wage credits ~~in any amount~~ from ~~any~~ employment with ~~any~~ an educational institution or institutions ~~earned in any capacity~~ may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for ~~any~~ an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for ~~any~~ an educational institution or institutions in the following academic year or term~~, unless that~~.

This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(b) Paragraph (a) does not apply to an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment.

(c) If unemployment benefits are denied to any applicant under paragraph (a) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant is entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (a).

~~(d) An educational assistant is not considered to be in an instructional, research, or principal administrative capacity.~~

~~(e) Paragraph (a) applies to any vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable~~

~~assurance that the applicant will be employed immediately following the vacation period or holiday recess.~~

~~(f)~~ (d) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental ~~agency or~~ entity established and operated ~~exclusively~~ for the purpose of providing services to one or more educational institutions.

(e) This subdivision ~~also~~ applies to employment with Minnesota ~~or~~, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

~~(g) Paragraphs (a) and (c) apply~~ (f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

~~(h)~~ (g) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

~~(i)~~ (h) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

~~(j) Paragraph (a) also applies to the period between two regular but not successive terms.~~

~~(k)~~ (i) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

~~(l)~~ (j) An "educational institution" is ~~an~~ a school, college, university, or other educational entity operated by Minnesota ~~or~~, a political subdivision or ~~an~~ instrumentality thereof, or ~~an educational~~ a nonprofit organization ~~described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code, and exempt from income tax under section 501(a)~~.

(k) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

Sec. 11. Minnesota Statutes 2016, section 268.085, subdivision 12, is amended to read:

Subd. 12. **Aliens.** (a) An alien is ineligible for unemployment benefits for any week the alien is not authorized to work in the United States under federal law. Information from the Bureau of Citizenship and Immigration Services is ~~considered~~ conclusive, absent specific evidence that the information was erroneous. Under the existing agreement between the United States and Canada, this paragraph does not apply to an applicant who is a Canadian citizen and has returned to and is living in Canada each week unemployment benefits are requested.

(b) ~~Unemployment benefits must not be paid on the basis of~~ An alien's wage credits ~~earned by an alien~~ may not be used for unemployment benefit purposes unless the alien was:

(1) ~~was~~ lawfully admitted for permanent residence at the time of the employment~~,~~;

(2) ~~was~~ lawfully present for the purposes of the employment~~,~~; or

(3) ~~was~~ permanently residing in the United States under color of law at the time of the employment.

(c) ~~Any~~ Information required of applicants applying for unemployment benefits to determine eligibility because of their alien status must be required ~~from~~ of all applicants.

Sec. 12. Minnesota Statutes 2016, section 268.0865, subdivision 5, is amended to read:

Subd. 5. **Good cause defined.** (a) "Good cause" for purposes of this section is a ~~compelling substantial~~ reason that would have prevented a reasonable person acting with due diligence from filing a continued request for unemployment benefits within the time periods required.

(b) "Good cause" does not include forgetfulness, loss of the continued request form if filing by mail, having returned to work, having an appeal pending, or inability to file a continued request for unemployment benefits by the method designated if the applicant was aware of the inability and did not make diligent effort to have the method of filing a continued request changed by the commissioner. "Good cause" does not include having previously made an attempt to file a continued request for unemployment benefits but where the communication was not considered a continued request because the applicant failed to submit all required information.

Sec. 13. Minnesota Statutes 2016, section 268.095, subdivision 1, is amended to read:

Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all unemployment benefits according to subdivision 10 except when:

(1) the applicant quit the employment because of a good reason caused by the employer as defined in subdivision 3;

(2) the applicant quit the employment to accept other covered employment that provided equal to or better terms and conditions of employment, but the applicant did not work long enough at the second employment to have sufficient subsequent wages paid to satisfy the period of ineligibility that would otherwise be imposed under subdivision 10 for quitting the first employment;

(3) the applicant quit the employment within 30 calendar days of beginning the employment and the employment was unsuitable;

(4) the employment was unsuitable and the applicant quit to enter reemployment assistance training;

(5) the employment was part time and the applicant also had full-time employment in the base period, from which full-time employment the applicant separated because of reasons for which the applicant ~~is~~ would not be ineligible, and the wage credits from the full-time employment are sufficient to meet the minimum requirements to establish a benefit account under section 268.07;

(6) the applicant quit because the employer notified the applicant that the applicant was going to be laid off because of lack of work within 30 calendar days. An applicant who quit employment within 30 calendar days of a notified date of layoff because of lack of work is ineligible for unemployment benefits through the end of the week that includes the scheduled date of layoff;

(7) the applicant quit the employment (i) because the applicant's serious illness or injury made it medically necessary that the applicant quit; or (ii) in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant. This exception only applies if the applicant informs the employer of the medical problem and requests accommodation and no reasonable accommodation is made available.

If the applicant's serious illness is chemical dependency, this exception does not apply if the applicant was previously diagnosed as chemically dependent or had treatment for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency.

This exception raises an issue of the applicant's being available for suitable employment under section 268.085, subdivision 1, that the commissioner must determine;

(8) the applicant's loss of child care for the applicant's minor child caused the applicant to quit the employment, provided the applicant made reasonable effort to obtain other child

care and requested time off or other accommodation from the employer and no reasonable accommodation is available.

This exception raises an issue of the applicant's being available for suitable employment under section 268.085, subdivision 1, that the commissioner must determine;

(9) the applicant quit because domestic abuse, sexual assault, or stalking of the applicant or an immediate family member of the applicant, necessitated the applicant's quitting the employment.

For purposes of this subdivision:

(i) "domestic abuse" has the meaning given in section 518B.01;

(ii) "sexual assault" means an act that would constitute a violation of sections 609.342 to 609.3453 or 609.352; and

(iii) "stalking" means an act that would constitute a violation of section 609.749; or

(10) the applicant quit in order to relocate to accompany a spouse:

~~(1)~~ (i) who is in the military; or

~~(2)~~ (ii) whose job was transferred by the spouse's employer to a new location making it impractical for the applicant to commute.

Sec. 14. Minnesota Statutes 2016, section 268.095, subdivision 2, is amended to read:

Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end the employment was, at the time the employment ended, the employee's.

(b) When determining if an applicant quit, the theory of a constructive quit does not apply.

(c) An employee who has been notified that the employee will be discharged in the future, who chooses to end the employment while employment in any capacity is still available, has quit the employment.

(d) A notice of quitting in the future does not constitute a quit at the time the notice is given. An employee who seeks to withdraw a previously submitted notice of quitting in the future has quit the employment, as of the intended date of quitting, if the employer does not agree that the notice may be withdrawn.

(e) An applicant has quit employment with a staffing service if, within five calendar days after completion of a suitable job assignment from a staffing service, the applicant:

(1) fails without good cause to affirmatively request an additional suitable job assignment;

(2) refuses without good cause an additional suitable job assignment offered; or

(3) accepts employment with the client of the staffing service. Accepting employment with the client of the staffing service meets the requirements of the exception to ineligibility under subdivision 1, clause (2).

This paragraph applies only if, at the time of beginning of employment with the staffing service, the applicant signed and was provided a copy of a separate document written in clear and concise language that informed the applicant of this paragraph and that unemployment benefits may be affected.

For purposes of this paragraph, "good cause" is a reason that would compel an average, reasonable worker, who would otherwise want an additional suitable job assignment with the staffing service (1) to fail to contact the staffing service, or (2) to refuse an offered assignment.

Sec. 15. Minnesota Statutes 2016, section 268.131, is amended to read:

268.131 ~~RECIPROCAL UNEMPLOYMENT BENEFIT~~ COMBINED WAGE ARRANGEMENTS FOR WORK IN MULTIPLE STATES.

~~Subdivision 1.~~ ~~**Cooperation with other states on combining wages.**~~ (a) In accordance with the requirements of ~~United States Code, title 26, section 3304(a)(9)(B),~~ the Federal Unemployment Tax Act, the commissioner must participate ~~in reciprocal arrangements~~ with other states for the payment of unemployment benefits on the basis of combining an applicant's wages from multiple states for the purposes of collecting unemployment benefits from a single state. ~~The reciprocal agreement must include provisions for applying the base period of a single state law to a benefit account involving the combining of an applicant's wages and employment and avoiding the duplicate use of wages by reason of such combining.~~ The commissioner may ~~not enter into any reciprocal arrangement unless it contains provisions for~~ only pay unemployment benefits from the trust fund under this section if:

(1) there are reimbursements to the trust fund, by the other state, for unemployment benefits paid from the trust fund ~~to applicants~~ based upon wages and employment covered under the laws of the other state~~.~~; and

~~(b) The commissioner is authorized to pay unemployment benefits based upon an applicant's wages paid in covered employment in another state only if~~ (2) the applicant is combining Minnesota wage credits with the wages paid in covered employment from another state ~~or states~~.

~~(c) Section 268.23 does not apply to this subdivision.~~

~~(d) On any reciprocal arrangement,~~ (b) Under this section, the wages paid an applicant from employment covered under an unemployment insurance program of another state are considered wages from covered employment for the purpose of determining the applicant's rights to unemployment benefits under the Minnesota Unemployment Insurance Law.

~~Subd. 2. **Cooperation with foreign governments.** The commissioner is authorized to enter into or cooperate in arrangements whereby facilities and services provided under the Minnesota Unemployment Insurance Law and facilities and services provided under the unemployment insurance program of any foreign government, may be used for the taking of applications for unemployment benefits and continued requests and the payment of unemployment benefits under this law or under a similar law of a foreign government.~~

Sec. 16. Minnesota Statutes 2016, section 268.18, subdivision 2, is amended to read:

Subd. 2. **Overpayment because of ~~fraud~~ misrepresentation.** (a) An applicant has committed ~~fraud~~ misrepresentation if the applicant is overpaid unemployment benefits by~~:~~

~~(1) knowingly misrepresenting, misstating, or failing to disclose any material fact; or~~

~~(2)~~ making a false statement or representation without a good faith belief as to the correctness of the statement or representation.

After the discovery of facts indicating ~~fraud~~ misrepresentation, the commissioner must issue a determination of overpayment penalty assessing a penalty equal to 40 percent of the amount overpaid. This penalty is in addition to penalties under section 268.182.

(b) Unless the applicant files an appeal within 20 calendar days after the sending of a determination of overpayment penalty to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

(c) A determination of overpayment penalty must state the methods of collection the commissioner may use to recover the overpayment, penalty, and interest assessed. Money received in repayment of overpaid unemployment benefits, penalties, and interest is first applied to the benefits overpaid, then to the penalty amount due, then to any interest due. 62.5 percent of the payments made toward the penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

(d) The department is authorized to issue a determination of overpayment penalty under this subdivision ~~may be issued~~ within 48 months of the establishment of the benefit account upon which the unemployment benefits were obtained through ~~fraud~~ misrepresentation.

Sec. 17. Minnesota Statutes 2016, section 268.18, subdivision 2b, is amended to read:

Subd. 2b. **Interest.** On any unemployment benefits ~~fraudulently~~ obtained by misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner must assess interest at the rate of one percent per month on any amount that remains unpaid beginning 30 calendar days after the date of a determination of overpayment penalty. A determination of overpayment penalty must state that interest will be assessed. Interest is assessed in the same manner as on employer debt under section 268.057, subdivision 5. Interest payments collected under this subdivision are credited to the trust fund.

Sec. 18. Minnesota Statutes 2016, section 268.18, subdivision 5, is amended to read:

Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of unemployment benefits, including any penalties and interest, is not ~~considered~~ an election of a method of recovery.

(b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter under section 176.361 is not ~~considered~~ an election of a remedy and does not prevent the commissioner from determining ~~any~~ an applicant ineligible for unemployment benefits ~~overpaid under subdivision 1 or 2~~ or taking action under section 268.182.

Sec. 19. Minnesota Statutes 2016, section 268.182, is amended to read:

268.182 ~~APPLICANT'S FALSE REPRESENTATIONS; CONCEALMENT OF FACTS~~ FRAUD; CRIMINAL PENALTY.

Subdivision 1. **Criminal penalties.** ~~Whoever~~ An individual has committed fraud and is guilty of theft and must be sentenced under section 609.52 if the individual obtains, or attempts to obtain, or aids or abets any other individual to obtain, by ~~means of~~ an intentional false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent means, unemployment benefits that the individual is not entitled ~~or unemployment benefits greater than the individual is entitled~~ to under this chapter, or under ~~the~~ federal law ~~of any state or of the federal government, either personally or for any other individual, is guilty of theft and must be sentenced under section 609.52~~.

Subd. 2. **Administrative penalties.** (a) Any applicant who ~~knowingly makes a false statement or representation, who knowingly fails to disclose a material fact, or who~~ makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, in order to obtain or in an attempt to obtain unemployment benefits may be assessed, in addition to any other penalties, an administrative penalty of being ineligible for unemployment benefits for 13 to 104 weeks.

(b) A determination of ineligibility setting out the weeks the applicant is ineligible must be sent to the applicant by mail or electronic transmission. The department is authorized to issue a determination of ineligibility under this subdivision ~~may be issued~~ within 48 months of the establishment of the benefit account upon which the unemployment benefits were obtained, or attempted to be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

Sec. 20. Minnesota Statutes 2016, section 268.184, is amended to read:

268.184 EMPLOYER ~~MISCONDUCT; PENALTY~~ MISREPRESENTATION AND MISREPORTING; ADMINISTRATIVE PENALTIES.

Subdivision 1. **Misrepresentation; administrative penalties.** (a) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer~~, is in collusion with any applicant for the purpose of assisting the applicant to receive unemployment benefits fraudulently. The penalty is $500 or the amount of unemployment benefits determined to be overpaid, whichever is greater.~~

~~(b) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer: (1) made a false statement or representation knowing it to be false; (2)~~ made a false statement or representation without a good faith belief as to correctness of the statement or representation~~; (3)~~ or knowingly failed to disclose a material fact~~; or (4) made an offer of employment to an applicant when, in fact, the employer had no employment available.~~ in order to:

(1) assist an applicant to receive unemployment benefits to which the applicant is not entitled;

(2) prevent or reduce the payment of unemployment benefits to an applicant; or

(3) avoid or reduce any payment required from an employer under this chapter or section 116L.20.

The penalty is the greater of $500 or 50 percent of the following resulting from the employer's action:

(i) the amount of any overpaid unemployment benefits to an applicant;

(ii) the amount of unemployment benefits not paid to an applicant that would otherwise have been paid; or

(iii) the amount of any payment required from the employer under this chapter or section 116L.20 that was not paid.

~~(c)~~ (b) The commissioner must penalize an employer if that employer failed or refused to honor a subpoena issued under section 268.188. The penalty is $500 and any costs of enforcing the subpoena, including attorney fees.

~~(d)~~ (c) Penalties under this subdivision and under section 268.047, subdivision 4, paragraph (b), are in addition to any other penalties and subject to the same collection procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of issuance of the determination of penalty and credited to the trust fund.

~~(e)~~ (d) The determination of penalty is final unless the employer files an appeal within 20 calendar days after the sending of the determination of penalty to the employer by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

Subd. 1a. **Notification and misreporting penalties.** (a) If the commissioner finds that any employer or agent of an employer failed to meet the notification requirements of section 268.051, subdivision 4, the employer must be assessed a penalty of $5,000 or two percent of the first full quarterly payroll acquired, whichever is higher. Payroll is wages paid as defined in section 268.035, subdivision 30. The penalty under this paragraph must be canceled if the commissioner determines that the failure occurred because of ignorance or inadvertence.

(b) If the commissioner finds that any individual advised an employer to violate the employer's notification requirements under section 268.051, subdivision 4, the individual, and that individual's employer, must each be assessed the penalty in paragraph (a).

(c) If the commissioner finds that any person or agent of a person violated the reporting requirements of section 268.046, the person must be assessed a penalty of $5,000 or two percent of the quarterly payroll reported in violation of section 268.046, whichever is higher. Payroll is wages paid as defined in section 268.035, subdivision 30.

(d) Penalties under this subdivision are in addition to any other penalties and subject to the same collection procedures that apply to past due amounts from an employer. Penalties must be paid within 30 calendar days after sending of the determination of penalty and credited to the trust fund.

(e) The determination of penalty is final unless the person assessed files an appeal within 20 calendar days after sending of the determination of penalty by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

Subd. 2. **Criminal penalties.** Any employer or any officer or agent of an employer or any other individual ~~who~~ has committed fraud and is guilty of a crime, if in order to avoid or reduce any payment required from an employer under this chapter or section 116L.20, or to prevent or reduce the payment of unemployment benefits to an applicant:

(1) makes a false statement or representation knowing it to be false;

(2) knowingly fails to disclose a material fact, including notification required under section 268.051, subdivision 4; or

(3) knowingly advises or assists an employer in violating clause (1) or (2)~~, to avoid or reduce any payment required from an employer under this chapter or section 116L.20, or to prevent or reduce the payment of unemployment benefits to any applicant,~~.

The individual is guilty of a gross misdemeanor ~~unless~~ if the underpayment ~~exceeds~~ is $500~~, in that case~~ or less. The individual is guilty of a felony if the underpayment exceeds $500.

Sec. 21. Minnesota Statutes 2016, section 268.194, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** There is established as a special state trust fund, separate and apart from all other public money or funds of this state, an unemployment insurance trust fund, that is administered by the commissioner exclusively for the payment of unemployment benefits. This trust fund consists of:

(1) all taxes collected;

(2) interest earned upon any money in the trust fund;

(3) reimbursements paid by nonprofit organizations, and the state and political subdivisions;

(4) tax rate buydown payments under section 268.051, subdivision 7;

(5) ~~any~~ money received as a loan from the federal unemployment trust fund in accordance with United States Code, title 42, section 1321, of the Social Security Act;

(6) ~~any other~~ money received under a ~~reciprocal unemployment benefit~~ combined wage arrangement with the federal government or any other state;

(7) money received from the federal government for unemployment benefits paid under a federal program;

~~(7)~~ (8) money recovered on overpaid unemployment benefits;

~~(8)~~ (9) all money credited to the account under this chapter;

~~(9)~~ (10) all money credited to the account of Minnesota in the federal unemployment trust fund under United States Code, title 42, section 1103, of the Social Security Act, also known as the Reed Act; and

~~(10)~~ (11) all money received for the trust fund from any other source.

Sec. 22. Minnesota Statutes 2016, section 268.194, subdivision 4, is amended to read:

Subd. 4. **Reimbursements.** The commissioner is authorized to make to other state or federal agencies and to receive from other state or federal agencies, reimbursements from or to the trust fund, in accordance with ~~reciprocal~~ combined wage arrangements entered into under section 268.131.

Money received under a ~~reciprocal agreement~~ combined wage arrangement must be placed directly in the unemployment benefit payment account of the trust fund.

Sec. 23. **REVISOR'S INSTRUCTION.**

In the following sections of Minnesota Statutes, the revisor of statutes shall delete the term "considered": Minnesota Statutes, sections 268.035, subdivisions 21c and 26; 268.07, subdivision 1; 268.085, subdivisions 4a, 13c, 15, and 16; 268.095, subdivision 3; 268.101, subdivision 6; and 268.105, subdivisions 3a and 7.

Sec. 24. **REVISOR'S INSTRUCTION.**

(a) In Minnesota Statutes, section 268.18, the revisor of statutes shall change the term "fraud" to "misrepresentation" and "nonfraud" to "nonmisrepresentation."

(b) The revisor of statutes shall renumber Minnesota Statutes, section 268.184, subdivision 2, as Minnesota Statutes, section 268.182, subdivision 1, paragraph (b).

(c) The revisor of statutes shall renumber Minnesota Statutes, section 268.182, subdivision 2, as Minnesota Statutes, section 268.183.

(d) The revisor of statutes shall make cross-reference changes needed arising out of the renumbering in Minnesota Statutes, section 268.032, subdivision 20.

Sec. 25. **REPEALER.**

Laws 2005, chapter 112, article 1, section 14, is repealed.

ARTICLE 8

COMMERCE POLICY

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

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

Sec. 2. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

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

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

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

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

(4) develop a plan of operation including:

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

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

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

(iv) a plan for eliminating car hijacking; and

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

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

(i) paying the administrative costs of the program;

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

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

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

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

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

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

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

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

Sec. 3. **[239.7511] GAS TAX SIGN ON PETROLEUM DISPENSER.**

(a) The director must ensure that signs having 12-point font or greater are affixed on retail petroleum dispensers as follows:

(1) for regular or premium gasoline, a sign that reads: "The price for each gallon of gasoline includes the current state gasoline tax of 28.5 cents per gallon and federal gasoline tax of 18.4 cents per gallon. Revenue from the state fuel tax may be used only for roads and bridges, according to the Minnesota Constitution."; and

(2) for diesel fuel, a sign that reads: "The price for each gallon of diesel fuel includes the current state gasoline tax of 28.5 cents per gallon and federal gasoline tax of 24.4 cents per gallon. Revenue from the state fuel tax may be used only for roads and bridges, according to the Minnesota Constitution."

(b) The director must distribute the signs under this section to the owner or operator of retail petroleum dispensers. To the extent possible, the director must coordinate the distribution of signs with other duties the director may have involving retail petroleum dispensers.

(c) If the amount of the gasoline tax described in paragraph (a), clauses (1) and (2), changes, the director must distribute revised signs to reflect the updated gasoline tax amounts within 12 calendar months of the change.

(d) The director is prohibited from assessing any penalty, fine, or fee on the owner or operator of a retail petroleum dispenser that has a missing, destroyed, defaced, or otherwise damaged gas tax sign.

Sec. 4. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

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

Sec. 5. Minnesota Statutes 2016, section 325J.06, is amended to read:

325J.06 EFFECT OF NONREDEMPTION.

(a) A pledgor shall have no obligation to redeem pledged goods or make any payment on a pawn transaction. Pledged goods not redeemed within at least 60 days of the date of the pawn transaction~~, renewal, or extension~~ shall automatically be forfeited to the pawnbroker, and qualified right, title, and interest in and to the goods shall automatically vest in the pawnbroker.

(b) The pawnbroker's right, title, and interest in the pledged goods under paragraph (a) is qualified only by the pledgor's right, while the pledged goods remain in possession of the pawnbroker and not sold to a third party, to redeem the goods by paying the loan plus fees and/or interest accrued up to the date of redemption.

(c) A pawn transaction that involves holding only the title to property is subject to chapter 168A or 336.

Sec. 6. Minnesota Statutes 2016, section 345.42, is amended by adding a subdivision to read:

Subd. 1a. **Required lists.** (a) Beginning July 1, 2017, and annually thereafter, and provided that a member has requested it, the commissioner shall provide to each member of the legislature a list in electronic form of all persons appearing to be owners of abandoned property whose last known address is located in the legislator's respective legislative district.

(b) Beginning July 1, 2017, and every six months thereafter, and provided that a county has requested it, the commissioner shall provide to the county a list in electronic form of all persons appearing to be owners of abandoned property whose last known address is located in the county. A request under this paragraph must be made in writing by a person authorized by the county to make the request and is good until cancelled.

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

Sec. 7. Minnesota Statutes 2016, section 345.49, is amended to read:

345.49 CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.

Subdivision 1. **Filing.** (a) Any person claiming an interest in any property delivered to the state under sections 345.31 to 345.60 may file a claim thereto or to the proceeds from the sale thereof on the form prescribed by the commissioner.

(b) Any person claiming an interest in property evidenced by a will or trust document, or court order, may submit to the commissioner only such portions of the document or order necessary to establish a claim.

Subd. 2. **Appropriation.** There is hereby appropriated to the persons entitled to a refund, from the fund in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Subd. 3. **Data.** Government data received by the commissioner pursuant to this section is nonpublic data or private data on individuals, as defined in section 13.02, subdivisions 9 and 12.

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

Sec. 8. **[471.9998] MERCHANT BAGS.**

Subdivision 1. **Merchant option.** All merchants, itinerant vendors, and peddlers doing business in this state shall have the option to provide customers a paper, plastic, or reusable bag for the packaging of any item or good purchased, provided such purchase is of a size and manner commensurate with the use of paper, plastic, or reusable bags.

Subd. 2. **Prohibition; bag ban.** Notwithstanding any other provision of law, no political subdivision shall impose any ban upon the use of paper, plastic, or reusable bags for packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

EFFECTIVE DATE. This section is effective May 31, 2017. Ordinances existing on the effective date of this section that would be prohibited under this section are invalid as of the effective date of this section.

Sec. 9. **REPORT ON UNCLAIMED PROPERTY DIVISION.**

The commissioner shall report by February 15, 2018, to the chairs and ranking minority members of the standing committees of the house of representatives and senate having jurisdiction over commerce regarding the process owners of abandoned property must comply with in order to file an allowed claim under Minnesota Statutes, chapter 345. The report shall include information regarding the documentation and identification necessary for owners of each type of abandoned property under Minnesota Statutes, chapter 345, to file an allowed claim.

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

ARTICLE 9

TELECOMMUNICATIONS POLICY

Section 1. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to read:

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

Sec. 2. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to read:

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

Sec. 3. **[237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND INTERNET PROTOCOL-ENABLED SERVICE.**

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

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

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

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

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

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

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

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

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

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

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

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

(2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

(3) any other IP-enabled video service.

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

ARTICLE 10

ENERGY POLICY

Section 1. Minnesota Statutes 2016, section 3.8851, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) There is established a Legislative Energy Commission to study and to make recommendations for legislation concerning issues related to its duties under subdivision 3.

(b) The commission consists of:

(1) ~~ten~~ nine members of the house of representatives, five of whom are appointed by the speaker of the house, ~~four~~ and four of whom ~~must be from~~ are appointed by the leader of the minority caucus~~, and including the chair of the committee with primary jurisdiction over energy policy; the chair or another member of each of the committees with primary jurisdiction over environmental policy, agricultural policy, and transportation policy~~; and

(2) ~~ten~~ nine members of the senate ~~to be~~, five of whom are appointed by the ~~Subcommittee on Committees~~ leader of the majority caucus, ~~four~~ and four of whom ~~must be from~~ are appointed by the leader of the minority caucus~~, and including the chair of the committee with primary jurisdiction over energy policy; and the chair or another member of each of the committees with primary jurisdiction over environmental policy, agricultural policy, and transportation policy~~.

(c) The commission may employ full-time and part-time staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties. The director of the Legislative Coordinating Commission shall assist the commission in administrative matters. The commission shall elect cochairs, one member of the house of representatives and one member of the senate from among the committee and subcommittee chairs named to the commission. The commission members from the house of representatives shall elect the house of representatives cochair, and the commission members from the senate shall elect the senate cochair.

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

Sec. 2. Minnesota Statutes 2016, section 16B.323, is amended to read:

16B.323 SOLAR ENERGY IN STATE BUILDINGS.

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

~~(b) "Made in Minnesota" means the manufacture in this state of:~~

~~(1) components of a solar thermal system certified by the Solar Rating and Certification Corporation; or~~

~~(2) solar photovoltaic modules that:~~

~~(i) are manufactured at a manufacturing facility in Minnesota that is registered and authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory, CSA International, Intertek, or an equivalent independent testing agency;~~

~~(ii) bear certification marks from Underwriters Laboratory, CSA International, Intertek, or an equivalent independent testing agency; and~~

~~(iii) meet the requirements of section 116C.7791, subdivision 3, paragraph (a), clauses (1), (5), and (6).~~

~~For the purposes of clause (2), "manufactured" has the meaning given in section 116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).~~

~~(c)~~ (b) "Major renovation" means a substantial addition to an existing building, or a substantial change to the interior configuration or the energy system of an existing building.

~~(d)~~ (c) "Solar energy system" means ~~solar~~ photovoltaic ~~modules~~ devices alone or installed in conjunction with a solar thermal system.

~~(e) "Solar Photovoltaic module~~ (d) "Photovoltaic device" has the meaning given in section ~~116C.7791, subdivision 1, paragraph (e)~~ 216C.06, subdivision 16.

~~(f)~~ (e) "Solar thermal system" has the meaning given "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

~~(g)~~ (f) "State building" means a building whose construction or renovation is paid wholly or in part by the state from the bond proceeds fund.

Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project for the construction or major renovation of a state building, after the completion of a cost-benefit analysis, may include installation of ~~"Made in Minnesota"~~ solar energy systems of up to 40 kilowatts capacity on, adjacent, or in proximity to the state building.

(b) The capacity of a solar energy system must be less than 40 kilowatts to the extent necessary to match the electrical load of the building or to the extent necessary to keep the costs for the installation below the five percent maximum set by paragraph (c).

(c) The cost of the solar energy system must not exceed five percent of the appropriations from the bond proceeds fund for the construction or renovation of the state building. Purchase and installation of a solar thermal system may account for no more than 25 percent of the cost of a solar energy system installation.

(d) A project subject to this section is ineligible to receive a rebate for the installation of a solar energy system under section 116C.7791 or from any utility.

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

Sec. 3. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to read:

Subd. 7. **Clean Air Act settlement money.** "Clean Air Act settlement money" means money required to be paid to the state as a result of litigation or settlements of alleged violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq., or rules adopted thereunder, by an automobile manufacturer. Clean Air Act settlement money may not be spent until it is specifically appropriated by law.

Sec. 4. Minnesota Statutes 2016, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. ~~**Renewable development**~~ **Clean energy advancement fund (C-LEAF) account.** (a) The clean energy advancement fund account, or C-LEAF account, is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund, but remain in the account until expended.

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

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to ~~a renewable development~~ the C-LEAF account $500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and $7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph ~~(c)~~ (h). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

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

(e) Each year, the public utility shall withhold from the funds transferred to the C-LEAF account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

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

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide $6,800,000 per year for five years, commencing on ...., 2017, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the C-LEAF account as described in section 116C.779, paragraphs (b) and (e).

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

~~(d)~~ (i) Funds in the account may be expended only for any of the following purposes:

(1) ~~to increase the market penetration within the state of renewable electric energy resources at reasonable costs;~~

~~(2) to promote the start-up, expansion, and attraction of renewable electric energy projects and companies within the state;~~

~~(3)~~ to stimulate research and development ~~within the state into~~ of renewable electric energy technologies; ~~and~~

~~(4) to develop near-commercial and demonstration scale renewable electric projects or near-commercial and demonstration scale electric infrastructure delivery projects if those delivery projects enhance the delivery of renewable electric energy~~

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

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

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

The utility that owns a nuclear generating plant is eligible to apply for ~~renewable development account~~ grants under this subdivision.

(j) For the purposes of paragraph (i), the following terms have the meanings given:

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

(2) "grid modernization" means:

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

(ii) improving the security of the electrical grid against cyber and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

~~(e) Expenditures authorized by this subdivision from the account may be made only after approval by order of the Public Utilities Commission upon a petition by the public utility. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds to be not in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission may approve reasonable and necessary expenditures for administering the account in an amount not to exceed five percent of expenditures. Commission approval is not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or other law.~~

~~(f) The account shall be managed by the public utility but the public utility must consult about account expenditures with an~~ (k) A C-LEAF advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian Community appointed by that community's tribal council, shall develop recommendations on account expenditures. ~~The commission may require that other interests be represented on the advisory group.~~ The advisory group must ~~be consulted with respect to the general scope of expenditures in designing~~ design a request for proposal and ~~in evaluating~~ evaluate projects submitted in response to a request for proposals. ~~In addition to consulting with~~ The advisory group~~, the public utility~~ must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph ~~(d)~~ (i), clause ~~(3)~~ (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph ~~(d)~~ (i), clause ~~(3)~~ (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. The ~~utility should attempt to reach agreement with the advisory group after consulting with it but the~~ public utility has full and sole authority to determine which ~~expenditures~~ expenditure recommendations shall be submitted by the advisory group to the ~~commission for commission approval~~ legislature as provided in paragraph (k). In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the ~~public~~

~~utility~~ advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

~~(g) Funds in~~ (l) The C-LEAF advisory group shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account ~~may not~~ must be ~~directly~~ appropriated by ~~the legislature by a~~ law ~~enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date may be expended only pursuant to an order of the commission according to this subdivision~~. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the C-LEAF advisory group; and

(2) may not appropriate money for a project the C-LEAF advisory group has not recommended funding.

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

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

(o) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

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

~~(k)~~ (q) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public Web site designated by the ~~commission~~ commissioner of commerce.

~~(l)~~ (r) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota ~~renewable development fund~~ C-LEAF account, noting that the ~~fund~~ account is financed by the public utility's ratepayers.

(s) Of the amount in the C-LEAF account, priority must be given to making the payments required under section 216C.417.

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

Sec. 5. Minnesota Statutes 2016, section 116C.779, is amended by adding a subdivision to read:

Subd. 1a. **Payment termination.** (a) The commissioner shall track the cumulative transfers made to the clean energy advancement fund account and its predecessor, the renewable development account, each year since 1999 for each dry cask containing spent fuel that is stored at an independent spent-fuel storage facility at Prairie Island or Monticello. During the time when state law required the public utility to transfer a specific amount of funds to the account for all the casks stored, the per-cask allocation shall be calculated by dividing the total amount transferred by the number of casks stored that year.

(b) When the commissioner determines that the cumulative transfers calculated under paragraph (a) for a specific cask reach $10,000,000, the commissioner shall notify the public utility that no additional transfers to the account for that cask shall be made.

(c) This subdivision does not affect any provisions of subdivision 1, paragraph (c) or (d), with respect to transfers to the account made after a plant has ceased operation.

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

Sec. 6. Minnesota Statutes 2016, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.

The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total nameplate capacity of 20 kilowatts direct current. The program shall be operated for five consecutive calendar years commencing in 2014. $5,000,000 shall be allocated for each of the five years from the ~~renewable development~~ C-LEAF account established in section 116C.779 to a separate account for the purpose of the solar production incentive program. The solar system must be sized to less than 120 percent of the customer's on-site annual energy consumption. The production incentive must be paid for ten years commencing with the commissioning of the system. The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner.

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

Sec. 7. Minnesota Statutes 2016, section 216B.03, is amended to read:

216B.03 REASONABLE RATE.

Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates to encourage economic growth, job retention, energy conservation ~~and~~, renewable energy use, and to further the goals of sections 216B.164, 216B.1696, 216B.241, and 216C.05. Any doubt as to reasonableness should be resolved in favor of the consumer. For rate-making purposes a public utility may treat two or more municipalities served by it as a single class wherever the populations are comparable in size or the conditions of service are similar.

EFFECTIVE DATE. This section is effective the day following final enactment and applies immediately to all proceedings pending before the commission.

Sec. 8. Minnesota Statutes 2016, section 216B.16, subdivision 1a, is amended to read:

Subd. 1a. **Settlement.** (a) When a public utility submits a general rate filing, the Office of Administrative Hearings, before conducting a contested case hearing, shall convene a settlement conference including all of the parties for the purpose of encouraging settlement of any or all of the issues in the contested case. If a stipulated settlement is not reached before the contested case hearing, the Office of Administrative Hearings may reconvene the settlement conference during or after completion of the contested case hearing at its discretion or a party's request. The Office of Administrative Hearings or the commission may, upon the request of any party and the public utility, extend the procedural schedule of the contested case in order to permit the parties to engage in settlement discussions. An extension must be for a definite period of time not to exceed 60 days.

(b) If the applicant and all intervening parties agree to a stipulated settlement of the case or parts of the case, the settlement must be submitted to the commission. The commission shall accept or reject the settlement in its entirety and, at any time until its final order is issued in the case, may require the Office of Administrative Hearings to conduct a contested case hearing. The commission may accept the settlement on finding that ~~to do so~~ the settlement is supported by substantial evidence and approving the settlement is in the public interest ~~and is supported by substantial evidence~~. The analysis must consider the impact of the proposed settlement on the economy, job growth, and job retention. If the commission does not accept the settlement, it may issue an order modifying the settlement subject to the approval of the parties. Each party shall have ten days in which to reject the proposed modification. If no party rejects the proposed modification, the commission's order becomes final. If the commission rejects the settlement, or a party rejects the commission's proposed modification, a contested case hearing must be completed.

EFFECTIVE DATE. This section is effective the day following final enactment and applies immediately to all proceedings pending before the commission.

Sec. 9. Minnesota Statutes 2016, section 216B.16, subdivision 6, is amended to read:

Subd. 6. **Factors considered, generally.** The commission, in the exercise of its powers under this chapter to determine just and reasonable rates for public utilities, shall give due consideration to the public need for adequate, efficient, and reasonable service, as well as the need for competitive electric rates, job preservation, and economic growth, and to the need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its utility property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in such property. In determining the rate base upon which the utility is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the public utility less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and to other expenses of a capital nature. For purposes of determining rate base, the commission shall consider the original cost of utility property included in the base and shall make no allowance for its estimated current replacement value. If the commission orders a generating facility to terminate its operations before the end of the facility's physical life in order to comply with a specific state or federal energy statute or policy, the commission may allow the public utility to recover any positive net book value of the facility as determined by the commission.

EFFECTIVE DATE. This section is effective the day following final enactment and applies immediately to all proceedings pending before the commission.

Sec. 10. Minnesota Statutes 2016, section 216B.164, subdivision 5, is amended to read:

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

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

Sec. 11. Minnesota Statutes 2016, section 216B.164, subdivision 9, is amended to read:

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

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

Sec. 12. Minnesota Statutes 2016, section 216B.164, is amended by adding a subdivision to read:

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

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

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

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

Sec. 13. Minnesota Statutes 2016, section 216B.1691, subdivision 2f, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2016, section 216B.1694, subdivision 3, is amended to read:

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

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

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

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

Sec. 15. **[216B.1697] STATE-MANDATED ENERGY PURCHASES; PUBLIC INFORMATION.**

A utility serving Minnesota customers at retail must, within 30 days of entering into an agreement to purchase energy that is used to meet a requirement under state law to purchase or generate certain amounts and types of energy, including, but not limited to, requirements in sections 216B.1691, 216B.2423, and 216B.2424, post the following information contained in the agreement on the utility's Web site:

(1) the wholesale price per unit of energy over the term of the agreement, including any escalator clauses or inflation factors; and

(2) the amount of energy to be purchased each year by the utility over the term of the agreement.

EFFECTIVE DATE. This section is effective immediately and applies to all power purchase agreements entered into on or after July 1, 2017.

Sec. 16. Minnesota Statutes 2016, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. **Conservation improvement by cooperative association or municipality.** (a) This subdivision applies to:

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

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

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

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

(g) Each municipality or cooperative shall file energy conservation improvement plans by June 1 on a schedule determined by order of the commissioner, but at least every three years. Plans received by June 1 must be approved or approved as modified by the commissioner by December 1 of the same year. The municipality or cooperative shall provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities.

~~(h) MS 2010 [Expired, 1Sp2003 c 11 art 3 s 4; 2007 c 136 art 2 s 5]~~

~~(i)~~ (h) The commissioner shall consider and may require a utility, association, or other entity providing energy efficiency and conservation services under this section to undertake a program suggested by an outside source, including a political subdivision, nonprofit corporation, or community organization.

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

Sec. 17. Minnesota Statutes 2016, section 216B.241, subdivision 1c, is amended to read:

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

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

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

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

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

(e) An energy-savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy-savings goal established in this subdivision.

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

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

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

(i) This subdivision does not apply to:

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

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

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

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

Sec. 18. Minnesota Statutes 2016, section 216B.241, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a three-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every three years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

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

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

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

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

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

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

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

Sec. 19. Minnesota Statutes 2016, section 216B.241, subdivision 5, is amended to read:

Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric association, and municipal utility that provides electric service to retail customers and is subject to subdivision 1c shall include as part of its conservation improvement activities a program to strongly encourage the use of fluorescent and high-intensity discharge lamps. The program must include at least a public information campaign to encourage use of the lamps and proper management of spent lamps by all customer classifications.

(b) A public utility that provides electric service at retail to 200,000 or more customers shall establish, either directly or through contracts with other persons, including lamp manufacturers, distributors, wholesalers, and retailers and local government units, a system to collect for delivery to a reclamation or recycling facility spent fluorescent and high-intensity discharge lamps from households and from small businesses as defined in section 645.445 that generate an average of fewer than ten spent lamps per year.

(c) A collection system must include establishing reasonably convenient locations for collecting spent lamps from households and financial incentives sufficient to encourage spent lamp generators to take the lamps to the collection locations. Financial incentives may include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash back system, or any other financial incentive or group of incentives designed to collect the maximum number of spent lamps from households and small businesses that is reasonably feasible.

(d) A public utility that provides electric service at retail to fewer than 200,000 customers, a cooperative electric association, or a municipal utility that provides electric service at retail to customers may establish a collection system under paragraphs (b) and (c) as part of conservation improvement activities required under this section.

(e) The commissioner of the Pollution Control Agency may not, unless clearly required by federal law, require a public utility, cooperative electric association, or municipality that establishes a household fluorescent and high-intensity discharge lamp collection system under this section to manage the lamps as hazardous waste as long as the lamps are managed to avoid breakage and are delivered to a recycling or reclamation facility that removes mercury and other toxic materials contained in the lamps prior to placement of the lamps in solid waste.

(f) If a public utility, cooperative electric association, or municipal utility contracts with a local government unit to provide a collection system under this subdivision, the contract must provide for payment to the local government unit of all the unit's incremental costs of collecting and managing spent lamps.

(g) All the costs incurred by a public utility, cooperative electric association, or municipal utility for promotion and collection of fluorescent and high-intensity discharge lamps under this subdivision are conservation improvement spending under this section.

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

Sec. 20. Minnesota Statutes 2016, section 216B.241, subdivision 5d, is amended to read:

Subd. 5d. **On-bill repayment programs.** (a) For the purposes of this subdivision:

(1) "utility" means a public utility, municipal utility, or cooperative electric association subject to subdivision 1c that provides electric or natural gas service to retail customers; and

(2) "on-bill repayment program" means a program in which a utility collects on a customer's bill repayment of a loan to the customer by an eligible lender to finance the customer's investment in eligible energy conservation or renewable energy projects, and remits loan repayments to the lender.

(b) A utility may include as part of its conservation improvement plan an on-bill repayment program to enable a customer to finance eligible projects with installment loans originated by an eligible lender. An eligible project is one that is either an energy conservation improvement, or a project installed on the customer's site that uses an eligible renewable energy source as that term is defined in section 216B.2411, subdivision 2, paragraph (b), but does not include mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste. An eligible renewable energy source also includes solar thermal technology that collects the sun's radiant energy and uses that energy to heat or cool air or water, and meets the requirements of section 216C.25. To be an eligible lender, a lender must:

(1) have a federal or state charter and be eligible for federal deposit insurance;

(2) be a government entity, including an entity established under chapter 469, that has authority to provide financial assistance for energy efficiency and renewable energy projects;

(3) be a joint venture by utilities established under section 452.25; or

(4) be licensed, certified, or otherwise have its lending activities overseen by a state or federal government agency.

The commissioner must allow a utility broad discretion in designing and implementing an on-bill repayment program, provided that the program complies with this subdivision.

(c) A utility may establish an on-bill repayment program for all customer classes or for a specific customer class.

(d) A public utility that implements an on-bill repayment program under this subdivision must enter into a contract with one or more eligible lenders that complies with the requirements of this subdivision and contains provisions addressing capital commitments, loan origination, transfer of loans to the public utility for on-bill repayment, and acceptance of loans returned due to delinquency or default.

(e) A public utility's contract with a lender must require the lender to comply with all applicable federal and state laws, rules, and regulations related to lending practices and consumer protection; to conform to reasonable and prudent lending standards; and to provide businesses that sell, maintain, and install eligible projects the ability to participate in an on-bill repayment program under this subdivision on a nondiscriminatory basis.

(f) A public utility's contract with a lender may provide:

(1) for the public utility to purchase loans from the lender with a condition that the lender must purchase back loans in delinquency or default; or

(2) for the lender to retain ownership of loans with the public utility servicing the loans through on-bill repayment as long as payments are current.

The risk of default must remain with the lender. The lender shall not have recourse against the public utility except in the event of negligence or breach of contract by the utility.

(g) If a public utility customer makes a partial payment on a utility bill that includes a loan installment, the partial payment must be credited first to the amount owed for utility service, including taxes and fees. A public utility may not suspend or terminate a customer's utility service for delinquency or default on a loan that is being serviced through the public utility's on-bill repayment program.

(h) An outstanding balance on a loan being repaid under this subdivision is a financial obligation only of the customer who is signatory to the loan, and not to any subsequent customer occupying the property associated with the loan. If the public utility purchases loans from the lender as authorized under paragraph (f), clause (1), the public utility must return to the lender a loan not repaid when a customer borrower no longer occupies the property.

(i) Costs incurred by a public utility under this subdivision are recoverable as provided in section 216B.16, subdivision 6b, paragraph (c), including reasonable incremental costs for billing system modifications necessary to implement and operate an on-bill repayment program and for ongoing costs to operate the program. Costs in a plan approved by the commissioner may be counted toward a utility's conservation spending requirements under subdivisions 1a and 1b. Energy savings from energy conservation improvements resulting from this section may be counted toward satisfying a utility's energy-savings goals under subdivision 1c.

(j) This subdivision does not require a utility to terminate or modify an existing financing program and does not prohibit a utility from establishing an on-bill financing program in which the utility provides the financing capital.

(k) A municipal utility or cooperative electric association that implements an on-bill repayment program shall design the program to address the issues identified in paragraphs (d) through (h) as determined by the governing board of the utility or association.

<u>**EFFECTIVE DATE.**</u> <u>This section is effective the day following final enactment.</u>

Sec. 21. Minnesota Statutes 2016, section 216B.241, subdivision 7, is amended to read:

Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each utility and association <u>subject to subdivision 1c</u> provides low-income programs. When approving spending and energy-savings goals for low-income programs, the commissioner shall consider historic spending and participation levels, energy savings for low-income programs, and the number of low-income persons residing in the utility's service territory. A municipal utility that furnishes gas service must spend at least 0.2 percent, and a public utility furnishing gas service must spend at least 0.4 percent, of its most recent three-year average gross operating revenue from residential customers in the state on low-income programs. A utility or association that furnishes electric service must spend at least 0.1 percent of its gross operating revenue from residential customers in the state on low-income programs. For a generation and transmission cooperative association, this requirement shall apply to each association's members' aggregate gross operating revenue from sale of electricity to residential customers in the state. Beginning in 2010, a utility or association that furnishes electric service must spend 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs.

(b) To meet the requirements of paragraph (a), a utility or association may contribute money to the energy and conservation account. An energy conservation improvement plan must state the amount, if any, of low-income energy conservation improvement funds the utility or association will contribute to the energy and conservation account. Contributions must be remitted to the commissioner by February 1 of each year.

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

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

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

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

Sec. 22. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission. The commission shall approve, reject, or modify the plan of a public utility, as defined in section 216B.02, subdivision 4, consistent with the public interest. The analysis must consider the economy, job growth, and job retention.

(b) In the resource plan proceedings of all other utilities, the commission's order shall be advisory and the order's findings and conclusions shall constitute prima facie evidence which may be rebutted by substantial evidence in all other proceedings. With respect to utilities other than those defined in section 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions in any comparable proceedings in another jurisdiction.

(c) As a part of its resource plan filing, a utility shall include the least cost plan for meeting 50 and 75 percent of all energy needs from both new and refurbished ~~capacity~~

~~needs~~ generating facilities through a combination of conservation and renewable energy resources.

EFFECTIVE DATE. This section is effective the day following final enactment. Paragraphs (a) and (b) apply immediately to all proceedings pending before the commission. Paragraph (c) applies to resource plans filed with the commission on or after July 1, 2017.

Sec. 23. Minnesota Statutes 2016, section 216B.2422, subdivision 3, is amended to read:

Subd. 3. **Environmental costs.** (a) The commission shall, to the extent practicable, quantify and establish a range of environmental costs associated with each method of electricity generation. A utility shall use the values established by the commission in conjunction with other external factors, including socioeconomic costs, when evaluating and selecting resource options in all proceedings before the commission, including resource plan and certificate of need proceedings. As part of the resource options and socioeconomic cost analysis under this section, the utility must calculate the impact of resource options on customers' bills and utility rates. Any doubt regarding the various resource options before the commission must be resolved in favor of supporting the economy, job growth, and job retention.

(b) The commission shall establish interim environmental cost values associated with each method of electricity generation by March 1, 1994. These values expire on the date the commission establishes environmental cost values under paragraph (a).

EFFECTIVE DATE. This section is effective the day following final enactment and applies immediately to all proceedings pending before the commission.

Sec. 24. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

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

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

(2) impacts on local and regional grid reliability;

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

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

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

Sec. 25. Minnesota Statutes 2016, section 216B.2424, is amended by adding a subdivision to read:

Subd. 9. **Adjustment of biomass fuel requirement.** (a) Notwithstanding any provision in this section, the public utility subject to this section may, with respect to a facility approved under this section, file a petition with the commission for approval of:

(1) a new or amended power purchase agreement;

(2) the early termination of a power purchase agreement; or

(3) the purchase and closure of the facility.

(b) The commission may approve a new or amended power purchase agreement under this subdivision, notwithstanding the fuel requirements of this section, if the commission determines that:

(1) all parties to the original power purchase agreement, or their successors or assigns, as applicable, agree to the terms and conditions of the new or amended power purchase agreement; and

(2) the new or amended power purchase agreement is in the best interest of the customers of the public utility subject to this section, taking into consideration any savings realized by customers in the new or amended power purchase agreement and any costs imposed on customers under paragraph (e). A new or amended power purchase agreement approved under this paragraph may be for any term agreed to by the parties and may govern the purchase of any amount of energy.

(c) The commission may approve the early termination of a power purchase agreement or the purchase and closure of a facility under this subdivision if it determines that:

(1) all parties to the power purchase agreement, or their successors or assigns, as applicable, agree to the early termination of the power purchase agreement or the purchase and closure of the facility; and

(2) the early termination of the power purchase agreement or the purchase and closure of the facility is in the best interest of the customers of the public utility subject to this section, taking into consideration any savings realized by customers as a result of the early termination of the power purchase agreement or the purchase and closure of the facility and any costs imposed on the customers under paragraph (e).

(d) The commission's approval of a new or amended power purchase agreement under paragraph (b) or of the termination of a power purchase agreement or the purchase and closure of a facility under paragraph (c), shall not require the public utility subject to this section to purchase replacement amounts of biomass energy to fulfill the requirements of this section.

(e) A utility may petition the commission to approve a rate schedule that provides for the automatic adjustment of charges to recover investments, expenses and costs, and earnings on the investments associated with a new or amended power purchase agreement, the early termination of a power purchase agreement, or the purchase and closure of a facility, including, but not limited to, reasonable financial accommodations to the county, city, and school district in which an affected facility is located. The commission may approve the rate schedule upon a showing that the recovery of investments, expenses and costs, and earnings on the investments is less than the costs that would have been recovered from customers had the utility continued to purchase energy under the power purchase agreement in effect before any option available under this section is approved by the commission. If approved by the commission, cost recovery under this paragraph may include all cost recovery allowed for renewable facilities under section 216B.1645, subdivisions 2 and 2a.

(f) For the purposes of this subdivision, "facility" means a biomass facility previously approved by the commission to satisfy a portion of the biomass mandate in this section.

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

Sec. 26. Minnesota Statutes 2016, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a wind energy conversion system or solar electric generation facility if the system or facility is owned and operated by an independent power producer and the electric output of the system or facility is not sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator; ~~or~~

(8) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating large energy facility, as defined in section ~~216B.2421, subdivision 2~~ 216E.01, subdivision 9a, engaging in a repowering project that:

(i) will not result in the facility exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the facility exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase~~.~~;

(9) a large wind energy conversion system, as defined in section 216F.01, subdivision 2;

(10) a solar energy generating system, as defined in section 216E.01, subdivision 9a, with a capacity of five megawatts or more;

(11) a pipeline transporting crude oil or refined petroleum products;

(12) a pipeline transporting natural gas or propane; or

(13) a replacement pipeline.

(b) For the purpose of this subdivision, the following terms have the meanings given:

(1) "repowering project" means:

~~(1)~~ (i) modifying a large wind energy conversion system or a solar energy generating large energy facility to increase its efficiency without increasing its nameplate capacity;

~~(2)~~ (ii) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

~~(3)~~ (iii) increasing the nameplate capacity of a large wind energy conversion system; and

(2) "replacement pipeline" means a pipeline constructed in a new or existing right-of-way that replaces service provided by an existing pipeline that will be permanently removed from service within 180 days of the date of initial service of the replacement pipeline.

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

Sec. 27. Minnesota Statutes 2016, section 216C.05, subdivision 2, is amended to read:

Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

(1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of electricity and natural gas be achieved through cost-effective energy efficiency;

(2) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives; ~~and~~

(3) 25 percent of the total energy used in the state be derived from renewable energy resources by the year 2025~~.~~; and

(4) retail electricity rates for each customer class be at least five percent below the national average.

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

Sec. 28. Minnesota Statutes 2016, section 216C.41, subdivision 2, is amended to read:

Subd. 2. **Incentive payment; appropriation.** (a) Incentive payments must be made according to this section to (1) a qualified on-farm biogas recovery facility, (2) the owner or operator of a qualified hydropower facility or qualified wind energy conversion facility for electric energy generated and sold by the facility, (3) a publicly owned hydropower facility for electric energy that is generated by the facility and used by the owner of the facility outside the facility, or (4) the owner of a publicly owned dam that is in need of substantial repair, for electric energy that is generated by a hydropower facility at the dam and the annual incentive payments will be used to fund the structural repairs and replacement of structural components of the dam, or to retire debt incurred to fund those repairs.

(b) Payment may only be made upon receipt by the commissioner of commerce of an incentive payment application that establishes that the applicant is eligible to receive an incentive payment and that satisfies other requirements the commissioner deems necessary. The application must be in a form and submitted at a time the commissioner establishes.

(c) There is annually appropriated from the ~~renewable development~~ C-LEAF account established under section 116C.779 to the commissioner of commerce sums sufficient to make the payments required under this section, in addition to the amounts funded by the ~~renewable development~~ C-LEAF account as specified in subdivision 5a.

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

Sec. 29. Minnesota Statutes 2016, section 216C.41, subdivision 5a, is amended to read:

Subd. 5a. ~~**Renewable development account**~~ **Payment authorization.** The Department of Commerce shall authorize payment of the renewable energy production incentive to wind energy conversion systems that are eligible under this section or Laws 2005, chapter 40, to on-farm biogas recovery facilities, and to hydroelectric facilities. Payment of the incentive shall be made from the ~~renewable energy development~~ C-LEAF account as provided under section 116C.779, subdivision 2.

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

Sec. 30. **[216C.417] PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVES.**

Subdivision 1. **General provisions.** Payment of a "Made in Minnesota" solar energy production incentive to an owner whose application was approved by the commissioner of commerce under section 216C.415, by May 1, 2017, must be administered under the provisions of Minnesota Statutes 2016, sections 216C.411; 216C.413; 216C.414, subdivisions 1 to 3 and 5; and 216C.415. No incentive payments may be made under this section to an owner whose application was approved by the commissioner after May 1, 2017.

Subd. 2. **Appropriation.** (a) Unspent money remaining in the account established under Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the C-LEAF account in the special revenue fund established under Minnesota Statutes, section 116C.779, subdivision 1.

(b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), there is annually appropriated from the C-LEAF account in the special revenue fund established in Minnesota Statutes, section 116C.779, to the commissioner of commerce money sufficient to make the incentive payments required under Minnesota Statutes 2016, section 216C.415. Any funds appropriated under this paragraph that are unexpended at the end of a fiscal year cancel to the C-LEAF account.

(c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of this appropriation may be used for administrative costs.

Subd. 3. **Eligibility window; payment duration.** (a) Payments may be made under this subdivision only for solar photovoltaic module installations that meet the requirements of subdivision 1 and that first begin generating electricity between January 1, 2014, and October 31, 2018.

(b) The payment eligibility window of the incentive begins and runs consecutively from the date the solar photovoltaic modules first begins generating electricity.

(c) An owner of solar photovoltaic modules may receive payments under this section for a particular module for a period of ten years, provided that sufficient funds are available in the account.

(d) No payment may be made under this section for electricity generated after October 31, 2028.

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

Sec. 31. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision to read:

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

Sec. 32. Minnesota Statutes 2016, section 216E.03, subdivision 3, is amended to read:

Subd. 3. **Application.** Any person seeking to construct a large electric power generating plant or a high-voltage transmission line must apply to the commission for a site or route permit. The application shall contain such information as the commission may require. The applicant ~~shall~~ may propose at least two sites for a large electric power generating plant and two routes for a high-voltage transmission line. Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

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

Sec. 33. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

Subd. 9. **Timing.** The commission shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the commission's determination that an application is complete. The commission may extend this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

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

Sec. 34. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

Subd. 7. **Timing.** The commission shall make a final decision on an application within 60 days after completion of the public hearing. A final decision on the request for a site permit or route permit under this section shall be made within six months after the commission's determination that an application is complete. The commission may extend this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

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

Sec. 35. Minnesota Statutes 2016, section 216F.01, subdivision 2, is amended to read:

Subd. 2. **Large wind energy conversion system or LWECS.** "Large wind energy conversion system" or "LWECS" means any combination of WECS with a combined nameplate capacity of 5,000 kilowatts or more and transmission lines directly associated with the LWECS that are necessary to interconnect the LWECS to the transmission system.

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

Sec. 36. Minnesota Statutes 2016, section 216F.011, is amended to read:

216F.011 SIZE DETERMINATION.

(a) The total size of a combination of wind energy conversion systems for the purpose of determining what jurisdiction has siting authority under this chapter must be determined according to this section. The nameplate capacity of one wind energy conversion system must be combined with the nameplate capacity of any other wind energy conversion system that:

(1) is located within five miles of the wind energy conversion system;

(2) is constructed within the same 12-month period as the wind energy conversion system; and

(3) exhibits characteristics of being a single development, including, but not limited to, ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing arrangements, and common debt or equity financing.

(b) The commissioner shall provide forms and assistance for project developers to make a request for a size determination. Upon written request of a project developer, the commissioner of commerce shall provide a written size determination within 30 days of receipt of the request and of any information needed to complete the size determination that has been requested by the commissioner. In the case of a dispute, the chair of the Public Utilities Commission shall make the final size determination.

(c) An application to a county for a permit under this chapter for a wind energy conversion system is not complete without a size determination made under this section.

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

Sec. 37. Minnesota Statutes 2016, section 216F.04, is amended to read:

216F.04 SITE PERMIT.

(a) No person may construct an LWECS without a site permit issued by the Public Utilities Commission.

(b) Any person seeking to construct an LWECS shall submit an application to the commission for a site permit in accordance with this chapter and any rules adopted by the commission. The permitted site need not be contiguous land.

(c) The commission shall make a final decision on an application for a site permit for an LWECS within 180 days after acceptance of a complete application by the commission. The commission may extend this deadline ~~for cause~~ if the proposer agrees to an extension in writing.

(d) The commission may place conditions in a permit and may deny, modify, suspend, or revoke a permit.

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

Sec. 38. **[216G.025] ALTERNATIVE PIPELINE ROUTES; RESTRICTION.**

Notwithstanding section 116D.04, subdivisions 2a and 6, and any other law or rule, no environmental analysis of alternative routes for a pipeline seeking a routing permit may include an alternative route that does not connect the pipeline's termini as proposed by the applicant.

Sec. 39. Minnesota Statutes 2016, section 216H.03, subdivision 3, is amended to read:

Subd. 3. **Long-term increased emissions from power plants prohibited.** Unless preempted by federal law, until a comprehensive and enforceable state law or rule pertaining to greenhouse gases that directly limits and substantially reduces, over time, statewide power sector carbon dioxide emissions is enacted and in effect, and except as allowed in subdivisions 4 to 7, on and after August 1, 2009, no person shall~~:~~

~~(1)~~ construct within the state a new large energy facility that would contribute to statewide power sector carbon dioxide emissions~~;~~.

~~(2) import or commit to import from outside the state power from a new large energy facility that would contribute to statewide power sector carbon dioxide emissions; or~~

~~(3) enter into a new long-term power purchase agreement that would increase statewide power sector carbon dioxide emissions. For purposes of this section, a long-term power purchase agreement means an agreement to purchase 50 megawatts of capacity or more for a term exceeding five years.~~

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

Sec. 40. Minnesota Statutes 2016, section 216H.03, subdivision 4, is amended to read:

Subd. 4. **Exception for facilities that offset emissions.** (a) The ~~prohibitions in~~ prohibition under subdivision 3 ~~do~~ does not apply if the project proponent demonstrates to the Public Utilities Commission's satisfaction that it will offset the new contribution to statewide power sector carbon dioxide emissions with a carbon dioxide reduction project identified in paragraph (b) and in compliance with paragraph (c).

(b) A project proponent may offset in an amount equal to or greater than the proposed new contribution to statewide power sector carbon dioxide emissions in either, or a combination of both, of the following ways:

(1) by reducing an existing facility's contribution to statewide power sector carbon dioxide emissions; or

(2) by purchasing carbon dioxide allowances from a state or group of states that has a carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

(c) The Public Utilities Commission shall not find that a proposed carbon dioxide reduction project identified in paragraph (b) acceptably offsets a new contribution to statewide power sector carbon dioxide emissions unless the proposed offsets are permanent, quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section does not exempt emissions that have been offset under this subdivision and emissions exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

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

Sec. 41. Minnesota Statutes 2016, section 216H.03, subdivision 7, is amended to read:

Subd. 7. **Other exemptions.** The ~~prohibitions in~~ prohibition under subdivision 3 ~~do~~ does not apply to:

(1) a new large energy facility under consideration by the Public Utilities Commission pursuant to proposals or applications filed with the Public Utilities Commission before April 1, 2007, or to any power purchase agreement related to a facility described in this clause. The exclusion of pending proposals and applications from the prohibitions in subdivision 3 does not limit the applicability of any other law and is not an expression of legislative intent regarding whether any pending proposal or application should be approved or denied;

(2) a contract not subject to commission approval that was entered into prior to April 1, 2007, to purchase power from a new large energy facility that was approved by a comparable

authority in another state prior to that date, for which municipal or public power district bonds have been issued, and on which construction has begun;

(3) a new large energy facility ~~or a power purchase agreement between a Minnesota utility and a new large energy facility~~ located ~~outside~~ within Minnesota that the Public Utilities Commission has determined is essential to ensure the long-term reliability of Minnesota's electric system, to allow electric service for increased industrial demand, or to avoid placing a substantial financial burden on Minnesota ratepayers. An order of the commission granting an exemption under this clause is stayed until the June 1 following the next regular or annual session of the legislature that begins after the date of the commission's final order; or

(4) a new large energy facility with a combined electric generating capacity of less than 100 megawatts, which did not require a Minnesota certificate of need, which received an air pollution control permit to construct from an adjoining state before January 1, 2008, and on which construction began before July 1, 2008, or to any power purchase agreement related to a facility described in this clause.

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

Sec. 42. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK FORCE.**

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

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

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

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

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

(4) one member appointed by the Legal Services Advocacy Project;

(5) one member appointed by the Minnesota Credit Union Network;

(6) one member appointed by the Minnesota Solar Energy Industry Association;

(7) one member appointed by the St. Paul Port Authority;

(8) one member appointed by the League of Minnesota Cities;

(9) one member appointed by the Association of Minnesota Counties;

(10) one member appointed by AARP Minnesota;

(11) one member appointed by Fresh Energy;

(12) one member appointed by the Citizens Utility Board of Minnesota;

(13) one member appointed by Clean Energy Economy Minnesota;

(14) one member appointed by the Minnesota Land Title Association;

(15) one member appointed by an organization with experience implementing residential PACE programs in other states; and

(16) the commissioner of commerce or a designee.

(b) Any public member can designate a substitute from the same organization to replace that member at a meeting of the task force.

Subd. 3. **Duties.** The task force must develop recommendations to:

(1) address concerns regarding the possible constraints on free alienation of residential property caused by existence and amount of the PACE liens;

(2) reduce and minimize any point-of-sale confusion in transactions involving PACE-encumbered homes;

(3) ensure conspicuous and meaningful disclosure of, among other things:

(i) all costs and fees of a residential PACE loan; and

(ii) the risks, such as foreclosure and higher costs, that may be associated with residential PACE loans relative to other financing mechanisms;

(4) ensure that the ability to repay standard uses commonly accepted underwriting principles;

(5) ensure that consumer provisions required of and protections that apply to conventional loans and other financing options, including but not limited to the Truth in Lending Act and the Real Estate Settlement Procedures Act, are required of and apply to PACE financing;

(6) address any unique protections necessary for elderly, low-income homeowners and other financially vulnerable homeowners;

(7) establish criteria to ensure the cost-effectiveness of PACE-enabled clean energy improvements; and

(8) address any other issues the task force identifies that are necessary to protect consumers.

Subd. 4. **Administrative support.** The commissioner of commerce shall provide administrative support and meeting space for the task force.

Subd. 5. **Compensation.** Members serve without compensation and shall not be reimbursed for expenses.

Subd. 6. **Chair.** The commissioner of commerce or the commissioner's designee shall serve as chair.

Subd. 7. **Meetings.** The task force shall meet regularly, at the call of the chair. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 8. **Appointments; first meeting.** Appointments must be made by June 1, 2017. The commissioner of commerce must convene the first meeting by July 15, 2017.

Subd. 9. **Report to legislature.** By January 15, 2018, the commissioner shall submit a report detailing the task force's findings and recommendations to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy and consumer protection policy and finance. The report must include any draft legislation necessary to implement the recommendations of the task force.

Subd. 10. **Suspension of residential PACE.** Until legislation is enacted establishing consumer protections that address, but are not limited to, the concerns identified in subdivision 3, no programs for the financing of energy improvements on a single-family residential property dwelling under Minnesota Statutes, sections 216C.435 to 216C.436, may be operated after the effective date of this section.

Subd. 11. **Expiration.** The task force expires January 15, 2018, or after submitting the report required in this section, whichever is earlier.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 43. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR THERMAL REBATES.**

(a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner of a solar thermal system whose application was approved by the commissioner of commerce after the effective date of this act.

(b) Unspent money remaining in the account established under Minnesota Statutes 2014, section 216C.416, as of July 2, 2017, must be transferred to the C-LEAF account established under Minnesota Statutes 2016, section 116C.779, subdivision 1.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 44. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF UNEXPENDED GRANT FUNDS.**

(a) No later than 30 days after the effective date of this section, the utility subject to Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person who received a grant funded from the renewable development account previously established under that subdivision:

(1) after January 1, 2012; and

(2) before January 1, 2012, if the funded project remains incomplete as of the effective date of this section.

The notice must contain the provisions of this section and instructions directing grant recipients how unexpended funds can be transferred to the clean energy advancement fund account.

(b) A recipient of a grant from the renewable development account previously established under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after receiving the notice required under paragraph (a), transfer any grant funds that remain unexpended as of the effective date of this section to the clean energy advancement fund account if, by that effective date, all of the following conditions are met:

(1) the grant was awarded more than five years before the effective date of this section;

(2) the grant recipient has failed to obtain control of the site on which the project is to be constructed;

(3) the grant recipient has failed to secure all necessary permits or approvals from any unit of government with respect to the project; and

(4) construction of the project has not begun.

(c) A recipient of a grant from the renewable development account previously established under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds that remain unexpended five years after the grant funds are received by the grant recipient if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary of the receipt of the grant funds.

(d) A person who transfers funds to the clean energy advancement fund account under this section is eligible to apply for funding from the Legislative Renewable Energy Council under Minnesota Statutes, section 116C.7793.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 45. **REPEALER.**

(a) Laws 2013, chapter 85, article 6, section 11, is repealed.

(b) Minnesota Statutes 2016, sections 216B.8109; 216B.811; 216B.812; 216B.813; and 216B.815, are repealed.

(c) Minnesota Statutes 2016, sections 3.8852; 116C.779, subdivision 3; and 216C.29, are repealed.

(d) Minnesota Statutes 2016, sections 174.187; 216C.411; 216C.412; 216C.413; 216C.414; 216C.415; and 216C.416, are repealed.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 11

HOUSING POLICY

Section 1. Minnesota Statutes 2016, section 299F.01, is amended by adding a subdivision to read:

Subd. 4. **Mandatory fire sprinklers prohibited.** (a) The State Building Code, the State Fire Code, or a political subdivision of the state by code or ordinance, must not require the installation of fire sprinklers, any fire sprinkler system components, or automatic fire-extinguishing equipment or devices in any new or existing single-family detached dwelling unit, two-family dwelling unit, townhome, or accessory structure such as a garage, covered patio, deck, porch, storage shed, or similar structure.

(b) This subdivision does not affect or limit a requirement for smoke or fire detectors, alarms, or their components.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2016, section 327C.01, is amended by adding a subdivision to read:

Subd. 13. **Class I manufactured home park.** A "class I manufactured home park" means a park that complies with the provisions of section 327C.16.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. **[327C.16] CLASS I MANUFACTURED HOME PARK.**

Subdivision 1. **Qualifications.** (a) To qualify as a class I manufactured home park, as defined in section 327C.01, subdivision 12, a park owner, or on-site attendant as an employee of the manufactured home park, must satisfy 12 hours of qualifying education courses every three years, as prescribed in this subdivision. Park owners or on-site attendants may begin accumulating qualifying hours to qualify as a class I manufactured home park beginning in 2017.

(b) The qualifying education courses required for classification under this subdivision must be continuing education courses approved by the Department of Labor and Industry or the Department of Commerce for:

(1) continuing education in real estate; or

(2) continuing education for residential contractors and manufactured home installers.

(c) The qualifying education courses must include:

(1) two hours on fair housing, approved for real estate licensure or residential contractor licensure;

(2) one hour on the American with Disabilities Act, approved for real estate licensure or residential contractor licensure;

(3) four hours on legal compliance related to any of the following: landlord/tenant, licensing requirements, or home financing under chapters 58, 327, 327B, 327C, and 504B and Minnesota Rules, chapter 1350 or 4630;

(4) three hours of general education approved for real estate, residential contractors, or manufactured home installers; and

(5) two hours of HUD-specific manufactured home installer courses as required under section 327B.041.

(d) If the qualifying owner or employee attendant is no longer the person meeting the requirements under this subdivision, but did qualify during the current assessment year, then the manufactured home park shall still qualify for the class rate provided for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause (5), item (iii).

Subd. 2. **Proof of compliance.** (a) A park owner that has met the requirements of subdivision 1 shall provide an affidavit to its county assessor certifying that the park owner, corporate officer, or on-site attendant has complied with subdivision 1 and that the park meets the definition of a class I manufactured home park as defined in this section, and is entitled to the property tax classification rate for class I manufactured home parks in section 273.13, subdivision 25. The park owner shall retain the original course completion certificates issued by the course sponsor under this section (b) for three years, and upon written request for verification, provide these to the county assessor within 30 days.

(b) A park owner must provide the county assessor written notice of any change in compliance status of the manufactured home park, no later than December 15 of the assessment year.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2016, section 462.355, subdivision 4, is amended to read:

Subd. 4. **Interim ordinance.** (a) If a municipality is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of a comprehensive plan or official controls as defined in section 462.352, subdivision 15, or if new territory for which plans or controls have not been adopted is annexed to a municipality, the governing body of the municipality may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety and welfare of its citizens. The interim ordinance may regulate, restrict, or prohibit any use, development, or subdivision within the jurisdiction or a portion thereof for a period not to exceed one year from the date it is effective.

(b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities relating to livestock production, a public hearing must be held following a ten-day notice given by publication in a newspaper of general circulation in the municipality before the interim ordinance takes effect.

(c)(1) A statutory or home rule charter city may adopt an interim ordinance that regulates, restricts, or prohibits a housing proposal only if the ordinance is approved by at least two-thirds of city council members present.

(2) Before adopting the interim ordinance, the city council must hold a public hearing after providing written notice to any person who has submitted a housing proposal, has a pending housing proposal, or has provided a written request to be notified of interim ordinances related to housing proposals. The written notice must be provided at least three business days before the public hearing. Notice also must be posted on the city's official Web site, if the city has an official Web site.

(3) The date of the public hearing shall be the earlier of the next regularly scheduled city council meeting after the notice period or within ten days of the notice.

(4) The activities proposed to be restricted by the proposed interim ordinance may not be undertaken before the public hearing.

(5) For the purposes of this paragraph, "housing proposal" means a written request for city approval of a project intended primarily to provide residential dwellings, either single family or multi-family, and involves the subdivision or development of land or the demolition, construction, reconstruction, alteration, repair, or occupancy of residential dwellings.

~~(c)~~ (d) The period of an interim ordinance applicable to an area that is affected by a city's master plan for a municipal airport may be extended for such additional periods as the municipality may deem appropriate, not exceeding a total additional period of 18 months. In all other cases, no interim ordinance may halt, delay, or impede a subdivision that has been given preliminary approval, nor may any interim ordinance extend the time deadline for agency action set forth in section 15.99 with respect to any application filed prior to the effective date of the interim ordinance. The governing body of the municipality may extend the interim ordinance after a public hearing and written findings have been adopted based upon one or more of the conditions in clause (1), (2), or (3). The public hearing must be held at least 15 days but not more than 30 days before the expiration of the interim ordinance, and notice of the hearing must be published at least ten days before the hearing. The interim ordinance may be extended for the following conditions and durations, but, except as provided in clause (3), an interim ordinance may not be extended more than an additional 18 months:

(1) up to an additional 120 days following the receipt of the final approval or review by a federal, state, or metropolitan agency when the approval is required by law and the review

or approval has not been completed and received by the municipality at least 30 days before the expiration of the interim ordinance;

(2) up to an additional 120 days following the completion of any other process required by a state statute, federal law, or court order, when the process is not completed at least 30 days before the expiration of the interim ordinance; or

(3) up to an additional one year if the municipality has not adopted a comprehensive plan under this section at the time the interim ordinance is enacted.

EFFECTIVE DATE. <u>This section is effective for interim ordinances proposed on or after August 1, 2017.</u>

Sec. 5. Minnesota Statutes 2016, section 462A.2035, is amended to read:

462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.

Subdivision 1. **Establishment.** The agency shall establish a manufactured home park redevelopment program for the purpose of making manufactured home park redevelopment grants or loans to cities, counties, ~~or~~ community action programs<u>, nonprofit organizations, and cooperatives created under chapter 308A or 308B</u>.

<u>Subd. 1a.</u> <u>**Individual assistance grants.**</u> ~~Cities, counties, and community action programs~~ <u>Eligible recipients</u> may use <u>individual assistance</u> grants and loans under this program to:

(1) provide current residents of manufactured home parks with buy-out assistance not to exceed $4,000 per home with preference given to older manufactured homes;<u> and</u>

(2) provide down-payment assistance for the purchase of new and preowned manufactured homes that comply with the current version of the State Building Code in effect at the time of the sale, not to exceed $10,000 per home~~; and~~<u>.</u>

~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~

<u>Subd. 1b.</u> <u>**Park infrastructure grants.**</u> <u>Eligible recipients may use park infrastructure grants under this program for:</u>

<u>(1) improvements in manufactured home parks; and</u>

<u>(2) infrastructure, including storm shelters and community facilities.</u>

Subd. 2. **Eligibility requirements.** <u>For individual assistance grants under subdivision 1a,</u> households assisted ~~under this section~~ must have an annual household income at or below 80 percent of the area median household income. Cities, counties, or community action programs receiving funds under the program must give preference to households at

or below 50 percent of the area median household income. Participation in the program is voluntary and no park resident shall be required to participate.

Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in approximately equal amounts to applicants outside and within the metropolitan area. Grants and loans under this section shall be provided in a manner consistent with the agency's policies and purposes in section 462A.02.

Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant under subdivision 1b shall provide from year-to-year, on a cumulative basis, for adequate reserve funds to cover the repair and replacement of the private infrastructure systems serving the community.

Sec. 6. **[462A.39] WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall establish a workforce housing development program to award grants or deferred loans to eligible project areas to be used for qualified expenditures.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible project area" means a home rule charter or statutory city located outside of the metropolitan area as defined in section 473.121, subdivision 2, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and excludes:

(1) properties constructed with financial assistance requiring the property to be occupied by residents that meet income limits under federal or state law of initial occupancy; and

(2) properties constructed with federal, state, or local flood recovery assistance, regardless of whether that assistance imposed income limits as a condition of receiving assistance.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing application for grants or deferred loans under this section. At a minimum, a city must include in its application a resolution of its governing body certifying that the matching amount as required under this section is available and committed.

Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or deferred loans to an eligible project area under this section until the following determinations are made:

(1) the average vacancy rate for rental housing located in the eligible project area, and in any other city located within 15 miles or less of the boundaries of the area, has been five percent or less for at least the prior two-year period;

(2) one or more businesses located in the eligible project area, or within 25 miles of the area, that employs a minimum of 20 full-time equivalent employees in aggregate have provided a written statement to the eligible project area indicating that the lack of available rental housing has impeded their ability to recruit and hire employees; and

(3) the eligible project area has certified that the grants or deferred loans will be used for qualified expenditures for the development of rental housing to serve employees of businesses located in the eligible project area or surrounding area.

(b) Preference for grants or deferred loans awarded under this section shall be given to eligible project areas with less than 30,000 people.

Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent of the rental housing development project cost. The commissioner shall not award a grant or deferred loans to a city without certification by the city that the amount of the grant or deferred loans shall be matched by a local unit of government, business, or nonprofit organization with $1 for every $2 provided in grant or deferred loans funds.

Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over taxes and workforce development specifying the projects that received grants or deferred loans under this section and the specific purposes for which the grant funds were used.

Sec. 7. **[462C.16] HOUSING TRUST FUNDS FOR LOCAL HOUSING DEVELOPMENT.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given to them.

(b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

(c) "Fund" means a local housing trust fund or a regional housing trust fund.

(d) "Local government" means any statutory or home rule charter city or a county.

(e) "Local housing trust fund" means a fund established by a local government with one or more dedicated sources of public revenue for housing.

(f) "Regional housing trust fund" means a fund established and administered under a joint powers agreement entered into by two or more local governments with one or more dedicated sources of public revenue for housing.

Subd. 2. **Creation and administration.** (a) A local government may establish a local housing trust fund by ordinance or participate in a joint powers agreement to establish a regional housing trust fund.

(b) A local or regional housing trust fund may be, but is not required to be, administered through a nonprofit organization. If administered through a nonprofit organization, that organization shall encourage private charitable donations to the fund.

Subd. 3. **Authorized expenditures.** Money in a local or regional housing trust fund may be used only to:

(1) pay for administrative expenses, but not more than ten percent of the balance of the fund may be spent on administration;

(2) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;

(3) match other funds from federal, state, or private resources for housing projects; or

(4) provide down payment assistance, rental assistance, and homebuyer counseling services.

Subd. 4. **Funding.** (a) A local government may finance its local or regional housing trust fund with any money available to the local government, unless expressly prohibited by state law. Sources of these funds include, but are not limited to:

(1) donations;

(2) bond proceeds;

(3) grants and loans from a state, federal, or private source;

(4) appropriations by a local government to the fund;

(5) investment earnings of the fund; and

(6) housing and redevelopment authority levies.

(b) The local government may alter a source of funding for the local or regional housing trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts or expenditures authorized by the fund in its budget.

Subd. 5. **Reports.** A local or regional housing trust fund established under this section must report annually to the local government that created the fund. The local government or governments must post this report on its public Web site.

Subd. 6. **Effect of legislation on existing local or regional housing trust funds.** A local or regional housing trust fund existing on the effective date of this section is not required to alter the existing terms of its governing documents or take any additional authorizing actions required by subdivision 2.

Sec. 8. **MINNESOTA HOUSING FINANCE AGENCY REPORT.**

By February 1, 2018, and February 1, 2019, the Housing Finance Agency shall provide to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the agency:

(1) a draft and final version of its affordable housing plan before and after it has been submitted to the agency board for consideration; and

(2) a report on the actual and anticipated funds available within the Housing Affordability Fund, or Pool 3, and the actual and anticipated uses of those funds.

Sec. 9. **HOUSING FINANCE AGENCY ADMINISTRATIVE COSTS.**

The cost of administering programs operated by the Housing Finance Agency that are funded by the general fund or other resources, including bonds and federal funding, must not be higher than the amount expended for direct or indirect administrative costs in fiscal year 2017. The Housing Finance Agency must not have more full-time equivalent positions than the number of full-time equivalent positions at the Housing Finance Agency on June 30, 2017.

EFFECTIVE DATE. This section is effective from July 1, 2017, to July 1, 2021.

ARTICLE 12

MISCELLANEOUS POLICY

Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing cost; agency determination.** An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by $1,000 or more per unit. The agency must make this determination before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. The administrative law judge must review and approve or disapprove an agency's determination under this subdivision.

Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge disapproves the agency's determination that the impact does not meet or exceed that threshold, the agency must notify, in writing, the chairs and ranking minority members of the policy committees of the house of representatives and the senate with jurisdiction over the subject matter of the proposed rule within ten days of the determination or disapproval.

(b) If a committee of either the house of representatives or senate with jurisdiction over the subject matter of the proposed rule votes to advise an agency that the rule should not be adopted as proposed, the agency may not adopt the rule unless the rule is approved by a law enacted after the vote of the committee. Section 14.126, subdivision 2, applies to a vote of a committee under this subdivision.

Subd. 4. **Severability.** If the agency or an administrative law judge determines that part of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a severable portion of the proposed rule does not meet or exceed that threshold, the agency may proceed to adopt the severable portions of the proposed rule regardless of whether a legislative committee vote is conducted under subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to administrative rules proposed on or after that date.

Sec. 2. 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:

Sec. 13. **EFFECTIVE DATE.**

Sections 1 to 3 and 6 to 11 are effective July 1, ~~2017~~ 2036. Sections 4, 5, and 12 are effective July 1, 2014.

Sec. 3. **AGENCY ACTIVITY AND EXPENDITURE REPORTS.**

(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.

(b) The reports must include:

(1) the number of employees in each operational division and descriptions of the work of each employee;

(2) a description of the responsibilities that fall under each operational division;

(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;

(4) how much of each budgetary division appropriation passes through as grants, as well as the costs related to each grant program;

(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

(6) the statutory authority for all expenditures."

Delete the title and insert:

"A bill for an act

relating to state government; appropriating money for jobs and economic development; appropriating money for the Department of Employment and Economic Development, Housing Finance Agency, Department of Labor and Industry, Bureau of Mediation Services, Workers' Compensation Court of Appeals, Department of Commerce, Public Utilities Commission, and Public Facilities Authority; making policy and housekeeping changes to labor and industry provisions; making policy changes to employment, economic development, and workforce development provisions; making policy changes to the Department of Iron Range Resources and Rehabilitation; making policy, housekeeping, and technical changes regarding unemployment insurance; making changes to commerce, telecommunications, and energy policy; making other miscellaneous policy changes; allocating workforce housing tax-exempt bonds; modifying fees; modifying rulemaking procedures; modifying criminal penalties; requiring reports; amending Minnesota Statutes 2016, sections 3.732, subdivision 1; 3.736, subdivision 3; 3.8851, subdivision 1; 15.01; 15.38, subdivision 7; 15A.0815, subdivision 3; 16B.323; 43A.02, subdivision 22; 45.0135, subdivision 6; 65B.84, subdivision 1; 85.0146, subdivision 1; 116.03, by adding a subdivision; 116C.779, subdivision 1, by adding a subdivision; 116C.7792; 116D.04, subdivision 1a; 116J.423, subdivision 2; 116J.424; 116J.8731, subdivision 2, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116J.994, subdivisions 3, 5, 7; 116L.17, subdivision 1; 116L.665; 116M.14, subdivision 4; 116M.17, subdivision 4; 116M.18, subdivisions 1a, 4, 4a, 8; 175.45; 216B.03; 216B.16, subdivisions 1a, 6; 216B.161, subdivision 1; 216B.164, subdivisions 5, 9, by adding a subdivision; 216B.1691, subdivision 2f; 216B.1694, subdivisions 1, 3; 216B.241, subdivisions 1b, 1c, 2, 5, 5d, 7; 216B.2422, subdivisions 2, 3, 4; 216B.2424, by adding a subdivision; 216B.243, subdivision 8; 216C.05, subdivision 2; 216C.41, subdivisions 2, 5a; 216C.435, by adding a subdivision; 216E.03, subdivisions 3, 9; 216E.04, subdivision 7; 216F.01, subdivision 2; 216F.011; 216F.04; 216H.03, subdivisions 3, 4, 7; 237.01, by adding subdivisions; 268.031, subdivision 1; 268.035, subdivisions 15, 20, 21d, 23, 30; 268.042, subdivision 1; 268.046, subdivision 3; 268.051, subdivisions 1, 9; 268.065, subdivision 2; 268.07, subdivisions 2, 3a, 3b; 268.085, subdivisions 1, 6, 7, 12, 13, 13a; 268.0865, subdivision 5; 268.095, subdivisions 1, 2, 5; 268.101, subdivision 2; 268.105, subdivision 2; 268.131; 268.18, subdivisions 2, 2b, 5; 268.182; 268.184; 268.194, subdivisions 1, 4; 276A.01, subdivisions 8, 17; 276A.06, subdivision 8; 282.38, subdivisions 1, 3; 297I.11, subdivision 2; 298.001, subdivision 8, by adding a subdivision; 298.018, subdivision 1; 298.17; 298.22, subdivisions 1, 1a, 5a, 6, 10, 11, by adding subdivisions; 298.221; 298.2211, subdivisions 3, 6; 298.2212; 298.2214, subdivision 2; 298.223, subdivisions 1, 2; 298.227; 298.27; 298.28, subdivisions 7, 7a, 9c, 9d, 11; 298.292, subdivision 2; 298.296; 298.2961; 298.297; 298.46, subdivisions 2, 5, 6; 299F.01, by adding a subdivision; 325J.06; 326B.092, subdivision 7; 326B.153, subdivision 1; 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50, subdivision 3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.805, subdivision 3; 326B.89, subdivisions 1, 5; 327C.01, by adding a subdivision; 345.42, by adding a subdivision; 345.49; 462.355, subdivision 4; 462A.2035; 466.03, subdivision 6c; 469.310, subdivision 9; 474A.02, subdivision 21; Laws 2010, chapter 389, article 5, section 7; Laws 2014, chapter 211, section 13, as amended; Laws 2014, chapter 312, article 2, section 14, as amended; Laws 2015, First Special Session chapter 1, article 1, sections 2, subdivision 6; 5, subdivision 2; Laws 2016, chapter 189, article 7, sections 2, subdivision 2; 46; proposing coding for new law in Minnesota Statutes, chapters 14; 116J; 175; 216B; 216C; 216G; 237; 239; 326B; 327C; 462A; 462C; 471; repealing Minnesota Statutes 2016, sections 3.8852; 116C.779, subdivision 3; 116J.549; 174.187; 216B.8109; 216B.811; 216B.812; 216B.813; 216B.815; 216C.29; 216C.411; 216C.412; 216C.413; 216C.414; 216C.415; 216C.416; 298.22, subdivision 8; 298.2213; 298.298; 326B.89, subdivision 14; Laws 2005, chapter 112, article 1, section 14; Laws 2013, chapter 85, article 6, section 11; Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; 4355.0500."