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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3931

04/15/2016 Authored by Garofalo
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance
04/20/2016 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/21/2016 Adoption of Report: Placed on the General Register as Amended
Read Second Time
04/27/2016 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

A bill for an act

1.1 relating to state government; appropriating money for certain agriculture-related
1.2 purposes; modifying various agriculture-related provisions; making clarifying,
1.3 technical, and policy changes; providing a tractor rollover pilot grant program;
1.4 establishing an agricultural emergency account; appropriating money for
1.5 environment and natural resources; modifying prior appropriations; modifying
1.6 provisions to harvest wild rice; establishing requirements for marine carbon
1.7 monoxide detection devices; modifying terms of certain committees, funds,
1.8 and accounts; providing for prescribed burns; modifying provisions for certain
1.9 land sales and exchanges; creating Aggregate Resources Task Force; providing
1.10 appointments; providing for certain water level control permit; appropriating
1.11 money for jobs, economic development, and energy affordability; appropriating
1.12 money to the Departments of Employment and Economic Development, Labor
1.13 and Industry, and Commerce, the Housing Finance Agency, Public Utilities
1.14 Commission, Public Facilities Authority, Explore Minnesota Tourism, Bureau of
1.15 Mediation Services, and Public Employment Relations Board; making policy
1.16 changes to jobs and economic development, labor and industry, housing, workers'
1.17 compensation, unemployment insurance, telephone regulation, broadband
1.18 development, and energy; requiring reports; amending Minnesota Statutes 2014,
1.19 sections 3.736, subdivision 4; 17.117, subdivisions 4, 11a; 17.4982, subdivision
1.20 18a; 18B.26, subdivision 3; 41A.12, subdivision 2; 84.027, subdivision 13;
1.21 84.089, subdivision 3; 84.091, subdivision 2; 84D.01, subdivision 2; 84D.05,
1.22 subdivision 1; 84D.09, subdivision 2; 84D.10, subdivision 4; 84D.108, by adding
1.23 a subdivision; 84D.13, subdivision 4; 86B.005, by adding subdivisions; 88.01,
1.24 by adding a subdivision; 88.22, subdivision 1; 93.0015, subdivision 3; 93.2236;
1.25 94.3495, subdivisions 2, 3, 7; 97A.075, subdivisions 1, 7; 115C.09, subdivisions
1.26 1, 3; 116C.779, subdivision 1, by adding a subdivision; 116J.395, subdivisions 4,
1.27 6, 7, by adding subdivisions; 116J.548, subdivisions 2, 3; 116J.8737, subdivision
1.28 3; 116J.8747, subdivisions 1, 2; 116M.15, subdivision 1; 176.011, subdivision 7a;
1.29 176.081, subdivisions 1, 3; 176.137, subdivisions 1, 4, by adding a subdivision;
1.30 176.331; 176.361, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 176.471,
1.31 subdivisions 3, 5; 176.511, subdivisions 2, 3; 176.571, subdivision 1; 182.653,
1.32 subdivision 9; 216A.03, subdivision 1, by adding a subdivision; 216B.1641;
1.33 216B.241, subdivisions 1, 1a, 1c; 216B.243, subdivision 8; 216C.20, subdivision
1.34 3; 216E.03, subdivision 5; 216H.01, by adding a subdivision; 216H.03,
1.35 subdivision 1; 222.37, subdivision 1; 237.01, by adding subdivisions; 237.012,
1.36 subdivisions 1, 2; 268.035, subdivisions 12, 20, 23a, 29, by adding subdivisions;
1.37 268.051, subdivision 5; 268.085, subdivisions 4, 5; 268.0865, subdivisions
1.38 3, 4; 268.095, subdivisions 1, 2, 5; 268.101, subdivision 2; 268.18; 268.182,

2.1 subdivision 2; 383B.142; 462A.204, subdivisions 1, 3; Minnesota Statutes 2015
 2.2 Supplement, sections 16A.967, subdivisions 2, 7; 41A.14; 41A.15, subdivisions
 2.3 2, 10, by adding subdivisions; 41A.16, subdivision 1; 41A.17, subdivisions
 2.4 1, 2; 41A.18, subdivision 1; 84.027, subdivision 13a; 84D.11, subdivision 1;
 2.5 84D.13, subdivision 5; 116D.04, subdivision 2a; 116J.394; 176.135, subdivision
 2.6 7a; 176.136, subdivision 1b; 268.07, subdivision 3b; 268.085, subdivision 2;
 2.7 Laws 2001, chapter 130, section 3; Laws 2015, First Special Session chapter 1,
 2.8 article 1, sections 2, subdivision 3; 3, subdivision 3; 8, subdivision 8; Laws
 2.9 2015, First Special Session chapter 4, article 1, sections 2, subdivisions 2, 4;
 2.10 5; article 3, section 3, subdivision 2; article 4, section 131; proposing coding
 2.11 for new law in Minnesota Statutes, chapters 17; 84D; 86B; 116J; 216E; 237;
 2.12 383B; repealing Minnesota Statutes 2014, sections 116P.13; 116U.26; 179A.50;
 2.13 179A.51; 179A.52; 179A.53.

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

2.15 **ARTICLE 1**

2.16 **AGRICULTURE APPROPRIATIONS**

2.17 Section 1. **APPROPRIATIONS.**

2.18 The sums shown in the columns marked "Appropriations" are added to the
 2.19 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
 2.20 agencies and for the purposes specified in this act. The appropriations are from the
 2.21 general fund, or another named fund, and are available for the fiscal year indicated for
 2.22 each purpose. The figures "2016" and "2017" used in this act mean that the appropriations
 2.23 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,
 2.24 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.
 2.25 Appropriations for fiscal year 2016 are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

2.30 Sec. 2. **DEPARTMENT OF AGRICULTURE**

2.31 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>7,883,000</u>
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2.32 The amounts that may be spent for each
 2.33 purpose are specified in the following
 2.34 subdivisions.

2.35 <u>Subd. 2. Animal Health</u>		<u>-0-</u>		<u>2,083,000</u>
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2.36 \$1,800,000 the second year is for a grant
 2.37 to the Board of Regents of the University
 2.38 of Minnesota to develop, in consultation

3.1 with the commissioner of agriculture and
 3.2 the Board of Animal Health, a software
 3.3 tool or application through the Veterinary
 3.4 Diagnostic Laboratory that empowers
 3.5 veterinarians and producers to understand
 3.6 the movement of unique pathogen strains in
 3.7 livestock and poultry production systems,
 3.8 monitor antibiotic resistance, and implement
 3.9 effective biosecurity measures that promote
 3.10 animal health and limit production losses.
 3.11 This is a onetime appropriation available
 3.12 until June 30, 2019.

3.13 \$283,000 the second year is for a grant to
 3.14 the Board of Regents of the University of
 3.15 Minnesota to maintain and increase animal
 3.16 disease testing capacity through the purchase
 3.17 of Veterinary Diagnostic Laboratory
 3.18 equipment. This is a onetime appropriation.

3.19	<u>Subd. 3. Farm Safety</u>	<u>-0-</u>	<u>250,000</u>
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3.20 \$250,000 the second year is for the tractor
 3.21 rollover protection pilot program. This is a
 3.22 onetime appropriation.

3.23	<u>Subd. 4. Agriculture Laboratory and</u>		
3.24	<u>Emergency Response</u>	<u>-0-</u>	<u>5,550,000</u>

3.25 \$2,218,000 the second year is for equipment
 3.26 and instruments for the Department of
 3.27 Agriculture laboratory. This is a onetime
 3.28 appropriation available until June 30, 2022.

3.29 \$3,332,000 the second year is for transfer
 3.30 to the agricultural emergency account in the
 3.31 agricultural fund. This is a onetime transfer.

3.32 Sec. 3. **[17.055] AGRICULTURAL EMERGENCY ACCOUNT;**
 3.33 **APPROPRIATION.**

4.1 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account
4.2 is established in the agricultural fund. Money in the account, including interest, is
4.3 appropriated to the commissioner for emergency response and preparedness activities
4.4 for agricultural emergencies affecting producers of livestock, poultry, crops, or other
4.5 agricultural products. Eligible uses include, but are not limited to, purchasing necessary
4.6 equipment and reimbursing costs incurred by local units of government that are not
4.7 eligible for reimbursement from other sources.

4.8 Subd. 2. **Transfer authorized.** The commissioner may transfer money in the
4.9 account to the Board of Animal Health, other state agencies, or the University of
4.10 Minnesota for purposes of subdivision 1.

4.11 Subd. 3. **Annual report.** No later than February 1 each year, the commissioner
4.12 must report activities and expenditures under this section to the legislative committees
4.13 and divisions with jurisdiction over agriculture finance.

4.14 Sec. 4. Minnesota Statutes 2014, section 17.117, subdivision 4, is amended to read:

4.15 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
4.16 subdivision have the meanings given them.

4.17 (b) "Agricultural and environmental revolving accounts" means accounts in the
4.18 agricultural fund, controlled by the commissioner, which hold funds available to the
4.19 program.

4.20 (c) "Agriculture supply business" means a person, partnership, joint venture,
4.21 corporation, limited liability company, association, firm, public service company,
4.22 or cooperative that provides materials, equipment, or services to farmers or
4.23 agriculture-related enterprises.

4.24 (d) "Allocation" means the funds awarded to an applicant for implementation of best
4.25 management practices through a competitive or noncompetitive application process.

4.26 (e) "Applicant" means a local unit of government eligible to participate in this
4.27 program that requests an allocation of funds as provided in subdivision 6b.

4.28 (f) "Best management practices" has the meaning given in sections 103F.711,
4.29 subdivision 3, and 103H.151, subdivision 2, ~~or~~. Best management practices also means
4.30 other practices, techniques, and measures that have been demonstrated to the satisfaction
4.31 of the commissioner: (1) to prevent or reduce adverse environmental impacts by using
4.32 the most effective and practicable means of achieving environmental goals; or (2) to
4.33 achieve drinking water quality standards under chapter 103H or under Code of Federal
4.34 Regulations, title 40, parts 141 and 143, as amended.

5.1 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
5.2 applying for a low-interest loan.

5.3 (h) "Commissioner" means the commissioner of agriculture, including when the
5.4 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the
5.5 designee of the commissioner.

5.6 (i) "Committed project" means an eligible project scheduled to be implemented at
5.7 a future date:

5.8 (1) that has been approved and certified by the local government unit; and

5.9 (2) for which a local lender has obligated itself to offer a loan.

5.10 (j) "Comprehensive water management plan" means a state approved and locally
5.11 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,
5.12 103D.401, or 103D.405.

5.13 (k) "Cost incurred" means expenses for implementation of a project accrued because
5.14 the borrower has agreed to purchase equipment or is obligated to pay for services or
5.15 materials already provided as a result of implementing an approved eligible project.

5.16 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
5.17 company, association, firm, public service company, or cooperative that regularly
5.18 participates in physical labor or operations management of farming and files a Schedule F
5.19 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as
5.20 the primary business activity under Schedule C, K, or S, or any other applicable report to
5.21 the United States Internal Revenue Service.

5.22 (m) "Lender agreement" means an agreement entered into between the commissioner
5.23 and a local lender which contains terms and conditions of participation in the program.

5.24 (n) "Local government unit" means a county, soil and water conservation district,
5.25 or an organization formed for the joint exercise of powers under section 471.59 with
5.26 the authority to participate in the program.

5.27 (o) "Local lender" means a local government unit as defined in paragraph (n), a state
5.28 or federally chartered bank, a savings association, a state or federal credit union, Agribank
5.29 and its affiliated organizations, or a nonprofit economic development organization or other
5.30 financial lending institution approved by the commissioner.

5.31 (p) "Local revolving loan account" means the account held by a local government unit
5.32 and a local lender into which principal repayments from borrowers are deposited and new
5.33 loans are issued in accordance with the requirements of the program and lender agreements.

5.34 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

5.35 (r) "Program" means the agriculture best management practices loan program
5.36 in this section.

6.1 (s) "Project" means one or more components or activities located within Minnesota
 6.2 that are required by the local government unit to be implemented for satisfactory
 6.3 completion of an eligible best management practice.

6.4 (t) "Rural landowner" means the owner of record of Minnesota real estate located
 6.5 in an area determined by the local government unit to be rural after consideration of
 6.6 local land use patterns, zoning regulations, jurisdictional boundaries, local community
 6.7 definitions, historical uses, and other pertinent local factors.

6.8 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph
 6.9 (d), except as expressly limited in this section.

6.10 Sec. 5. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

6.11 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
 6.12 environmental impacts are eligible if:

6.13 ~~(1) the project is eligible under the an allocation agreement and funding sources~~
 6.14 ~~designated by the local government unit to finance the project; and.~~

6.15 ~~(2) (b) A manure management projects remediate project is eligible if the project~~
 6.16 ~~remediates or mitigate mitigates impacts from facilities with less than 1,000 animal units~~
 6.17 ~~as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of~~
 6.18 ~~this section.~~

6.19 (c) A drinking water project is eligible if the project:

6.20 (1) remediates the adverse environmental impacts or presence of contaminants in
 6.21 private well water;

6.22 (2) implements best management practices to achieve drinking water standards; and

6.23 (3) otherwise meets the requirements of this section.

6.24 Sec. 6. **[17.119] TRACTOR ROLLOVER PROTECTION PILOT GRANT**
 6.25 **PROGRAM.**

6.26 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award cost-share
 6.27 grants to Minnesota farmers who retrofit eligible tractors with eligible rollover protective
 6.28 structures. Grants are limited to 70 percent of the farmer's documented cost to purchase,
 6.29 ship, and install an eligible rollover protective structure. The commissioner must increase
 6.30 the grant award amount over the 70 percent grant limitation requirement if necessary to
 6.31 limit a farmer's cost per tractor to no more than \$500.

6.32 (b) A rollover protective structure is eligible if it meets or exceeds SAE International
 6.33 standard J2194.

6.34 (c) A tractor is eligible if the tractor was built before 1987.

7.1 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20
7.2 percent of total program dollars each fiscal year to promote the program to Minnesota
7.3 farmers. The commissioner must minimize administrative costs by cooperating with the
7.4 New York Center for Agricultural Medicine and Health to administer the grant program.

7.5 Subd. 3. **Nonstate funds; appropriation.** The commissioner must solicit
7.6 contributions from nonstate sources to supplement state appropriations for this program.
7.7 Funds received under this subdivision are appropriated to the commissioner for purposes
7.8 of this section.

7.9 Subd. 4. **Expiration.** This section expires June 30, 2019.

7.10 Sec. 7. Minnesota Statutes 2014, section 18B.26, subdivision 3, is amended to read:

7.11 **Subd. 3. Registration application and gross sales fee.** (a) For an agricultural
7.12 pesticide, a registrant shall pay an annual registration application fee for each agricultural
7.13 pesticide of \$350. The fee is due by December 31 preceding the year for which the
7.14 application for registration is made. The fee is nonrefundable.

7.15 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual
7.16 registration application fee for each nonagricultural pesticide of \$350. The fee is due by
7.17 December 31 preceding the year for which the application for registration is made. The fee
7.18 is nonrefundable. The If the registrant's annual gross sales of the nonagricultural pesticide
7.19 exceeded \$70,000 in the previous calendar year, the registrant of a nonagricultural pesticide
7.20 shall pay, in addition to the \$350 minimum fee, a fee of equal to 0.5 percent of that portion
7.21 of the annual gross sales of the over \$70,000. For purposes of this subdivision, gross sales
7.22 includes both nonagricultural pesticide sold in the state and the annual gross sales of the
7.23 nonagricultural pesticide sold into the state for use in this state. No additional fee is
7.24 required if the fee due amount based on percent of annual gross sales of a nonagricultural
7.25 pesticide is less than \$10. The registrant shall secure sufficient sales information of
7.26 nonagricultural pesticides distributed into this state from distributors and dealers,
7.27 regardless of distributor location, to make a determination. Sales of nonagricultural
7.28 pesticides in this state and sales of nonagricultural pesticides for use in this state by
7.29 out-of-state distributors are not exempt and must be included in the registrant's annual
7.30 report, as required under paragraph (g), and fees shall be paid by the registrant based upon
7.31 those reported sales. Sales of nonagricultural pesticides in the state for use outside of
7.32 the state are exempt from the gross sales fee in this paragraph if the registrant properly
7.33 documents the sale location and distributors. A registrant paying more than the minimum
7.34 fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural

8.1 pesticide by the registrant for the preceding calendar year. A pesticide determined by the
8.2 commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

8.3 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed
8.4 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the
8.5 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide
8.6 sold into the state for use in this state.

8.7 (d) In those cases where a registrant first sells an agricultural pesticide in or into the
8.8 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer
8.9 license and is responsible for payment of the annual gross sales fee under paragraph (c),
8.10 record keeping under paragraph (i), and all other requirements of section 18B.316.

8.11 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013,
8.12 by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the
8.13 commissioner, after a public hearing, may increase proportionally the pesticide sales and
8.14 product registration fees under this chapter by the amount necessary to ensure this level
8.15 of revenue is achieved. The authority under this section expires on June 30, 2014. The
8.16 commissioner shall report any fee increases under this paragraph 60 days before the fee
8.17 change is effective to the senate and house of representatives agriculture budget divisions.

8.18 (f) An additional fee of 50 percent of the registration application fee must be paid by
8.19 the applicant for each pesticide to be registered if the application is a renewal application
8.20 that is submitted after December 31.

8.21 (g) A registrant must annually report to the commissioner the amount, type and
8.22 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or
8.23 otherwise distributed in the state. The report shall be filed by March 1 for the previous
8.24 year's registration. The commissioner shall specify the form of the report or approve
8.25 the method for submittal of the report and may require additional information deemed
8.26 necessary to determine the amount and type of nonagricultural pesticide annually
8.27 distributed in the state. The information required shall include the brand name, United
8.28 States Environmental Protection Agency registration number, and amount of each
8.29 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but
8.30 the information collected, if made public, shall be reported in a manner which does not
8.31 identify a specific brand name in the report.

8.32 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually
8.33 report to the commissioner the amount, type, and annual gross sales of each registered
8.34 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the
8.35 state for use in the state. The report must be filed by January 31 for the previous year's
8.36 sales. The commissioner shall specify the form, contents, and approved electronic method

9.1 for submittal of the report and may require additional information deemed necessary to
9.2 determine the amount and type of agricultural pesticide annually distributed within the
9.3 state or into the state. The information required must include the brand name, United States
9.4 Environmental Protection Agency registration number, and amount of each agricultural
9.5 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

9.6 (i) A person who registers a pesticide with the commissioner under paragraph (b),
9.7 or a registrant under paragraph (d), shall keep accurate records for five years detailing
9.8 all distribution or sales transactions into the state or in the state and subject to a fee and
9.9 surcharge under this section.

9.10 (j) The records are subject to inspection, copying, and audit by the commissioner
9.11 and must clearly demonstrate proof of payment of all applicable fees and surcharges
9.12 for each registered pesticide product sold for use in this state. A person who is located
9.13 outside of this state must maintain and make available records required by this subdivision
9.14 in this state or pay all costs incurred by the commissioner in the inspecting, copying, or
9.15 auditing of the records.

9.16 (k) The commissioner may adopt by rule regulations that require persons subject
9.17 to audit under this section to provide information determined by the commissioner to be
9.18 necessary to enable the commissioner to perform the audit.

9.19 (l) A registrant who is required to pay more than the minimum fee for any pesticide
9.20 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee
9.21 paid after March 1 in the year for which the license is to be issued.

9.22 Sec. 8. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

9.23 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner
9.24 may issue grants, loans, or other forms of financial assistance. Eligible activities include,
9.25 but are not limited to, grants to livestock producers under the livestock investment grant
9.26 program under section 17.118, ~~bioenergy awards made by the NextGen Energy Board~~
9.27 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and
9.28 financial assistance to support other rural economic infrastructure activities.

9.29 Sec. 9. Minnesota Statutes 2015 Supplement, section 41A.14, is amended to read:

9.30 **41A.14 AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND**
9.31 **TECHNOLOGY TRANSFER GRANT PROGRAM.**

9.32 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
9.33 technology transfer grant program is created. The purpose of the grant program is to
9.34 provide investments that will most efficiently achieve long-term agricultural productivity

10.1 increases through improved infrastructure, vision, and accountability. The scope and
 10.2 intent of the grants, to the extent possible, shall provide for a long-term base funding
 10.3 that allows the ~~research~~ grantee to continue the functions of the research, education, and
 10.4 ~~extension, and technology transfer~~ efforts to a practical conclusion. Priority for grants
 10.5 shall be given to human infrastructure. The commissioner shall provide grants for:

10.6 (1) ~~agricultural research, extension, and technology transfer needs and recipients~~
 10.7 ~~including agricultural research and extension at the University of Minnesota, research and~~
 10.8 ~~outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the~~
 10.9 ~~Minnesota Agricultural Experiment Station, University of Minnesota Extension Service,~~
 10.10 ~~the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,~~
 10.11 ~~the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and~~
 10.12 ~~Education Council;~~ for use by any of the following:

10.13 (i) the College of Food, Agricultural and Natural Resource Sciences;

10.14 (ii) the Minnesota Agricultural Experiment Station;

10.15 (iii) the University of Minnesota Extension Service;

10.16 (iv) the University of Minnesota Veterinary School;

10.17 (v) the Veterinary Diagnostic Laboratory; or

10.18 (vi) the Stakman-Borlaug Center;

10.19 (2) agriculture rapid response for plant and animal diseases and pests; and

10.20 (3) agricultural education including but not limited to the Minnesota Agriculture
 10.21 Education Leadership Council, farm business management, mentoring programs, graduate
 10.22 debt forgiveness, and high school programs.

10.23 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the
 10.24 commissioner and a representative of the College of Food, Agricultural and Natural
 10.25 Resource Sciences at the University of Minnesota must consult with an advisory panel
 10.26 consisting of the following stakeholders:

10.27 ~~(1) a representative of the College of Food, Agricultural and Natural Resource~~
 10.28 ~~Sciences at the University of Minnesota;~~

10.29 ~~(2)~~ (1) a representative of the Minnesota State Colleges and Universities system;

10.30 ~~(3)~~ (2) a representative of the Minnesota Farm Bureau;

10.31 ~~(4)~~ (3) a representative of the Minnesota Farmers Union;

10.32 ~~(5)~~ (4) a person representing agriculture industry statewide;

10.33 ~~(6)~~ (5) a representative of each of the state commodity councils organized under
 10.34 section 17.54 and the Minnesota Pork Board;

10.35 ~~(7)~~ (6) a person representing an association of primary manufacturers of forest
 10.36 products;

11.1 ~~(8)~~ (7) a person representing organic or sustainable agriculture; and
11.2 ~~(9)~~ (8) a person representing statewide environment and natural resource
11.3 conservation organizations.

11.4 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
11.5 respective organizations.

11.6 Subd. 3. **Account.** An agriculture research, education, extension, and technology
11.7 transfer account is created in the agricultural fund in the state treasury. The account
11.8 consists of money received in the form of gifts, grants, reimbursement, or appropriations
11.9 from any source for any of the purposes provided in subdivision 1, and any interest or
11.10 earnings of the account. Money in the account is appropriated to the commissioner of
11.11 agriculture for the purposes under subdivision 1.

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

11.13 Sec. 10. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 2, is
11.14 amended to read:

11.15 Subd. 2. **Advanced biofuel.** "Advanced biofuel" ~~has the meaning given~~ means
11.16 advanced biofuel as defined in section 239.051, subdivision 1a, and biobutanol.

11.17 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
11.18 subdivision to read:

11.19 Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,
11.20 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a
11.21 biobased percentage of at least 51 percent as determined by testing representative samples
11.22 using American Society for Testing and Materials specification D6866.

11.23 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
11.24 subdivision to read:

11.25 Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means
11.26 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased
11.27 content percentage of at least ten percent as determined by testing representative samples
11.28 using American Society for Testing and Materials specification D6866, or that contains
11.29 a biobased chemical constituent that displaces a known hazardous or toxic constituent
11.30 previously used in the product formulation.

11.31 Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
11.32 subdivision to read:

12.1 Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is
12.2 derived from agricultural products, including potatoes, cereal grains, cheese whey, and
12.3 sugar beets; forest products; or other renewable resources, including residue and waste
12.4 generated from the production, processing, and marketing of agricultural products, forest
12.5 products, and other renewable resources.

12.6 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
12.7 subdivision to read:

12.8 Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which
12.9 biobutanol is produced.

12.10 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
12.11 subdivision to read:

12.12 Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals
12.13 in a calendar year: January through March, April through June, July through September,
12.14 or October through December.

12.15 Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
12.16 amended to read:

12.17 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with
12.18 biobased content ~~as defined in section 41A.105, subdivision 1a.~~

12.19 Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is
12.20 amended to read:

12.21 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
12.22 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
12.23 less from the state border, raw materials may be sourced from within a 100-mile radius.
12.24 Raw materials must be from agricultural or forestry sources or from solid waste. The
12.25 facility must be located in Minnesota, must begin production at a specific location by June
12.26 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMbtu of ~~annual~~ quarterly
12.27 biofuel production before July 1, 2015. Eligible facilities include existing companies and
12.28 facilities that are adding advanced biofuel production capacity, or retrofitting existing
12.29 capacity, as well as new companies and facilities. Production of conventional corn ethanol
12.30 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must
12.31 produce at least ~~95,000~~ 23,750 MMbtu ~~a year~~ of biofuel quarterly.

13.1 (b) No payments shall be made for advanced biofuel production that occurs after
13.2 June 30, 2035, for those eligible biofuel producers under paragraph (a).

13.3 (c) An eligible producer of advanced biofuel shall not transfer the producer's
13.4 eligibility for payments under this section to an advanced biofuel facility at a different
13.5 location.

13.6 (d) A producer that ceases production for any reason is ineligible to receive
13.7 payments under this section until the producer resumes production.

13.8 (e) Renewable chemical production for which payment has been received under
13.9 section 41A.17, and biomass thermal production for which payment has been received
13.10 under section 41A.18, are not eligible for payment under this section.

13.11 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
13.12 amended to read:

13.13 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
13.14 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~
13.15 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the
13.16 state border, biobased content must be sourced from within a 100-mile radius. Biobased
13.17 content must be from agricultural or forestry sources or from solid waste. The facility must
13.18 be located in Minnesota, must begin production at a specific location by June 30, 2025, and
13.19 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly
13.20 before January 1, 2015. Eligible facilities include existing companies and facilities that are
13.21 adding production capacity, or retrofitting existing capacity, as well as new companies and
13.22 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000
13.23 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced
13.24 through processes that are fully commercial before January 1, 2000, are not eligible.

13.25 (b) No payments shall be made for renewable chemical production that occurs after
13.26 June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

13.27 (c) An eligible producer of renewable chemicals shall not transfer the producer's
13.28 eligibility for payments under this section to a renewable chemical facility at a different
13.29 location.

13.30 (d) A producer that ceases production for any reason is ineligible to receive
13.31 payments under this section until the producer resumes production.

13.32 (e) Advanced biofuel production for which payment has been received under section
13.33 41A.16, and biomass thermal production for which payment has been received under
13.34 section 41A.18, are not eligible for payment under this section.

14.1 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is
14.2 amended to read:

14.3 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make
14.4 payments to eligible producers of renewable chemicals located in the state. The amount of
14.5 the payment for each producer's annual production is \$0.03 per pound of sugar-derived
14.6 renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of
14.7 cellulosic-derived renewable chemical produced at a specific location for ten years after
14.8 the start of production.

14.9 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
14.10 biomass is eligible for a 20 percent bonus payment for each ~~MMBtu~~ pound produced from
14.11 agricultural biomass that is derived from perennial crop or cover crop biomass.

14.12 (c) Total payments under this section to an eligible renewable chemical producer in
14.13 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
14.14 chemical production. Total payments under this section to all eligible renewable chemical
14.15 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
14.16 renewable chemical production. The commissioner shall award payments on a first-come,
14.17 first-served basis within the limits of available funding.

14.18 (d) For purposes of this section, an entity that holds a controlling interest in more
14.19 than one renewable chemical production facility is considered a single eligible producer.

14.20 Sec. 20. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is
14.21 amended to read:

14.22 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
14.23 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
14.24 less from the state border, raw materials should be sourced from within a 100-mile radius.
14.25 Raw materials must be from agricultural or forestry sources. The facility must be located
14.26 in Minnesota, must have begun production at a specific location by June 30, 2025, and
14.27 must not begin before July 1, 2015. Eligible facilities include existing companies and
14.28 facilities that are adding production capacity, or retrofitting existing capacity, as well as
14.29 new companies and facilities. Eligible biomass thermal production facilities must produce
14.30 at least ~~1,000~~ 250 MMBtu ~~per year~~ of biomass thermal quarterly.

14.31 (b) No payments shall be made for biomass thermal production that occurs after June
14.32 30, 2035, for those eligible biomass thermal producers under paragraph (a).

14.33 (c) An eligible producer of biomass thermal production shall not transfer the
14.34 producer's eligibility for payments under this section to a biomass thermal production
14.35 facility at a different location.

15.1 (d) A producer that ceases production for any reason is ineligible to receive
15.2 payments under this section until the producer resumes production.

15.3 (e) Biofuel production for which payment has been received under section 41A.16,
15.4 and renewable chemical production for which payment has been received under section
15.5 41A.17, are not eligible for payment under this section.

15.6 Sec. 21. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
15.7 is amended to read:

15.8 Subd. 2a. **When prepared.** Where there is potential for significant environmental
15.9 effects resulting from any major governmental action, the action shall be preceded by a
15.10 detailed environmental impact statement prepared by the responsible governmental unit.
15.11 The environmental impact statement shall be an analytical rather than an encyclopedic
15.12 document which describes the proposed action in detail, analyzes its significant
15.13 environmental impacts, discusses appropriate alternatives to the proposed action and
15.14 their impacts, and explores methods by which adverse environmental impacts of an
15.15 action could be mitigated. The environmental impact statement shall also analyze those
15.16 economic, employment, and sociological effects that cannot be avoided should the action
15.17 be implemented. To ensure its use in the decision-making process, the environmental
15.18 impact statement shall be prepared as early as practical in the formulation of an action.

15.19 (a) The board shall by rule establish categories of actions for which environmental
15.20 impact statements and for which environmental assessment worksheets shall be prepared
15.21 as well as categories of actions for which no environmental review is required under this
15.22 section. A mandatory environmental assessment worksheet shall not be required for the
15.23 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph
15.24 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a
15.25 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~4a~~ 2d, based on
15.26 the capacity of the expanded or converted facility to produce alcohol fuel, but must be
15.27 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other
15.28 categories of actions for which environmental assessment worksheets must be prepared.
15.29 The responsible governmental unit for an ethanol plant or biobutanol facility project for
15.30 which an environmental assessment worksheet is prepared shall be the state agency with
15.31 the greatest responsibility for supervising or approving the project as a whole.

15.32 A mandatory environmental impact statement shall not be required for a facility
15.33 or plant located outside the seven-county metropolitan area that produces less than
15.34 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less
15.35 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as

16.1 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined
16.2 in section ~~41A.105~~ 41A.15, subdivision ~~1a~~, ~~clause (1)~~ 2d; or a cellulosic biofuel facility.
16.3 A facility or plant that only uses a cellulosic feedstock to produce chemical products for
16.4 use by another facility as a feedstock shall not be considered a fuel conversion facility as
16.5 used in rules adopted under this chapter.

16.6 (b) The responsible governmental unit shall promptly publish notice of the
16.7 completion of an environmental assessment worksheet by publishing the notice in at least
16.8 one newspaper of general circulation in the geographic area where the project is proposed,
16.9 by posting the notice on a Web site that has been designated as the official publication site
16.10 for publication of proceedings, public notices, and summaries of a political subdivision in
16.11 which the project is proposed, or in any other manner determined by the board and shall
16.12 provide copies of the environmental assessment worksheet to the board and its member
16.13 agencies. Comments on the need for an environmental impact statement may be submitted
16.14 to the responsible governmental unit during a 30-day period following publication of the
16.15 notice that an environmental assessment worksheet has been completed. The responsible
16.16 governmental unit's decision on the need for an environmental impact statement shall be
16.17 based on the environmental assessment worksheet and the comments received during the
16.18 comment period, and shall be made within 15 days after the close of the comment period.
16.19 The board's chair may extend the 15-day period by not more than 15 additional days upon
16.20 the request of the responsible governmental unit.

16.21 (c) An environmental assessment worksheet shall also be prepared for a proposed
16.22 action whenever material evidence accompanying a petition by not less than 100
16.23 individuals who reside or own property in the state, submitted before the proposed
16.24 project has received final approval by the appropriate governmental units, demonstrates
16.25 that, because of the nature or location of a proposed action, there may be potential for
16.26 significant environmental effects. Petitions requesting the preparation of an environmental
16.27 assessment worksheet shall be submitted to the board. The chair of the board shall
16.28 determine the appropriate responsible governmental unit and forward the petition to it.
16.29 A decision on the need for an environmental assessment worksheet shall be made by
16.30 the responsible governmental unit within 15 days after the petition is received by the
16.31 responsible governmental unit. The board's chair may extend the 15-day period by not
16.32 more than 15 additional days upon request of the responsible governmental unit.

16.33 (d) Except in an environmentally sensitive location where Minnesota Rules, part
16.34 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
16.35 review under this chapter and rules of the board, if:

16.36 (1) the proposed action is:

17.1 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or
17.2 (ii) an expansion of an existing animal feedlot facility with a total cumulative
17.3 capacity of less than 1,000 animal units;

17.4 (2) the application for the animal feedlot facility includes a written commitment by
17.5 the proposer to design, construct, and operate the facility in full compliance with Pollution
17.6 Control Agency feedlot rules; and

17.7 (3) the county board holds a public meeting for citizen input at least ten business
17.8 days prior to the Pollution Control Agency or county issuing a feedlot permit for the
17.9 animal feedlot facility unless another public meeting for citizen input has been held with
17.10 regard to the feedlot facility to be permitted. The exemption in this paragraph is in
17.11 addition to other exemptions provided under other law and rules of the board.

17.12 (e) The board may, prior to final approval of a proposed project, require preparation
17.13 of an environmental assessment worksheet by a responsible governmental unit selected
17.14 by the board for any action where environmental review under this section has not been
17.15 specifically provided for by rule or otherwise initiated.

17.16 (f) An early and open process shall be utilized to limit the scope of the environmental
17.17 impact statement to a discussion of those impacts, which, because of the nature or location
17.18 of the project, have the potential for significant environmental effects. The same process
17.19 shall be utilized to determine the form, content and level of detail of the statement as well
17.20 as the alternatives which are appropriate for consideration in the statement. In addition,
17.21 the permits which will be required for the proposed action shall be identified during the
17.22 scoping process. Further, the process shall identify those permits for which information
17.23 will be developed concurrently with the environmental impact statement. The board
17.24 shall provide in its rules for the expeditious completion of the scoping process. The
17.25 determinations reached in the process shall be incorporated into the order requiring the
17.26 preparation of an environmental impact statement.

17.27 (g) The responsible governmental unit shall, to the extent practicable, avoid
17.28 duplication and ensure coordination between state and federal environmental review
17.29 and between environmental review and environmental permitting. Whenever practical,
17.30 information needed by a governmental unit for making final decisions on permits
17.31 or other actions required for a proposed project shall be developed in conjunction
17.32 with the preparation of an environmental impact statement. When an environmental
17.33 impact statement is prepared for a project requiring multiple permits for which two or
17.34 more agencies' decision processes include either mandatory or discretionary hearings
17.35 before a hearing officer prior to the agencies' decision on the permit, the agencies
17.36 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single

18.1 consolidated hearing process if requested by the proposer. All agencies having jurisdiction
 18.2 over a permit that is included in the consolidated hearing shall participate. The responsible
 18.3 governmental unit shall establish appropriate procedures for the consolidated hearing
 18.4 process, including procedures to ensure that the consolidated hearing process is consistent
 18.5 with the applicable requirements for each permit regarding the rights and duties of parties to
 18.6 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

18.7 (h) An environmental impact statement shall be prepared and its adequacy
 18.8 determined within 280 days after notice of its preparation unless the time is extended by
 18.9 consent of the parties or by the governor for good cause. The responsible governmental
 18.10 unit shall determine the adequacy of an environmental impact statement, unless within 60
 18.11 days after notice is published that an environmental impact statement will be prepared,
 18.12 the board chooses to determine the adequacy of an environmental impact statement. If an
 18.13 environmental impact statement is found to be inadequate, the responsible governmental
 18.14 unit shall have 60 days to prepare an adequate environmental impact statement.

18.15 (i) The proposer of a specific action may include in the information submitted to the
 18.16 responsible governmental unit a preliminary draft environmental impact statement under
 18.17 this section on that action for review, modification, and determination of completeness and
 18.18 adequacy by the responsible governmental unit. A preliminary draft environmental impact
 18.19 statement prepared by the project proposer and submitted to the responsible governmental
 18.20 unit shall identify or include as an appendix all studies and other sources of information
 18.21 used to substantiate the analysis contained in the preliminary draft environmental impact
 18.22 statement. The responsible governmental unit shall require additional studies, if needed,
 18.23 and obtain from the project proposer all additional studies and information necessary for
 18.24 the responsible governmental unit to perform its responsibility to review, modify, and
 18.25 determine the completeness and adequacy of the environmental impact statement.

18.26 Sec. 22. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 2,
 18.27 is amended to read:

18.28 Subd. 2. **Protection Services** 16,452,000 16,402,000

18.29	Appropriations by Fund		
18.30		2016	2017
18.31	General	15,874,000	15,824,000
18.32	Agricultural	190,000	190,000
18.33	Remediation	388,000	388,000

18.34 \$25,000 the first year and \$25,000 the second
 18.35 year are to develop and maintain cottage

19.1 food license exemption outreach and training
19.2 materials.

19.3 \$75,000 the first year is for the commissioner,
19.4 in consultation with the Northeast Regional
19.5 Corrections Center and the United Food
19.6 and Commercial Workers, to study and
19.7 provide recommendations for upgrading the
19.8 existing processing facility on the campus of
19.9 the Northeast Regional Corrections Center
19.10 into a USDA-certified food processing
19.11 facility. The commissioner shall report these
19.12 recommendations to the chairs of the house
19.13 of representatives and senate committees
19.14 with jurisdiction over agriculture finance by
19.15 March 15, 2016.

19.16 \$75,000 the second year is ~~for a coordinator~~
19.17 ~~for~~ to coordinate the correctional facility
19.18 vocational training pilot program and to assist
19.19 entities that have explored the feasibility of
19.20 establishing a USDA-certified or state "equal
19.21 to" food processing facility within 30 miles of
19.22 the Northeast Regional Corrections Center.

19.23 \$388,000 the first year and \$388,000 the
19.24 second year are from the remediation fund
19.25 for administrative funding for the voluntary
19.26 cleanup program.

19.27 \$225,000 the first year and \$175,000
19.28 the second year are for compensation
19.29 for destroyed or crippled animals under
19.30 Minnesota Statutes, section 3.737. This
19.31 appropriation may be spent to compensate
19.32 for animals that were destroyed or crippled
19.33 during fiscal years 2014 and 2015. If the
19.34 amount in the first year is insufficient, the

20.1 amount in the second year is available in the
20.2 first year.

20.3 \$125,000 the first year and \$125,000 the
20.4 second year are for compensation for crop
20.5 damage under Minnesota Statutes, section
20.6 3.7371. If the amount in the first year is
20.7 insufficient, the amount in the second year is
20.8 available in the first year.

20.9 If the commissioner determines that claims
20.10 made under Minnesota Statutes, section
20.11 3.737 or 3.7371, are unusually high, amounts
20.12 appropriated for either program may be
20.13 transferred to the appropriation for the other
20.14 program.

20.15 \$70,000 the first year and \$70,000 the second
20.16 year are for additional cannery inspections.

20.17 \$100,000 the first year and \$100,000 the
20.18 second year are for increased oversight of
20.19 delegated local health boards.

20.20 \$100,000 the first year and \$100,000 the
20.21 second year are to decrease the turnaround
20.22 time for retail food handler plan reviews.

20.23 \$1,024,000 the first year and \$1,024,000 the
20.24 second year are to streamline the retail food
20.25 safety regulatory and licensing experience
20.26 for regulated businesses and to decrease the
20.27 inspection delinquency rate.

20.28 \$1,350,000 the first year and \$1,350,000 the
20.29 second year are for additional inspections of
20.30 food manufacturers and wholesalers.

20.31 \$150,000 the first year and \$150,000 the
20.32 second year are for additional funding for
20.33 dairy inspection services.

21.1 \$150,000 the first year and \$150,000 the
 21.2 second year are for additional funding for
 21.3 laboratory services operations.

21.4 \$250,000 the first year and \$250,000
 21.5 the second year are for additional meat
 21.6 inspection services, including inspections
 21.7 provided under the correctional facility
 21.8 vocational training pilot program.

21.9 Notwithstanding Minnesota Statutes, section
 21.10 18B.05, \$90,000 the first year and \$90,000
 21.11 the second year are from the pesticide
 21.12 regulatory account in the agricultural fund
 21.13 for an increase in the operating budget for
 21.14 the Laboratory Services Division.

21.15 \$100,000 the first year and \$100,000 the
 21.16 second year are from the pesticide regulatory
 21.17 account in the agricultural fund to update
 21.18 and modify applicator education and training
 21.19 materials.

21.20 Sec. 23. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,
 21.21 is amended to read:

21.22 Subd. 4. **Agriculture, Bioenergy, and**
 21.23 **Bioproduct Advancement**

14,993,000

19,010,000

21.24 \$4,483,000 the first year and \$8,500,000 the
 21.25 second year are for transfer to the agriculture
 21.26 research, education, extension, and
 21.27 technology transfer account under Minnesota
 21.28 Statutes, section 41A.14, subdivision 3.

21.29 The transfer in this paragraph includes
 21.30 money for plant breeders at the University
 21.31 of Minnesota for wild rice, potatoes, and
 21.32 grapes. Of these amounts, at least \$600,000
 21.33 each year is for ~~agriculture rapid response~~
 21.34 the Minnesota Agricultural Experiment

22.1 Station's Agriculture Rapid Response Fund
22.2 under Minnesota Statutes, section 41A.14,
22.3 subdivision 1, clause (2). Of the amount
22.4 appropriated in this paragraph, \$1,000,000
22.5 each year is for transfer to the Board of
22.6 Regents of the University of Minnesota for
22.7 research to determine (1) what is causing
22.8 avian influenza, (2) why some fowl are more
22.9 susceptible, and (3) prevention measures that
22.10 can be taken. Of the amount appropriated
22.11 in this paragraph, \$2,000,000 each year
22.12 is for grants to the Minnesota Agriculture
22.13 Education Leadership Council to enhance
22.14 agricultural education with priority given
22.15 to Farm Business Management challenge
22.16 grants. The commissioner shall transfer the
22.17 remaining grant funds in this appropriation
22.18 each year to the Board of Regents of the
22.19 University of Minnesota for purposes of
22.20 Minnesota Statutes, section 41A.14.
22.21 To the extent practicable, funds expended
22.22 under Minnesota Statutes, section 41A.14,
22.23 subdivision 1, clauses (1) and (2), must
22.24 supplement and not supplant existing sources
22.25 and levels of funding. The commissioner may
22.26 use up to 4.5 percent of this appropriation
22.27 for costs incurred to administer the program.
22.28 Any unencumbered balance does not cancel
22.29 at the end of the first year and is available for
22.30 the second year.
22.31 \$10,235,000 the first year and \$10,235,000
22.32 the second year are for the agricultural
22.33 growth, research, and innovation program
22.34 in Minnesota Statutes, section 41A.12. No
22.35 later than February 1, 2016, and February
22.36 1, 2017, the commissioner must report to

23.1 the legislative committees with jurisdiction
23.2 over agriculture policy and finance regarding
23.3 the commissioner's accomplishments
23.4 and anticipated accomplishments in
23.5 the following areas: facilitating the
23.6 start-up, modernization, or expansion of
23.7 livestock operations including beginning
23.8 and transitioning livestock operations;
23.9 developing new markets for Minnesota
23.10 farmers by providing more fruits, vegetables,
23.11 meat, grain, and dairy for Minnesota school
23.12 children; assisting value-added agricultural
23.13 businesses to begin or expand, access new
23.14 markets, or diversify products; developing
23.15 urban agriculture; facilitating the start-up,
23.16 modernization, or expansion of other
23.17 beginning and transitioning farms including
23.18 loans under Minnesota Statutes, section
23.19 41B.056; sustainable agriculture on farm
23.20 research and demonstration; development or
23.21 expansion of food hubs and other alternative
23.22 community-based food distribution systems;
23.23 and research on bioenergy, biobased content,
23.24 or biobased formulated products and other
23.25 renewable energy development. The
23.26 commissioner may use up to 4.5 percent
23.27 of this appropriation for costs incurred to
23.28 administer the program. Any unencumbered
23.29 balance does not cancel at the end of the first
23.30 year and is available for the second year.
23.31 Notwithstanding Minnesota Statutes, section
23.32 16A.28, the appropriations encumbered
23.33 under contract on or before June 30, 2017, for
23.34 agricultural growth, research, and innovation
23.35 grants are available until June 30, ~~2019~~ 2021.

24.1 The commissioner may use funds
24.2 appropriated for the agricultural growth,
24.3 research, and innovation program as provided
24.4 in this paragraph. The commissioner may
24.5 award grants to owners of Minnesota
24.6 facilities producing bioenergy, biobased
24.7 content, or a biobased formulated product;
24.8 to organizations that provide for on-station,
24.9 on-farm field scale research and outreach to
24.10 develop and test the agronomic and economic
24.11 requirements of diverse strands of prairie
24.12 plants and other perennials for bioenergy
24.13 systems; or to certain nongovernmental
24.14 entities. For the purposes of this paragraph,
24.15 "bioenergy" includes transportation fuels
24.16 derived from cellulosic material, as well as
24.17 the generation of energy for commercial heat,
24.18 industrial process heat, or electrical power
24.19 from cellulosic materials via gasification or
24.20 other processes. Grants are limited to 50
24.21 percent of the cost of research, technical
24.22 assistance, or equipment related to bioenergy,
24.23 biobased content, or biobased formulated
24.24 product production or \$500,000, whichever
24.25 is less. Grants to nongovernmental entities
24.26 for the development of business plans and
24.27 structures related to community ownership
24.28 of eligible bioenergy facilities together may
24.29 not exceed \$150,000. The commissioner
24.30 shall make a good-faith effort to select
24.31 projects that have merit and, when taken
24.32 together, represent a variety of bioenergy
24.33 technologies, biomass feedstocks, and
24.34 geographic regions of the state. Projects
24.35 must have a qualified engineer provide
24.36 certification on the technology and fuel

25.1 source. Grantees must provide reports at the
25.2 request of the commissioner.

25.3 Of the amount appropriated for the
25.4 agricultural growth, research, and innovation
25.5 program in this subdivision, \$1,000,000 the
25.6 first year and \$1,000,000 the second year
25.7 are for distribution in equal amounts to each
25.8 of the state's county fairs to preserve and
25.9 promote Minnesota agriculture.

25.10 Of the amount appropriated for the
25.11 agricultural growth, research, and innovation
25.12 program in this subdivision, \$500,000 in
25.13 fiscal year 2016 and \$1,500,000 in fiscal
25.14 year 2017 are for incentive payments
25.15 under Minnesota Statutes, sections 41A.16,
25.16 41A.17, and 41A.18. If the appropriation
25.17 exceeds the total amount for which all
25.18 producers are eligible in a fiscal year, the
25.19 balance of the appropriation is available
25.20 to the commissioner for the agricultural
25.21 growth, research, and innovation program.

25.22 Notwithstanding Minnesota Statutes,
25.23 section 16A.28, the first year appropriation
25.24 is available until June 30, 2017, and the
25.25 second year appropriation is available until
25.26 June 30, 2018. The commissioner may use
25.27 up to 4.5 percent of the appropriation for
25.28 administration of the incentive payment
25.29 programs.

25.30 Of the amount appropriated for the
25.31 agricultural growth, research, and innovation
25.32 program in this subdivision, \$250,000
25.33 the first year is for grants to communities
25.34 to develop or expand food hubs and
25.35 other alternative community-based food

26.1 distribution systems. Of this amount,
26.2 \$50,000 is for the commissioner to consult
26.3 with existing food hubs, alternative
26.4 community-based food distribution systems,
26.5 and University of Minnesota Extension
26.6 to identify best practices for use by other
26.7 Minnesota communities. No later than
26.8 December 15, 2015, the commissioner must
26.9 report to the legislative committees with
26.10 jurisdiction over agriculture and health
26.11 regarding the status of emerging alternative
26.12 community-based food distribution systems
26.13 in the state along with recommendations
26.14 to eliminate any barriers to success. Any
26.15 unencumbered balance does not cancel at the
26.16 end of the first year and is available for the
26.17 second year. This is a onetime appropriation.
26.18 \$250,000 the first year and \$250,000 the
26.19 second year are for grants that enable
26.20 retail petroleum dispensers to dispense
26.21 biofuels to the public in accordance with the
26.22 biofuel replacement goals established under
26.23 Minnesota Statutes, section 239.7911. A
26.24 retail petroleum dispenser selling petroleum
26.25 for use in spark ignition engines for vehicle
26.26 model years after 2000 is eligible for grant
26.27 money under this paragraph if the retail
26.28 petroleum dispenser has no more than 15
26.29 retail petroleum dispensing sites and each
26.30 site is located in Minnesota. The grant
26.31 money received under this paragraph must
26.32 be used for the installation of appropriate
26.33 technology that uses fuel dispensing
26.34 equipment appropriate for at least one fuel
26.35 dispensing site to dispense gasoline that is
26.36 blended with 15 percent of agriculturally

27.1 derived, denatured ethanol, by volume, and
27.2 appropriate technical assistance related to
27.3 the installation. A grant award must not
27.4 exceed 85 percent of the cost of the technical
27.5 assistance and appropriate technology,
27.6 including remetering of and retrofits for
27.7 retail petroleum dispensers and replacement
27.8 of petroleum dispenser projects. The
27.9 commissioner may use up to \$35,000 of this
27.10 appropriation for administrative expenses.
27.11 The commissioner shall cooperate with
27.12 biofuel stakeholders in the implementation
27.13 of the grant program. The commissioner
27.14 must report to the legislative committees
27.15 with jurisdiction over agriculture policy and
27.16 finance by February 1 each year, detailing
27.17 the number of grants awarded under this
27.18 paragraph and the projected effect of the grant
27.19 program on meeting the biofuel replacement
27.20 goals under Minnesota Statutes, section
27.21 239.7911. These are onetime appropriations.
27.22 \$25,000 the first year and \$25,000 the second
27.23 year are for grants to the Southern Minnesota
27.24 Initiative Foundation to promote local foods
27.25 through an annual event that raises public
27.26 awareness of local foods and connects local
27.27 food producers and processors with potential
27.28 buyers.

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

27.30 Sec. 24. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to
27.31 read:

27.32 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; EMERGENCY**
27.33 **PREPAREDNESS; APPROPRIATIONS AND TRANSFERS.**

28.1 (a) ~~\$3,619,000~~ \$519,000 is appropriated from the general fund in fiscal year 2016 to
28.2 the commissioner of agriculture for avian influenza emergency response activities. The
28.3 commissioner may use money appropriated under this paragraph to purchase necessary
28.4 euthanasia and composting equipment and to reimburse costs incurred by local units of
28.5 government directly related to avian influenza emergency response activities that are not
28.6 eligible for federal reimbursement. This appropriation is available the day following final
28.7 enactment until June 30, 2017.

28.8 (b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the
28.9 Board of Animal Health for ~~avian influenza emergency response activities. The Board~~
28.10 ~~may use money appropriated under this paragraph to purchase necessary euthanasia and~~
28.11 ~~composting equipment.~~ any animal disease emergency response or planning activity,
28.12 including but not limited to:

28.13 (1) the retention of staff trained in disease response;

28.14 (2) costs associated with the relocation and expansion of the Minnesota Poultry
28.15 Testing Laboratory;

28.16 (3) the identification of risk factors for disease transmission; and

28.17 (4) the implementation of strategies to prevent or reduce the risk of disease
28.18 introduction and transmission.

28.19 This appropriation is available the day following final enactment until June 30, ~~2017~~ 2019.

28.20 (c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the
28.21 commissioner of health for avian influenza emergency response activities. This
28.22 appropriation is available the day following final enactment until June 30, 2017.

28.23 (d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the
28.24 commissioner of natural resources for sampling wild animals to detect and monitor the
28.25 avian influenza virus. This appropriation may also be used to conduct serology sampling,
28.26 in consultation with the Board of Animal Health and the University of Minnesota Pomeroy
28.27 Chair in Avian Health, from birds within a control zone and outside of a control zone.
28.28 This appropriation is available the day following final enactment until June 30, 2017.

28.29 (e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the
28.30 commissioner of public safety to operate the State Emergency Operation Center in
28.31 coordination with the statewide avian influenza response activities. Appropriations
28.32 under this paragraph may also be used to support a staff person at the state's agricultural
28.33 incident command post in Willmar. This appropriation is available the day following final
28.34 enactment until June 30, 2017.

28.35 (f) The commissioner of management and budget may transfer unexpended balances
28.36 from the appropriations in this section to any state agency for operating expenses related

29.1 to avian influenza emergency response activities. The commissioner of management and
29.2 budget must report each transfer to the chairs and ranking minority members of the senate
29.3 Committee on Finance and the house of representatives Committee on Ways and Means.

29.4 (g) In addition to the transfers required under Laws 2015, chapter 65, article 1,
29.5 section 17, no later than September 30, 2015, the commissioner of management and
29.6 budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general
29.7 fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221,
29.8 subdivision 6. This amount is available for ~~avian influenza emergency response~~ eligible
29.9 activities as provided in Laws 2015, chapter 65, article 1, section 18, as amended.

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

29.11 Sec. 25. **TRANSFER REQUIRED.**

29.12 Of the amount appropriated from the general fund to the commissioner of agriculture
29.13 for transfer to the rural finance authority revolving loan account in Laws 2015, First Special
29.14 Session chapter 4, article 2, section 6, the commissioner of management and budget must
29.15 transfer \$6,713,000 back to the general fund in fiscal year 2016. This is a onetime transfer.

29.16 **ARTICLE 2**

29.17 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

29.18 Section 1. **APPROPRIATIONS.**

29.19 The sums shown in the columns marked "Appropriations" are added to the
29.20 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
29.21 agencies and for the purposes specified in this article. The appropriations are from the
29.22 general fund, or another named fund, and are available for the fiscal year indicated for
29.23 each purpose. The figures "2016" and "2017" used in this article mean that the addition
29.24 to the appropriations listed under them are available for the fiscal year ending June 30,
29.25 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
29.26 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
29.27 following final enactment.

29.28		<u>APPROPRIATIONS</u>	
29.29		<u>Available for the Year</u>	
29.30		<u>Ending June 30</u>	
29.31		<u>2016</u>	<u>2017</u>

29.32 Sec. 2. **NATURAL RESOURCES**

29.33	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>2,462,000</u>	<u>\$</u>	<u>6,183,000</u>
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30.1	<u>Appropriations by Fund</u>		
30.2		<u>2016</u>	<u>2017</u>
30.3	<u>General</u>	<u>1,742,000</u>	<u>2,158,000</u>
30.4	<u>Natural Resources</u>	<u>50,000</u>	<u>4,025,000</u>
30.5	<u>Game and Fish</u>	<u>670,000</u>	<u>-0-</u>

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

30.9 Subd. 2. **Ecological and Water Resources** -0- 225,000

30.10 \$225,000 the second year is from the water
 30.11 management account in the natural resources
 30.12 fund for water appropriation monitoring,
 30.13 modeling, and reporting for the Cold Spring
 30.14 Creek area as required under this act. This
 30.15 is a onetime appropriation and is available
 30.16 until June 30, 2022.

30.17 Subd. 3. **Forest Management** -0- -0-

30.18	<u>Appropriations by Fund</u>		
30.19		<u>2016</u>	<u>2017</u>
30.20	<u>General</u>	<u>-0-</u>	<u>(1,500,000)</u>
30.21	<u>Natural Resources</u>	<u>-0-</u>	<u>1,500,000</u>

30.22 \$1,500,000 the second year is a reduction
 30.23 from the general fund. This is a onetime
 30.24 reduction.

30.25 \$1,500,000 the second year is from the
 30.26 forest management investment account in the
 30.27 natural resources fund. Of this amount, up to
 30.28 \$3,000 is for purposes of the report required
 30.29 on public engagement regarding Sand Dunes
 30.30 State Forest required under this act. This is a
 30.31 onetime appropriation.

30.32 Of the amount appropriated in Laws 2015,
 30.33 First Special Session chapter 4, article 3,
 30.34 section 3, subdivision 4, from the general
 30.35 fund in fiscal year 2016, up to \$3,000 may

31.1 be used for the report on prescribed burning
 31.2 required under this act.

31.3 **Subd. 4. Parks and Trails Management** 50,000 2,300,000

31.4 \$2,300,000 the second year is from the state
 31.5 parks account in the natural resources fund.
 31.6 This is a onetime appropriation.

31.7 \$50,000 the first year is from the water
 31.8 recreation account in the natural resources
 31.9 fund for implementation of Minnesota
 31.10 Statutes, section 86B.532, established in this
 31.11 act. This is a onetime appropriation.

31.12 **Subd. 5. Enforcement** 670,000 -0-

31.13 \$670,000 the first year is from the game and
 31.14 fish fund for aviation services. This is a
 31.15 onetime appropriation.

31.16 **Subd. 6. Operations Support** 1,742,000 3,658,000

31.17 \$1,742,000 the first year and \$3,658,000
 31.18 the second year are for legal costs related
 31.19 to the NorthMet mining project. Of this
 31.20 amount, up to \$143,000 the first year and
 31.21 up to \$1,289,000 the second year may be
 31.22 transferred to other agencies for legal costs
 31.23 associated with the NorthMet mining project.
 31.24 This is a onetime appropriation and is
 31.25 available until June 30, 2019.

31.26 **Sec. 3. LEGISLATURE** \$ 25,000 \$ -0-

31.27 \$25,000 the first year is from the Minnesota
 31.28 future resources fund to the Legislative
 31.29 Coordinating Commission for the Aggregate
 31.30 Resources Task Force established in this
 31.31 act. This is a onetime appropriation and is
 31.32 available until June 30, 2018.

32.1 Sec. 4. ADMINISTRATION \$ 250,000 \$ -0-

32.2 \$250,000 the first year is from the state forest

32.3 suspense account in the permanent school

32.4 fund for the school trust lands director to

32.5 initiate real estate development projects

32.6 on school trust lands as determined by the

32.7 school trust lands director. This is a onetime

32.8 appropriation.

32.9 Sec. 5. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 2,

32.10 is amended to read:

32.11 Subd. 2. **Land and Mineral Resources**

32.12 **Management** 6,461,000 5,521,000

32.13	Appropriations by Fund		
32.14		2016	2017
32.15	General	1,585,000	1,585,000
32.16	Natural Resources	3,332,000	3,392,000
32.17	Game and Fish	344,000	344,000
32.18	Remediation	1,000,000	-0-
32.19	Permanent School	200,000	200,000

32.20 \$68,000 the first year and \$68,000 the

32.21 second year are for minerals cooperative

32.22 environmental research, ~~of which \$34,000~~

32.23 ~~the first year and \$34,000 the second year are~~

32.24 ~~available only as matched by \$1 of nonstate~~

32.25 ~~money for each \$1 of state money. The~~

32.26 ~~match may be cash or in-kind.~~

32.27 \$251,000 the first year and \$251,000 the

32.28 second year are for iron ore cooperative

32.29 research. Of this amount, \$200,000 each year

32.30 is from the minerals management account

32.31 in the natural resources fund. ~~\$175,000 the~~

32.32 ~~first year and \$175,000 the second year are~~

32.33 ~~available only as matched by \$1 of nonstate~~

32.34 ~~money for each \$1 of state money. The match~~

32.35 ~~may be cash or in-kind. Any unencumbered~~

33.1 balance from the first year does not cancel
33.2 and is available in the second year.
33.3 \$2,755,000 the first year and \$2,815,000
33.4 the second year are from the minerals
33.5 management account in the natural resources
33.6 fund for use as provided in Minnesota
33.7 Statutes, section 93.2236, paragraph (c),
33.8 for mineral resource management, projects
33.9 to enhance future mineral income, and
33.10 projects to promote new mineral resource
33.11 opportunities.
33.12 \$200,000 the first year and \$200,000 the
33.13 second year are from the state forest suspense
33.14 account in the permanent school fund to
33.15 accelerate land exchanges, land sales, and
33.16 commercial leasing of school trust lands and
33.17 to identify, evaluate, and lease construction
33.18 aggregate located on school trust lands. This
33.19 appropriation is to be used for securing
33.20 long-term economic return from the
33.21 school trust lands consistent with fiduciary
33.22 responsibilities and sound natural resources
33.23 conservation and management principles.
33.24 Notwithstanding Minnesota Statutes, section
33.25 115B.20, \$1,000,000 the first year is from
33.26 the dedicated account within the remediation
33.27 fund for the purposes of Minnesota Statutes,
33.28 section 115B.20, subdivision 2, clause (4),
33.29 to acquire salt lands as described under
33.30 Minnesota Statutes, section 92.05, within
33.31 Bear Head Lake State Park. This is a onetime
33.32 appropriation and is available until June 30,
33.33 2018.

34.1 **ARTICLE 3**34.2 **ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES**

34.3 Section 1. Minnesota Statutes 2014, section 3.736, subdivision 4, is amended to read:

34.4 Subd. 4. **Limits.** The total liability of the state and its employees acting within the
34.5 scope of their employment on any tort claim shall not exceed:

34.6 (a) \$300,000 when the claim is one for death by wrongful act or omission and
34.7 \$300,000 to any claimant in any other case, for claims arising before August 1, 2007;

34.8 (b) \$400,000 when the claim is one for death by wrongful act or omission and
34.9 \$400,000 to any claimant in any other case, for claims arising on or after August 1, 2007,
34.10 and before July 1, 2009;

34.11 (c) \$500,000 when the claim is one for death by wrongful act or omission and
34.12 \$500,000 to any claimant in any other case, for claims arising on or after July 1, 2009;

34.13 (d) \$750,000 for any number of claims arising out of a single occurrence, for claims
34.14 arising on or after January 1, 1998, and before January 1, 2000;

34.15 (e) \$1,000,000 for any number of claims arising out of a single occurrence, for
34.16 claims arising on or after January 1, 2000, and before January 1, 2008;

34.17 (f) \$1,200,000 for any number of claims arising out of a single occurrence, for
34.18 claims arising on or after January 1, 2008, and before July 1, 2009;

34.19 (g) \$1,500,000 for any number of claims arising out of a single occurrence, for
34.20 claims arising on or after July 1, 2009; or

34.21 (h) ~~\$1,000,000~~ \$500,000 for any number of claims arising out of a single occurrence,
34.22 if the claim involves a nonprofit organization engaged in or administering outdoor
34.23 recreational activities funded in whole or in part by the state or operating under the
34.24 authorization of a permit issued by an agency or department of the state.

34.25 If the amount awarded to or settled upon multiple claimants exceeds the applicable
34.26 limit under clause (d), (e), (f), (g), or (h), any party may apply to the district court to
34.27 apportion to each claimant a proper share of the amount available under the applicable
34.28 limit under clause (d), (e), (f), or (g). The share apportioned to each claimant shall be in
34.29 the proportion that the ratio of the award or settlement bears to the aggregate awards and
34.30 settlements for all claims arising out of the occurrence.

34.31 The limitation imposed by this subdivision on individual claimants includes damages
34.32 claimed for loss of services or loss of support arising out of the same tort.

34.33 Sec. 2. Minnesota Statutes 2014, section 17.4982, subdivision 18a, is amended to read:

35.1 Subd. 18a. **Nonindigenous species.** "Nonindigenous species" means a species of
35.2 fish or other aquatic life that is:

- 35.3 (1) not known to have been historically present in the state;
- 35.4 (2) not known to be naturally occurring in a particular part of the state; or
- 35.5 (3) ~~listed~~ designated by rule as a prohibited or regulated invasive species.

35.6 Sec. 3. Minnesota Statutes 2014, section 84.027, subdivision 13, is amended to read:

35.7 Subd. 13. **Game and fish rules.** (a) The commissioner of natural resources may
35.8 adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized
35.9 under:

35.10 (1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and
35.11 areas, to select hunters for areas, to provide for tagging and registration of game and fish, to
35.12 prohibit or allow taking of wild animals to protect a species, to prevent or control wildlife
35.13 disease, to open or close bodies of water or portions of bodies of water for night bow
35.14 fishing, and to prohibit or allow importation, transportation, or possession of a wild animal;

35.15 (2) sections 84.093, 84.15, and 84.152 to set seasons for harvesting wild ginseng
35.16 roots and wild rice and to restrict or prohibit harvesting in designated areas; and

35.17 (3) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive
35.18 species, and unregulated nonnative species; and to list infested waters.

35.19 (b) If conditions exist that do not allow the commissioner to comply with sections
35.20 97A.0451 to 97A.0459, including the need to adjust season variables on an annual basis
35.21 based upon current biological and harvest data, the commissioner may adopt a rule
35.22 under this subdivision by submitting the rule to the attorney general for review under
35.23 section 97A.0455, publishing a notice in the State Register and filing the rule with the
35.24 secretary of state and the Legislative Coordinating Commission, and complying with
35.25 section 97A.0459, and including a statement of the conditions and a copy of the rule in the
35.26 notice. The conditions for opening a water body or portion of a water body for night bow
35.27 fishing under this section may include the need to temporarily open the area to evaluate
35.28 compatibility of the activity on that body of water prior to permanent rulemaking. The
35.29 notice may be published after it is received from the attorney general or five business days
35.30 after it is submitted to the attorney general, whichever is earlier.

35.31 (c) Rules adopted under paragraph (b) are effective upon publishing in the State
35.32 Register and may be effective up to seven days before publishing and filing under
35.33 paragraph (b), if:

- 35.34 (1) the commissioner of natural resources determines that an emergency exists;
- 35.35 (2) the attorney general approves the rule; and

36.1 (3) for a rule that affects more than three counties the commissioner publishes the
36.2 rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a
36.3 rule that affects three or fewer counties the commissioner publishes the rule once in a legal
36.4 newspaper in each of the affected counties.

36.5 (d) Except as provided in paragraph (e), a rule published under paragraph (c), clause
36.6 (3), may not be effective earlier than seven days after publication.

36.7 (e) A rule published under paragraph (c), clause (3), may be effective the day the
36.8 rule is published if the commissioner gives notice and holds a public hearing on the rule
36.9 within 15 days before publication.

36.10 (f) The commissioner shall attempt to notify persons or groups of persons affected
36.11 by rules adopted under paragraphs (b) and (c) by public announcements, posting, and
36.12 other appropriate means as determined by the commissioner.

36.13 (g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is
36.14 effective for the period stated in the notice but not longer than 18 months after the rule is
36.15 effective.

36.16 Sec. 4. Minnesota Statutes 2015 Supplement, section 84.027, subdivision 13a, is
36.17 amended to read:

36.18 Subd. 13a. **Game and fish expedited permanent rules.** (a) In addition to the
36.19 authority granted in subdivision 13, the commissioner of natural resources may adopt rules
36.20 under section 14.389 that are authorized under:

36.21 (1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to
36.22 designate fish spawning beds or fish preserves, to select hunters or anglers for areas,
36.23 to provide for registration of game or fish, to prevent or control wildlife disease, or to
36.24 correct errors or omissions in rules that do not have a substantive effect on the intent or
36.25 application of the original rule; or

36.26 (2) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive
36.27 species, and unregulated nonnative species.

36.28 (b) The commissioner of natural resources may adopt rules under section 14.389
36.29 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those
36.30 listed in paragraph (a), clause (1), subject to the notice and public hearing provisions
36.31 of section 14.389, subdivision 5.

36.32 Sec. 5. Minnesota Statutes 2014, section 84.089, subdivision 3, is amended to read:

36.33 Subd. 3. **Application of law.** Except as otherwise provided in this section, a
36.34 volunteer is not a state employee and is not subject to the provisions of law relating to

37.1 state employment, including but not limited to those relating to hours of work, rates of
37.2 compensation, leave, unemployment benefits, and state employee benefits. A volunteer
37.3 accepted under this section, except for a volunteer of a nonprofit organization with
37.4 permission from the commissioner of natural resources to assist in maintenance in state
37.5 parks, state forests, wildlife management areas, or on state trails, is a state employee for
37.6 the purposes of section 176.011, subdivision 9, and the provisions of chapter 176, relating
37.7 to workers' compensation apply to the volunteer.

37.8 Sec. 6. Minnesota Statutes 2014, section 84.091, subdivision 2, is amended to read:

37.9 Subd. 2. **License required; ~~exception~~ exemptions.** (a) Except as provided in
37.10 ~~paragraph (b)~~ this subdivision, a person may not harvest, buy, sell, transport, or possess
37.11 aquatic plants without a license required under this chapter. A license shall be issued in
37.12 the same manner as provided under the game and fish laws.

37.13 (b) A resident under the age of 18 years may harvest wild rice without a license, if
37.14 accompanied by a person with a wild rice license.

37.15 (c) Tribal band members who possess a valid tribal identification card from a
37.16 federally recognized tribe located in Minnesota are deemed to have a license to harvest
37.17 wild rice under this section.

37.18 Sec. 7. Minnesota Statutes 2014, section 84D.01, subdivision 2, is amended to read:

37.19 Subd. 2. **Aquatic macrophyte.** "Aquatic macrophyte" means macro algae or a
37.20 macroscopic nonwoody plant, either a submerged, floating leafed, floating, or emergent
37.21 plant that naturally grows in water.

37.22 Sec. 8. Minnesota Statutes 2014, section 84D.05, subdivision 1, is amended to read:

37.23 Subdivision 1. **Prohibited activities.** A person may not possess, import, purchase,
37.24 sell, propagate, transport, or introduce a prohibited invasive species, except:

37.25 (1) under a permit issued by the commissioner under section 84D.11;

37.26 (2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

37.27 (3) under a restricted species permit issued under section 17.457;

37.28 (4) when being transported to the department, or another destination as the
37.29 commissioner may direct, in a sealed container for purposes of identifying the species
37.30 or reporting the presence of the species;

37.31 (5) when being transported for disposal as part of a harvest or control activity
37.32 when specifically authorized under a permit issued by the commissioner according to
37.33 section 103G.615, when being transported for disposal as specified under a commercial

38.1 fishing license issued by the commissioner according to section 97A.418, 97C.801,
 38.2 97C.811, 97C.825, 97C.831, or 97C.835, or when being transported as specified by the
 38.3 commissioner;

38.4 ~~(6) when the specimen has been lawfully acquired dead and, in the case of plant~~
 38.5 ~~species, all seeds are removed or are otherwise secured in a sealed container;~~

38.6 ~~(7) in the form of herbaria or other preserved specimens;~~

38.7 ~~(8)~~ (6) when being removed from watercraft and equipment, or caught while angling,
 38.8 and immediately returned to the water from which they came; or

38.9 ~~(9)~~ (7) as the commissioner may otherwise prescribe by rule.

38.10 **Sec. 9. [84D.075] NONNATIVE SPECIES, AQUATIC PLANTS, AND AQUATIC**
 38.11 **MACROPHYTES; PARTS AND LIFE STAGE.**

38.12 A law relating to a nonnative species, aquatic plant, or aquatic macrophyte applies in
 38.13 the same manner to a part of a nonnative species, aquatic plant, or aquatic macrophyte,
 38.14 whether alive or dead, and to any life stage or form.

38.15 Sec. 10. Minnesota Statutes 2014, section 84D.09, subdivision 2, is amended to read:

38.16 Subd. 2. **Exceptions.** Unless otherwise prohibited by law, a person may transport
 38.17 aquatic macrophytes:

38.18 (1) that are duckweeds in the family Lemnaceae;

38.19 (2) for purposes of constructing shooting or observation blinds in amounts sufficient
 38.20 for that purpose, provided that the aquatic macrophytes are emergent and cut above the
 38.21 waterline;

38.22 (3) when legally purchased or traded by or from commercial or hobbyist sources for
 38.23 aquarium, wetland or lakeshore restoration, or ornamental purposes;

38.24 (4) when harvested for personal or commercial use if in a motor vehicle;

38.25 (5) to the department, or another destination as the commissioner may direct, in a
 38.26 sealed container for purposes of identifying a species or reporting the presence of a species;

38.27 (6) that are wild rice harvested under section 84.091;

38.28 (7) in the form of fragments of emergent aquatic macrophytes incidentally transported
 38.29 in or on watercraft or decoys used for waterfowl hunting during the waterfowl season; or

38.30 (8) when removing water-related equipment from waters of the state for purposes of
 38.31 cleaning off aquatic macrophytes before leaving a water access site; or

38.32 (9) when being transported from riparian property to a legal disposal site that is at
 38.33 least 100 feet from any surface water, ditch, or seasonally flooded land, provided the

39.1 aquatic macrophytes are in a covered commercial vehicle specifically designed and used
39.2 for hauling trash.

39.3 Sec. 11. Minnesota Statutes 2014, section 84D.10, subdivision 4, is amended to read:

39.4 Subd. 4. **Persons transporting water-related equipment.** (a) When leaving
39.5 ~~waters~~ a water of the state, a person must drain water-related equipment holding water
39.6 and live wells and bilges by removing the drain plug before transporting the water-related
39.7 equipment ~~off the water access site or riparian property.~~ For the purposes of this
39.8 paragraph, "transporting" includes moving water-related equipment over land between
39.9 connected or unconnected water bodies, but does not include moving water-related
39.10 equipment within the immediate area required for loading and preparing the water-related
39.11 equipment for transport over land.

39.12 (b) Drain plugs, bailers, valves, or other devices used to control the draining of water
39.13 from ballast tanks, bilges, and live wells must be removed or opened while transporting
39.14 water-related equipment.

39.15 (c) Emergency response vehicles and equipment may be transported on a public road
39.16 with the drain plug or other similar device replaced only after all water has been drained
39.17 from the equipment upon leaving the water body.

39.18 (d) Portable bait containers used by licensed aquatic farms, portable bait containers
39.19 when fishing through the ice except on waters listed infested for viral hemorrhagic
39.20 septicemia, and marine sanitary systems are exempt from this subdivision.

39.21 (e) A person must not dispose of bait in waters of the state.

39.22 (f) A boat lift, dock, swim raft, or associated equipment that has been removed
39.23 from any water body may not be placed in another water body until a minimum of 21
39.24 days have passed.

39.25 (g) A person who transports water that is appropriated from noninfested surface
39.26 water bodies and that is transported by a commercial vehicle, excluding watercraft, or
39.27 commercial trailer, which vehicle or trailer is specifically designed and used for water
39.28 hauling, is exempt from paragraphs (a) and (b), provided that the person does not discharge
39.29 the transported water to other surface waters or within 100 feet of a surface water body.

39.30 (h) A person transporting water from noninfested surface water bodies for
39.31 firefighting or emergencies that threaten human safety or property is exempt from
39.32 paragraphs (a) and (b).

39.33 Sec. 12. Minnesota Statutes 2014, section 84D.108, is amended by adding a
39.34 subdivision to read:

40.1 Subd. 2a. **Lake Minnetonka pilot study.** (a) The commissioner may issue an
40.2 additional permit to service providers to return to Lake Minnetonka water-related
40.3 equipment with zebra mussels attached after the equipment has been seasonally
40.4 stored, serviced, or repaired. The permit must include verification and documentation
40.5 requirements and any other conditions the commissioner deems necessary.

40.6 (b) Water-related equipment with zebra mussels attached may be returned only
40.7 to Lake Minnetonka (DNR Division of Waters number 27-0133) by service providers
40.8 permitted under subdivision 1.

40.9 (c) The service provider's place of business must be within the Lake Minnetonka
40.10 Conservation District as established according to sections 103B.601 to 103B.645.

40.11 (d) A service provider applying for a permit under this subdivision must, if approved
40.12 for a permit and before the permit is valid, furnish a corporate surety bond in favor of the
40.13 state for \$50,000 payable upon violation of this chapter.

40.14 (e) This subdivision expires December 1, 2018.

40.15 Sec. 13. Minnesota Statutes 2015 Supplement, section 84D.11, subdivision 1, is
40.16 amended to read:

40.17 Subdivision 1. **Prohibited invasive species.** (a) The commissioner may issue a
40.18 permit for the propagation, possession, importation, purchase, or transport of a prohibited
40.19 invasive species for the purposes of disposal, decontamination, control, research, or
40.20 education.

40.21 (b) The commissioner may issue a permit as provided under section 84D.108,
40.22 subdivision 2a, to a service provider to allow water-related equipment to be placed back
40.23 into the same body of water after being seasonally stored, serviced, or repaired by the
40.24 service provider. This paragraph expires December 1, 2018.

40.25 Sec. 14. Minnesota Statutes 2014, section 84D.13, subdivision 4, is amended to read:

40.26 Subd. 4. **Warnings; civil citations.** After appropriate training, conservation
40.27 officers, other licensed peace officers, and other department personnel designated by the
40.28 commissioner may issue warnings or citations to a person who:

40.29 (1) unlawfully transports prohibited invasive species or aquatic macrophytes;

40.30 (2) unlawfully places or attempts to place into waters of the state water-related
40.31 equipment that has aquatic macrophytes or prohibited invasive species attached;

40.32 (3) intentionally damages, moves, removes, or sinks a buoy marking, as prescribed
40.33 by rule, Eurasian watermilfoil;

41.1 (4) fails to remove plugs, open valves, and drain water from water-related equipment
41.2 before leaving waters of the state or when transporting water-related equipment as
41.3 provided in section 84D.10, subdivision 4; ~~or~~

41.4 (5) transports infested water, in violation of rule, off riparian property;

41.5 (6) fails to comply with a decontamination order when a decontamination unit
41.6 is available on site;

41.7 (7) fails to complete decontamination of water-related equipment or to remove
41.8 invasive species from water-related equipment by the date specified on a tagging notice
41.9 and order; or

41.10 (8) fails to complete the aquatic invasive species offender training course required
41.11 under section 86B.13.

41.12 Sec. 15. Minnesota Statutes 2015 Supplement, section 84D.13, subdivision 5, is
41.13 amended to read:

41.14 Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose
41.15 the following penalty amounts:

41.16 (1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

41.17 (2) for placing or attempting to place into waters of the state water-related equipment
41.18 that has aquatic macrophytes attached, \$200;

41.19 (3) for unlawfully possessing or transporting a prohibited invasive species other
41.20 than an aquatic macrophyte, \$500;

41.21 (4) for placing or attempting to place into waters of the state water-related equipment
41.22 that has prohibited invasive species attached when the waters are not listed by the
41.23 commissioner as being infested with that invasive species, \$500;

41.24 (5) for intentionally damaging, moving, removing, or sinking a buoy marking, as
41.25 prescribed by rule, Eurasian watermilfoil, \$100;

41.26 (6) for failing to have drain plugs or similar devices removed or opened while
41.27 transporting water-related equipment or for failing to remove plugs, open valves, and
41.28 drain water from water-related equipment, other than marine sanitary systems, before
41.29 leaving waters of the state, \$100;

41.30 (7) for transporting infested water off riparian property without a permit as required
41.31 by rule, \$200; ~~and~~

41.32 (8) for failing to have aquatic invasive species affirmation displayed or available for
41.33 inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25;

41.34 (9) for failing to comply with a decontamination order when a decontamination unit
41.35 is available on site, \$250;

42.1 (10) for failing to complete decontamination of water-related equipment or to
42.2 remove invasive species from water-related equipment by the date specified on a tagging
42.3 notice and order, \$250; and

42.4 (11) for failing to complete the aquatic invasive species offender training course
42.5 required under section 86B.13, \$25.

42.6 (b) A civil citation that is issued to a person who has one or more prior convictions
42.7 or final orders for violations of this chapter is subject to twice the penalty amounts listed
42.8 in paragraph (a).

42.9 Sec. 16. Minnesota Statutes 2014, section 86B.005, is amended by adding a
42.10 subdivision to read:

42.11 Subd. 4a. **Enclosed accommodation compartment.** "Enclosed accommodation
42.12 compartment" means one contiguous space, surrounded by boat structure, that contains
42.13 all of the following:

42.14 (1) designated sleeping accommodations;

42.15 (2) a galley area with sink; and

42.16 (3) a head compartment.

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

42.18 Sec. 17. Minnesota Statutes 2014, section 86B.005, is amended by adding a
42.19 subdivision to read:

42.20 Subd. 4b. **Enclosed occupancy compartment.** "Enclosed occupancy compartment"
42.21 means one contiguous enclosed space surrounded by boat structure that may be occupied
42.22 by a person.

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

42.24 Sec. 18. Minnesota Statutes 2014, section 86B.005, is amended by adding a
42.25 subdivision to read:

42.26 Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide
42.27 detection system" means a device or system that meets the requirements of the American
42.28 Boat and Yacht Council Standard A-24, July 2015, for carbon monoxide detection systems.

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

42.30 Sec. 19. **[86B.532] CARBON MONOXIDE DETECTION DEVICE**
42.31 **REQUIREMENTS.**

43.1 Subdivision 1. **Requirements.** (a) After May 1, 2017, no motorboat that has an
43.2 enclosed accommodation compartment may be operated on any waters of the state unless
43.3 the motorboat is equipped with a functioning marine carbon monoxide detection system
43.4 installed according to the manufacturer's instructions.

43.5 (b) After May 1, 2017, no new motorboat that has an enclosed accommodation
43.6 compartment may be sold or offered for sale in Minnesota unless the motorboat is
43.7 equipped with a new functioning marine carbon monoxide detection system installed
43.8 according to the manufacturer's instructions.

43.9 Subd. 2. **Boating safety courses.** All state-sponsored boating safety courses and all
43.10 boating safety courses that require state approval by the commissioner must incorporate
43.11 information about the dangers of being overcome by carbon monoxide poisoning while on
43.12 or behind a motorboat and how to prevent that poisoning.

43.13 Subd. 3. **Carbon monoxide poisoning warning labels.** (a) After May 1, 2017,
43.14 no gasoline-powered motorboat that has an enclosed occupancy compartment may be
43.15 operated on any waters of the state unless labels warning of carbon monoxide dangers are
43.16 affixed in the vicinity of the aft reboarding/stern area and the steering station and in or
43.17 at the entrance to any enclosed occupancy compartment.

43.18 (b) For a motorboat sold by a dealer, the dealer must ensure that specified warning
43.19 labels have been affixed before completion of the transaction.

43.20 (c) Warning labels approved by the American Boat and Yacht Council, National
43.21 Marine Manufacturers Association, or the commissioner satisfy the requirements of this
43.22 section when installed as specified.

43.23 Subd. 4. **License agents; distribution.** The commissioner shall mail the information
43.24 and labels to all motorboat owners of watercraft that are 21 feet and greater in length no later
43.25 than May 1, 2017. The commissioner must also provide license agents with informational
43.26 brochures and warning labels about the dangers of carbon monoxide poisoning while
43.27 boating. A license agent must make the brochure and labels available to motorboat owners
43.28 and make efforts to inform new owners of the requirement. The commissioner shall
43.29 highlight the new requirements on the watercraft renewal reminder postcard for three
43.30 consecutive three-year license cycles and in the Minnesota Boating Guide. The brochure
43.31 must instruct motorboat owners to place the labels according to subdivision 3 and inform
43.32 motorboat owners of carbon monoxide dangers of gasoline-powered generators.

43.33 Subd. 5. **Safety warning.** A first violation of this section does not result in a
43.34 penalty, but is punishable only by a safety warning. A second or subsequent violation
43.35 is a petty misdemeanor.

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

44.1 Sec. 20. Minnesota Statutes 2014, section 88.01, is amended by adding a subdivision
44.2 to read:

44.3 Subd. 28. **Prescribed burn.** "Prescribed burn" means a fire that is intentionally
44.4 ignited, managed, and controlled by an entity meeting certification requirements established
44.5 by the commissioner for the purpose of managing vegetation. A prescribed burn that has
44.6 exceeded its prescribed boundaries and requires suppression action is considered a wildfire.

44.7 Sec. 21. Minnesota Statutes 2014, section 88.22, subdivision 1, is amended to read:

44.8 Subdivision 1. **Imposition of restrictions.** (a) **Road closure.** When the
44.9 commissioner of natural resources shall determine that conditions conducive to wildfire
44.10 hazards exist in the wildfire areas of the state and that the presence of persons in the
44.11 wildlife areas tends to aggravate wildfire hazards, render forest trails impassable by
44.12 driving thereon during wet seasons and hampers the effective enforcement of state timber
44.13 trespass and game laws, the commissioner may by written order, close any road or trail
44.14 leading into any land used for any conservation purposes, to all modes of travel except
44.15 that considered essential such as residents traveling to and from their homes or in other
44.16 cases to be determined by the authorized forest officers assigned to guard the area.

44.17 (b) **Burning ban.** The commissioner may also, upon such determination, by written
44.18 order, suspend the issuance of permits for open fires or prescribed burns, revoke or suspend
44.19 the operation of a permit previously issued and, to the extent the commissioner deems
44.20 necessary, prohibit the building of all or some kinds of open fires or prescribed burns in all
44.21 or any part of a wildfire area regardless of whether a permit is otherwise required; and the
44.22 commissioner also may, by written order, prohibit smoking except at places of habitation
44.23 or automobiles or other enclosed vehicles properly equipped with an efficient ash tray.

44.24 Sec. 22. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

44.25 Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2026.

44.26 Sec. 23. Minnesota Statutes 2014, section 93.2236, is amended to read:

44.27 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

44.28 (a) The minerals management account is created as an account in the natural
44.29 resources fund. Interest earned on money in the account accrues to the account. Money in
44.30 the account may be spent or distributed only as provided in paragraphs (b) and (c).

44.31 (b) If the balance in the minerals management account exceeds \$3,000,000 on March
44.32 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must
44.33 be distributed to the permanent school fund, the permanent university fund, and taxing

45.1 districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed
45.2 to each fund must be in the same proportion as the total mineral lease revenue received
45.3 in the previous biennium from school trust lands, university lands, and lands held by the
45.4 state in trust for taxing districts.

45.5 (c) Subject to appropriation by the legislature, money in the minerals management
45.6 account may be spent by the commissioner of natural resources for mineral resource
45.7 management and projects to enhance future mineral income and promote new mineral
45.8 resource opportunities.

45.9 Sec. 24. Minnesota Statutes 2014, section 94.3495, subdivision 2, is amended to read:

45.10 Subd. 2. **Classes of land; definitions.** (a) The classes of public land that may be
45.11 involved in an expedited exchange under this section are:

45.12 (1) Class 1 land, which for the purpose of this section is Class A land as defined in
45.13 section 94.342, subdivision 1, ~~except for:~~

45.14 ~~(i) school trust land as defined in section 92.025; and~~

45.15 ~~(ii) university land granted to the state by acts of Congress;~~

45.16 (2) Class 2 land, which for the purpose of this section is Class B land as defined in
45.17 section 94.342, subdivision 2; and

45.18 (3) Class 3 land, which for the purpose of this section is all land owned in fee by
45.19 a governmental subdivision of the state.

45.20 (b) "School trust land" has the meaning given in section 92.025.

45.21 (c) "University land" means land granted to the state by acts of Congress for
45.22 university purposes.

45.23 Sec. 25. Minnesota Statutes 2014, section 94.3495, subdivision 3, is amended to read:

45.24 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,
45.25 the value of all the land shall be determined by the commissioner of natural resources,
45.26 but the county board must approve the value determined for the Class 2 land, and the
45.27 governmental subdivision of the state must approve the value determined for the Class 3
45.28 land. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be
45.29 determined by the county board of the county in which the land lies, but the governmental
45.30 subdivision of the state must approve the value determined for the Class 3 land.

45.31 (b) To determine the value of the land, the parties to the exchange may either (1)
45.32 cause the land to be appraised, utilize the valuation process provided under section
45.33 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker or
45.34 (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the most

46.1 current township or county assessment schedules for similar land types from the county
 46.2 assessor of the county in which the lands are located. Merchantable timber value ~~must~~
 46.3 should be determined and considered in finalizing valuation of the lands.

46.4 ~~(b) All~~ (c) Except for school trust lands and university lands, the lands exchanged
 46.5 under this section shall be exchanged only for lands of at least substantially equal value.
 46.6 For the purposes of this subdivision, "substantially equal value" has the meaning given
 46.7 under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the
 46.8 lands, other than school trust lands or university lands, are of substantially equal value but
 46.9 are not of the same value.

46.10 (d) School trust lands and university lands exchanged under this section must be
 46.11 exchanged only for lands of equal or greater value.

46.12 Sec. 26. Minnesota Statutes 2014, section 94.3495, subdivision 7, is amended to read:

46.13 Subd. 7. **Reversionary interest; Mineral and water power rights and other**
 46.14 **reservations.** ~~(a) All deeds conveying land given in an expedited land exchange under~~
 46.15 ~~this section shall include a reverter that provides that title to the land automatically reverts~~
 46.16 ~~to the conveying governmental unit if:~~

46.17 ~~(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of~~
 46.18 ~~the land within 40 years of the date of the deed conveying ownership; and~~

46.19 ~~(2) there is no prior written approval for the transfer from the conveying~~
 46.20 ~~governmental unit. The authority for granting approval is the commissioner of natural~~
 46.21 ~~resources for former Class 1 land, the county board for former Class 2 land, and the~~
 46.22 ~~governing body for former Class 3 land.~~

46.23 ~~(b) Class 1 land given in exchange is subject to the reservation provisions of section~~
 46.24 ~~94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation~~
 46.25 ~~provisions of section 94.344, subdivision 4. County fee land given in exchange is subject~~
 46.26 ~~to the reservation provisions of section 373.01, subdivision 1, paragraph (g).~~

46.27 Sec. 27. Minnesota Statutes 2014, section 97A.075, subdivision 1, is amended to read:

46.28 Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this
 46.29 subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2,
 46.30 clauses (5), (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11),
 46.31 and (12); and 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

46.32 (b) \$2 from each annual deer license and \$2 annually from the lifetime fish and
 46.33 wildlife trust fund, established in section 97A.4742, for each license issued under
 46.34 section 97A.473, subdivision 4, shall be credited to the deer management account and

47.1 is appropriated to the commissioner for deer habitat improvement or deer management
47.2 programs.

47.3 (c) \$1 from each annual deer license and each bear license and \$1 annually from
47.4 the lifetime fish and wildlife trust fund, established in section 97A.4742, for each
47.5 license issued under section 97A.473, subdivision 4, shall be credited to the deer and
47.6 bear management account and is appropriated to the commissioner for deer and bear
47.7 management programs, including a computerized licensing system.

47.8 (d) Fifty cents from each deer license is credited to the emergency deer feeding and
47.9 wild cervidae health management account and is appropriated for emergency deer feeding
47.10 and wild cervidae health management. Money appropriated for emergency deer feeding
47.11 and wild cervidae health management is available until expended.

47.12 When the unencumbered balance in the appropriation for emergency deer feeding
47.13 and wild cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the
47.14 unencumbered balance in excess of \$2,500,000 is canceled and available for deer and bear
47.15 management programs and computerized licensing.

47.16 ~~(e) Fifty cents from each annual deer license and 50 cents annually from the lifetime~~
47.17 ~~fish and wildlife trust fund established in section 97A.4742, for each license issued under~~
47.18 ~~section 97A.473, subdivision 4, shall be credited to the wolf management and monitoring~~
47.19 ~~account under subdivision 7.~~

47.20 Sec. 28. Minnesota Statutes 2014, section 97A.075, subdivision 7, is amended to read:

47.21 Subd. 7. **Wolf licenses; account established.** (a) For purposes of this subdivision,
47.22 "wolf license" means a license or permit issued under section 97A.475, subdivision 2,
47.23 clause (20); 3, paragraph (a), clause (16); or 20, paragraph (b).

47.24 (b) A wolf management and monitoring account is created in the game and fish fund.
47.25 Revenue from wolf licenses must be credited to the wolf management and monitoring
47.26 account and is appropriated to the commissioner only for wolf management, research,
47.27 damage control, enforcement, and education. Notwithstanding any other law to the
47.28 contrary, money credited to the account may not be used to pay indirect costs or agency
47.29 shared services.

47.30 Sec. 29. Laws 2015, First Special Session chapter 4, article 4, section 131, is amended
47.31 to read:

47.32 Sec. 131. **SURPLUS STATE LAND SALES.**

47.33 The school trust lands director shall identify, in consultation with the commissioner
47.34 of natural resources, at least \$5,000,000 in state-owned lands suitable for sale or exchange

48.1 with school trust lands. The lands identified shall not be within a unit of the outdoor
48.2 recreation system under Minnesota Statutes, section 86A.05, an administrative site, or
48.3 trust land. The commissioner shall sell or exchange at least \$3,000,000 worth of lands
48.4 identified under this section by June 30, 2017. Land exchanged under this section may
48.5 be exchanged in accordance with Minnesota Statutes, section 94.3495. The value of
48.6 the surplus land exchanged shall serve as compensation to the permanent school fund
48.7 as provided under Minnesota Statutes, section 84.027, subdivision 18, paragraph (b).
48.8 Notwithstanding the restrictions on sale of riparian land and the public sale provisions
48.9 under Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner may
48.10 offer the surplus land, including land bordering public water, for public or private sale.
48.11 Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or any other law to the
48.12 contrary, the amount an amount equal to 90 percent of the proceeds from the sale of lands
48.13 that exceeds the actual expenses of selling the lands must be deposited in the school trust
48.14 lands account and used to extinguish the school trust interest as provided under Minnesota
48.15 Statutes, section 92.83, on school trust lands that have public water access sites or old
48.16 growth forests located on them. Notwithstanding Minnesota Statutes, section 92.83, the
48.17 remaining ten percent of the proceeds must be used to fund transactional and legal work
48.18 associated with the Boundary Waters Canoe Area Wilderness land exchange and sale
48.19 projects under Minnesota Statutes, sections 92.80 and 92.82.

48.20 Sec. 30. **AGGREGATE RESOURCES TASK FORCE.**

48.21 Subdivision 1. **Creation; membership.** (a) The Aggregate Resources Task Force
48.22 consists of eight members appointed as follows:

48.23 (1) the speaker of the house shall appoint four members of the house of representatives
48.24 to include two members of the majority party and two members of the minority party, with
48.25 one member being the chair of the committee with jurisdiction over aggregate mining; and

48.26 (2) the senate Subcommittee on Committees of the Committee on Rules and
48.27 Administration shall appoint four members of the senate to include two members of the
48.28 majority party and two members of the minority party, with one member being the chair
48.29 of the committee with jurisdiction over aggregate mining.

48.30 (b) The appointing authorities must make their respective appointments no later
48.31 than July 15, 2016.

48.32 (c) The first meeting of the task force must be convened by the chairs of the house of
48.33 representatives and senate committees with jurisdiction over aggregate mining who will
48.34 serve as cochairs of the task force.

48.35 Subd. 2. **Duties.** The task force must study and provide recommendations on:

49.1 (1) the Department of Natural Resources' and Metropolitan Council's aggregate
49.2 mapping progress and needs;

49.3 (2) the effectiveness of recent aggregate tax legislation and the use of the revenues
49.4 collected by counties;

49.5 (3) the use of state funds to preserve aggregate reserves; and

49.6 (4) local land use and permitting issues, environmental review requirements, and the
49.7 impacts of other state regulations on aggregate reserves.

49.8 Subd. 3. **Report.** No later than January 15, 2018, the task force shall submit a
49.9 report to the chairs of the house of representatives and senate committees and divisions
49.10 with jurisdiction over aggregate mining and environment and natural resources finance
49.11 containing the findings of the study.

49.12 Subd. 4. **Expiration.** The Aggregate Resources Task Force expires 45 days after
49.13 the report and recommendations are delivered to the legislature or on June 30, 2018,
49.14 whichever date is earlier.

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

49.16 Sec. 31. **MARINE CARBON MONOXIDE DETECTORS; REPORT.**

49.17 The commissioner of natural resources shall submit a report to the legislature
49.18 by November 1, 2018. The report must outline any issues encountered relating
49.19 to implementation of Minnesota Statutes, section 86B.532, any changes to marine
49.20 manufacturing industry standards relating to carbon monoxide, the availability of plug-in
49.21 or battery-powered marine certified carbon monoxide detectors, and best practices in
49.22 preventing carbon monoxide poisoning relating to motorboat operation, including the
49.23 feasibility of requiring carbon monoxide detectors that are more sensitive in measuring
49.24 carbon monoxide than required in this act.

49.25 Sec. 32. **PRESCRIBED BURN REQUIREMENTS; REPORT.**

49.26 The commissioner of natural resources, in cooperation with prescribed burning
49.27 professionals, nongovernmental organizations, and local and federal governments, must
49.28 develop criteria for certifying an entity to conduct a prescribed burn under a general
49.29 permit. The certification requirements must include training, equipment, and experience
49.30 requirements and include an apprentice program to allow entities without experience to
49.31 become certified. The commissioner must establish provisions for decertifying entities.
49.32 The commissioner must not require additional certification or requirements for burns
49.33 conducted as part of normal agricultural practices not currently subject to prescribed burn
49.34 specifications. The commissioner must submit a report with recommendations and any

50.1 legislative changes needed to the chairs and ranking minority members of the house of
50.2 representatives and senate committees and divisions with jurisdiction over environment
50.3 and natural resources by January 15, 2017.

50.4 Sec. 33. **SAND DUNES STATE FOREST; REPORT.**

50.5 (a) Until July 1, 2017, the commissioner of natural resources shall not log, enter into
50.6 a logging contract, or otherwise remove trees for purposes of creating oak savanna in the
50.7 Sand Dunes State Forest. This paragraph does not prohibit work done under contracts
50.8 entered into before the effective date of this section or work on school trust lands.

50.9 (b) By January 15, 2017, the commissioner must submit a report, prepared by
50.10 the Division of Forestry, to the chairs and ranking minority members of the house of
50.11 representatives and senate committees and divisions with jurisdiction over environment
50.12 and natural resources with the Division of Forestry's progress on collaborating with local
50.13 citizens and other stakeholders over the past year when making decisions that impact
50.14 the landscape, including forest conversions and other clear-cutting activities, and the
50.15 division's progress on other citizen engagement activities.

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

50.17 Sec. 34. **COLD SPRING WATER APPROPRIATION PERMITS; REPORT.**

50.18 (a) The commissioner of natural resources shall amend the city of Cold Spring's
50.19 water appropriation permit to allow an increase in the city's water withdrawal of 100
50.20 million gallons per year from city wells 4, 5, and 6, provided a combined reduction of
50.21 ten million gallons per year is made from city well 3 or water appropriations under any
50.22 permits held by brewing companies in the Cold Spring Creek area. The city and any other
50.23 permit holder with permit modifications made under this section must comply with all
50.24 existing reporting requirements and demonstrate that increased pumping does not result in
50.25 violations of the Safe Drinking Water Act. The increases under this section are available
50.26 on an interim basis, not to exceed five years, to allow the city to establish a new well field
50.27 and long-term water supply solution for the city and area businesses.

50.28 (b) The commissioner must conduct necessary monitoring of stream flow and water
50.29 levels and develop a groundwater model to determine the amount of water that can be
50.30 sustainably pumped in the area of Cold Spring Creek for area businesses, agriculture, and
50.31 city needs. Beginning July 1, 2017, the commissioner must submit an annual progress
50.32 report to the chairs and ranking minority members of the house of representatives and
50.33 senate committees and divisions with jurisdiction over environment and natural resources.
50.34 The commissioner must submit a final report by January 15, 2022.

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

51.2 Sec. 35. **WATER LEVEL CONTROL PERMIT FOR BIG LAKE; GRANT**
51.3 **COUNTY.**

51.4 Notwithstanding Minnesota Statutes, sections 103G.407 and 103G.408, the
51.5 commissioner of natural resources must issue a permit to the Bois de Sioux Watershed
51.6 District to allow Big Lake in Grant County to be maintained at an elevation of 1,073 feet
51.7 from May 1 to October 1, and to be drawn down to an elevation of 1,072 feet prior to the
51.8 lake freezing. Prior to issuing the permit required under this section, the commissioner
51.9 of natural resources must receive a report from the Bois de Sioux Watershed District
51.10 that provides a description and budget for the watershed district's Big Lake project,
51.11 including the anticipated funding sources and any planned land acquisitions. The
51.12 commissioner must submit the report to the chairs and ranking minority members of the
51.13 house of representatives and senate committees and divisions with jurisdiction over the
51.14 environment and natural resources. Land acquired for purposes of the Big Lake project
51.15 may not be acquired by eminent domain.

51.16 Sec. 36. **LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

51.17 The commissioner of natural resources shall report to the chairs of the house of
51.18 representatives and senate committees with jurisdiction over natural resources by January
51.19 15, 2019, regarding the feasibility of expanding permitting to service providers as
51.20 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in
51.21 the state. The report must:

51.22 (1) include recommendations for state and local resources needed to implement the
51.23 program;

51.24 (2) assess local government inspection roles under Minnesota Statutes, section
51.25 84D.105, subdivision 2, paragraph (g); and

51.26 (3) assess whether mechanisms to ensure that water-related equipment placed back
51.27 into the same body of water from which it was removed can adequately protect other
51.28 water bodies.

51.29 Sec. 37. **CITATION.**

51.30 Sections 16, 17, 18, 19, and 31 may be known and cited as "Sophia's Law."

51.31 Sec. 38. **REPEALER.**

51.32 Minnesota Statutes 2014, section 116P.13, is repealed.

52.1 **EFFECTIVE DATE.** This section is effective July 1, 2018, and any funds remaining
52.2 in the Minnesota future resources fund on July 1, 2018, are transferred to the general fund.

52.3 **ARTICLE 4**

52.4 **JOBS APPROPRIATIONS**

52.5 Section 1. **APPROPRIATIONS**

52.6 The sums shown in the columns under "Appropriations" are added to or, if shown
52.7 in parentheses, subtracted from the appropriations in Laws 2015, First Special Session,
52.8 chapter 1, or other law to the specified agencies. The appropriations are from the general
52.9 fund, or another named fund, and are available for the fiscal years indicated for each
52.10 purpose. The figures "2016" and "2017" used in this article mean that the appropriations
52.11 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,
52.12 respectively. Appropriations for the fiscal year ending June 30, 2016, are effective the day
52.13 following final enactment. Reductions may be taken in either fiscal year.

52.14	<u>APPROPRIATIONS</u>
52.15	<u>Available for the Year</u>
52.16	<u>Ending June 30</u>
52.17	<u>2016</u> <u>2017</u>

52.18 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
52.19 **AND ECONOMIC DEVELOPMENT**

52.20	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>3,253,000</u>
52.21	<u>Subd. 2. Business and Community</u>				
52.22	<u>Development</u>				<u>(16,347,000)</u>

52.23 (a) \$12,000,000 in fiscal year 2017 is a
52.24 onetime reduction in the general fund
52.25 appropriation for the Minnesota investment
52.26 fund under Minnesota Statutes, section
52.27 116J.8731. The base funding for this purpose
52.28 is \$5,000,000 in fiscal year 2018 and each
52.29 fiscal year thereafter.

52.30 (b) \$8,500,000 in fiscal year 2017 is a
52.31 onetime reduction in the general fund
52.32 appropriation for the Minnesota job creation
52.33 fund under Minnesota Statutes, section
52.34 116J.8748. The base funding for this

53.1 program is \$7,500,000 in fiscal year 2018
53.2 and each fiscal year thereafter.

53.3 (c) \$1,000,000 in fiscal year 2017 is from the
53.4 general fund for the redevelopment program
53.5 under Minnesota Statutes, section 116J.571.
53.6 This is a onetime appropriation.

53.7 (d) \$1,000,000 in fiscal year 2017 is from the
53.8 workforce development fund for a grant to
53.9 the Neighborhood Development Center for
53.10 developing and supporting entrepreneurial
53.11 skills and job creation in communities served
53.12 by the Neighborhood Development Center.
53.13 Funds may be used for activities including but
53.14 not limited to business plan training, business
53.15 workshops, technical assistance to small
53.16 business owners, development and support
53.17 of business incubators, entrepreneurial
53.18 network development, and the expansion
53.19 of entrepreneurial capacity in communities.
53.20 This is a onetime appropriation.

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

53.32 (f) \$500,000 in fiscal year 2017 is from the
53.33 workforce development fund for a grant to
53.34 Enterprise Minnesota, Inc. Of this amount,
53.35 \$250,000 is for the small business growth

54.1 acceleration program under Minnesota
54.2 Statutes, section 116O.115, and \$250,000
54.3 is for operations under Minnesota Statutes,
54.4 sections 116O.01 to 116O.061. This is a
54.5 onetime appropriation.

54.6 (g) \$12,000 in fiscal year 2017 is a reduction
54.7 in the general fund appropriation for the
54.8 Upper Minnesota Film Office.

54.9 (h) \$1,825,000 in fiscal year 2017 is a
54.10 reduction in the general fund appropriation
54.11 for the Minnesota Film and TV Board.

54.12 (i) \$500,000 in fiscal year 2017 is from
54.13 the general fund for the workforce housing
54.14 grant program in Minnesota Statutes, section
54.15 116J.549. This is a onetime appropriation.

54.16 (j) \$2,290,000 in fiscal year 2017 is from the
54.17 general fund for a grant to Mille Lacs County
54.18 to develop and operate the Lake Mille Lacs
54.19 area economic relief program established
54.20 in article 5, section 11. This is a onetime
54.21 appropriation.

54.22 (k) \$500,000 in fiscal year 2017 is from the
54.23 general fund for grants to local communities
54.24 outside of the metropolitan area as defined
54.25 under Minnesota Statutes, section 473.121,
54.26 subdivision 2, to increase the supply of
54.27 quality child care providers in order to
54.28 support regional economic development.

54.29 Grant recipients must match state funds on a
54.30 dollar-for-dollar basis. Grant funds available
54.31 under this section must be used to implement
54.32 solutions to reduce the child care shortage
54.33 in the state, including but not limited to
54.34 funding for child care business start-up or
54.35 expansion, training, facility modifications

55.1 or improvements required for licensing,
 55.2 and assistance with licensing and other
 55.3 regulatory requirements. In awarding grants,
 55.4 the commissioner must give priority to
 55.5 communities in greater Minnesota that have
 55.6 documented a shortage of child care providers
 55.7 in the area. This is a onetime appropriation
 55.8 and is available until June 30, 2019.

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

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

55.21 (l) \$100,000 in fiscal year 2017 is from
 55.22 the general fund for a grant to the city of
 55.23 Madelia to provide match funding for a
 55.24 federal Economic Development Agency
 55.25 technical assistance grant. This is a onetime
 55.26 appropriation.

55.27 **Subd. 3. Workforce Development** 3,900,000

55.28 (a) \$600,000 in fiscal year 2017 is from the
 55.29 workforce development fund for a grant to
 55.30 Ujamaa Place for job training, employment
 55.31 preparation, internships, education, training
 55.32 in the construction trades, housing, and
 55.33 organizational capacity building. This is a
 55.34 onetime appropriation.

56.1 (b) \$800,000 in fiscal year 2017 is from the
56.2 workforce development fund for a grant
56.3 to Latino Communities United in Service
56.4 (CLUES) to expand culturally tailored
56.5 programs that address employment and
56.6 education skill gaps for working parents
56.7 and underserved youth. Funds must be
56.8 used to provide new job skills training to
56.9 stimulate higher wages for low-income
56.10 people, family support systems designed
56.11 to reduce generational poverty, and youth
56.12 programming to promote educational
56.13 advancement and career pathways. At
56.14 least 50 percent of the total grant funds
56.15 must be used for programming in greater
56.16 Minnesota. CLUES shall submit a report to
56.17 the chairs and ranking minority members of
56.18 the legislative committees and divisions of
56.19 the senate and house of representatives with
56.20 primary jurisdiction over jobs with findings
56.21 of program outcomes by March 1, 2018. The
56.22 report must include the type, duration, and
56.23 attendance of each program and quantifiable
56.24 measures of success. This is a onetime
56.25 appropriation and is available until June 30,
56.26 2019.

56.27 (c) \$600,000 in fiscal year 2017 is from the
56.28 workforce development fund for performance
56.29 grants under Minnesota Statutes, section
56.30 116J.8747, to Twin Cities RISE! to provide
56.31 training to hard-to-train individuals. This is
56.32 onetime appropriation.

56.33 (d) \$1,000,000 in fiscal year 2017 is from the
56.34 general fund for a grant to the Construction
56.35 Careers Foundation for the construction
56.36 career pathway initiative to provide

57.1 year-round educational and experiential
57.2 learning opportunities for teens and young
57.3 adults under the age of 21 that lead to careers
57.4 in the construction industry. This is a onetime
57.5 appropriation and is available until June 30,
57.6 2019. Grant funds must be used to:

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

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

57.19 (3) increase the number of summer internship
57.20 opportunities;

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

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

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

57.32 Programs and services supported by grant
57.33 funds must give priority to individuals and
57.34 groups that are economically disadvantaged

58.1 or historically underrepresented in the
 58.2 construction industry, including but not
 58.3 limited to women, veterans, and members of
 58.4 minority and immigrant groups.

58.5 (e) \$400,000 in fiscal year 2017 is from the
 58.6 general fund for the Youth at Work youth
 58.7 workforce development competitive grant
 58.8 program. Of this amount, up to five percent
 58.9 is for administration and monitoring of the
 58.10 program. This is a onetime appropriation and
 58.11 is available until June 30, 2018.

58.12 (f) \$500,000 in fiscal year 2017 is
 58.13 appropriated from the workforce
 58.14 development fund for a grant to the YWCA
 58.15 of Minneapolis to provide economically
 58.16 challenged individuals the jobs skills
 58.17 training, career counseling, and job
 58.18 placement assistance necessary to secure
 58.19 a child development associate credential
 58.20 and to have a career path in early childhood
 58.21 education. This is a onetime appropriation.

58.22 Subd. 4. **Vocational Rehabilitation** 500,000

58.23 \$500,000 in fiscal year 2017 is from
 58.24 the general fund for grants to centers
 58.25 for independent living under Minnesota
 58.26 Statutes, section 268A.11. This is a onetime
 58.27 appropriation.

58.28 Subd. 5. **State Services for the Blind** 200,000

58.29 \$200,000 in fiscal year 2017 is from the
 58.30 general fund for State Services for the
 58.31 Blind. Funds appropriated must be used to
 58.32 provide services for senior citizens who are
 58.33 becoming blind. At least half of the funds
 58.34 appropriated must be used to provide training
 58.35 services for seniors who are becoming blind.

59.1 Training services must provide independent
 59.2 living skills to seniors who are becoming
 59.3 blind to allow them to continue to live
 59.4 independently in their homes. This is a
 59.5 onetime appropriation.

59.6 Subd. 6. **Broadband Development** 15,000,000

59.7 (a) \$15,000,000 in fiscal year 2017 is
 59.8 from the general fund for deposit in the
 59.9 border-to-border broadband fund account
 59.10 under Minnesota Statutes, section 116J.396,
 59.11 for the purpose of awarding grants under that
 59.12 section. The base funding for this program is
 59.13 \$25,000,000 in fiscal year 2018. These are
 59.14 onetime appropriations.

59.15 (b) \$500,000 must be awarded to projects
 59.16 that propose to expand the availability and
 59.17 adoption of broadband service to areas
 59.18 that contain a significant proportion of
 59.19 low-income households. For the purposes of
 59.20 this subdivision, "low-income households"
 59.21 means households whose household income
 59.22 is less than or equal to 200 percent of the
 59.23 most recent calculation of the United States
 59.24 federal poverty guidelines published by the
 59.25 federal Department of Health and Human
 59.26 Services, adjusted for family size.

59.27 (c) Minnesota Statutes, section 116J.395,
 59.28 subdivision 5a, does not apply to applications
 59.29 for grants under paragraph (b) and does
 59.30 not apply to applications for grants under
 59.31 paragraph (a) in underserved areas.

59.32 (d) If grant awards in any area are insufficient
 59.33 to fully expend the funds available for
 59.34 that area, the commissioner may reallocate
 59.35 unexpended funds to other areas.

60.1	Sec. 3. <u>HOUSING FINANCE AGENCY</u>			
60.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$ (250,000)</u>
60.3	<u>Subd. 2. Challenge Program</u>			<u>(500,000)</u>
60.4	<u>(a) This is a onetime general fund</u>			
60.5	<u>appropriation reduction in fiscal year 2017.</u>			
60.6	<u>(b) The base funding for this program in fiscal</u>			
60.7	<u>year 2018 and thereafter is \$12,925,000.</u>			
60.8	<u>Subd. 3. Family Homeless Prevention</u>			<u>250,000</u>
60.9	<u>\$250,000 in fiscal year 2017 is from the</u>			
60.10	<u>general fund for grants to eligible applicants</u>			
60.11	<u>to create or expand risk mitigation programs</u>			
60.12	<u>to reduce landlord financial risks for renting</u>			
60.13	<u>to persons eligible under Minnesota Statutes,</u>			
60.14	<u>section 462A.204. Eligible programs may</u>			
60.15	<u>reimburse landlords for costs including but</u>			
60.16	<u>not limited to nonpayment of rent, or damage</u>			
60.17	<u>costs above those costs covered by security</u>			
60.18	<u>deposits. The agency may give higher</u>			
60.19	<u>priority to applicants that can demonstrate</u>			
60.20	<u>a matching amount of money by a local</u>			
60.21	<u>unit of government, business, or nonprofit</u>			
60.22	<u>organization. Grantees must establish a</u>			
60.23	<u>procedure to review and validate claims and</u>			
60.24	<u>reimbursements under this grant program.</u>			
60.25	<u>This is a onetime appropriation.</u>			
60.26	Sec. 4. <u>EXPLORE MINNESOTA TOURISM</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 800,000</u>
60.27	<u>(a) \$300,000 in fiscal year 2017 is from</u>			
60.28	<u>the general fund for a grant to the Mille</u>			
60.29	<u>Lacs Tourism Council to enhance marketing</u>			
60.30	<u>activities related to tourism promotion in</u>			
60.31	<u>the Mille Lacs Lake area. This is a onetime</u>			
60.32	<u>appropriation.</u>			

61.1 (b) \$500,000 in fiscal year 2017 is from the
 61.2 general fund for a pilot project to assist in
 61.3 funding and securing major events benefiting
 61.4 communities throughout the state. The pilot
 61.5 project must measure the economic impact
 61.6 of visitors on state and local economies,
 61.7 increased lodging and nonlodging sales taxes
 61.8 in addition to visitor spending, and increased
 61.9 media awareness of the state as an event
 61.10 destination. This is a onetime appropriation.

61.11 **Sec. 5. DEPARTMENT OF LABOR AND**
 61.12 **INDUSTRY**

61.13	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>250,000</u>
61.14	<u>Subd. 2. Labor Standards and Apprenticeship</u>			<u>\$</u>	<u>250,000</u>

61.15	<u>Appropriations by Fund</u>	
61.16	<u>2016</u>	<u>2017</u>
61.17	<u>General</u>	<u>-0-</u> <u>\$150,000</u>
61.18	<u>Workforce</u>	
61.19	<u>Development</u>	<u>-0-</u> <u>\$100,000</u>

61.20 \$150,000 in fiscal year 2017 is from the
 61.21 general fund and \$100,000 in fiscal year
 61.22 2017 is from the workforce development
 61.23 fund for the apprenticeship program under
 61.24 Minnesota Statutes, chapter 178.

61.25	Sec. 6. <u>BUREAU OF MEDIATION</u>				
61.26	<u>SERVICES</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(125,000)</u>

61.27 This is a reduction in the general fund
 61.28 appropriation in fiscal year 2017 for the
 61.29 Public Employment Relations Board.

61.30 **Sec. 7. DEPARTMENT OF COMMERCE**

61.31	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(151,000)</u>
61.32	<u>Subd. 2. Telecommunications</u>				<u>(376,000)</u>

62.1 The base amount for this purpose is \$558,000
 62.2 in fiscal year 2018 and \$482,000 in fiscal
 62.3 year 2019.

62.4 Subd. 3. **Energy Resources** -0- 100,000

62.5 \$100,000 in fiscal year 2017 is from the
 62.6 general fund for energy regulation and
 62.7 planning unit staff. This appropriation is
 62.8 not subject to assessment under Minnesota
 62.9 Statutes, section 216B.62.

62.10 Subd. 4. **Insurance** 125,000

62.11 \$125,000 in fiscal year 2017 is from the
 62.12 general fund for insurance fraud enforcement
 62.13 under Minnesota Statutes, section 45.0135,
 62.14 subdivision 9.

62.15 Sec. 8. **PUBLIC UTILITIES COMMISSION** \$ -0- \$ (56,000)

62.16 (a) Of the amount appropriated, \$112,000
 62.17 in fiscal year 2017 is from the general
 62.18 fund for costs related to implementation
 62.19 of solar energy standards and community
 62.20 solar garden requirements under Laws
 62.21 2013, chapter 85, and Laws 2015, First
 62.22 Special Session chapter 1, article 3. This
 62.23 appropriation is not subject to assessment
 62.24 under Minnesota Statutes, section 216B.62.

62.25 (b) Of the amount in fiscal year 2017,
 62.26 \$375,000 is a onetime reduction in the general
 62.27 fund appropriation for telecommunications
 62.28 regulation.

62.29 (c) Of the amount appropriated in fiscal year
 62.30 2017, \$207,000 is from the general fund for
 62.31 expenses related to additional Public Utilities
 62.32 Commission members.

63.1 (d) The base funding for the Public Utilities
 63.2 Commission is \$7,155,000 in fiscal year
 63.3 2018 and \$7,160,000 in fiscal year 2019.

63.4 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ -0- \$ 11,500,000**

63.5 \$11,500,000 in fiscal year 2017 is from the
 63.6 general fund for a grant to the Lewis and
 63.7 Clark Joint Powers Board to acquire land,
 63.8 design, engineer, and construct facilities
 63.9 and infrastructure necessary to complete
 63.10 Phase 3 of the Lewis and Clark Regional
 63.11 Water System project, including extension
 63.12 of the project from the Lincoln-Pipestone
 63.13 Rural Water System connection near
 63.14 Adrian to Worthington, construction of a
 63.15 reservoir in Nobles County and a meter
 63.16 building in Worthington, and acquiring and
 63.17 installing a supervisory control and data
 63.18 acquisition (SCADA) system. This is a
 63.19 onetime appropriation and is not available
 63.20 until the commissioner of management and
 63.21 budget determines that at least \$9,000,000
 63.22 is committed to the Phase 3 of the project
 63.23 from nonstate sources. This appropriation
 63.24 is available until the project is completed or
 63.25 abandoned, subject to Minnesota Statutes,
 63.26 section 16A.642.

63.27 Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 3,
 63.28 is amended to read:

63.29 **Subd. 3. Workforce Development**

63.30	Appropriations by Fund		
63.31	General	2,189,000	1,789,000
63.32	Workforce		
63.33	Development	17,567,000	16,767,000

64.1 (a) \$1,039,000 each year from the general
64.2 fund and \$3,104,000 each year from the
64.3 workforce development fund are for the adult
64.4 workforce development competitive grant
64.5 program. Of this amount, up to five percent
64.6 is for administration and monitoring of the
64.7 adult workforce development competitive
64.8 grant program. All grant awards shall be
64.9 for two consecutive years. Grants shall be
64.10 awarded in the first year.

64.11 (b) \$4,050,000 each year is from the
64.12 workforce development fund for the
64.13 Minnesota youth program under Minnesota
64.14 Statutes, sections 116L.56 and 116L.561, to
64.15 provide employment and career advising to
64.16 youth, including career guidance in secondary
64.17 schools, to address the youth career advising
64.18 deficiency, to carry out activities outlined
64.19 in Minnesota Statutes, section 116L.561,
64.20 to provide support services, and to provide
64.21 work experience to youth in the workforce
64.22 service areas. The funds in this paragraph
64.23 may be used for expansion of the pilot
64.24 program combining career and higher
64.25 education advising in Laws 2013, chapter 85,
64.26 article 3, section 27. Activities in workforce
64.27 services areas under this paragraph may
64.28 serve all youth up to age 24.

64.29 (c) \$1,000,000 each year is from the
64.30 workforce development fund for the
64.31 youthbuild program under Minnesota
64.32 Statutes, sections 116L.361 to 116L.366.

64.33 (d) \$450,000 each year is from the workforce
64.34 development fund for a grant to Minnesota
64.35 Diversified Industries, Inc., to provide

65.1 progressive development and employment
65.2 opportunities for people with disabilities.

65.3 (e) \$3,348,000 each year is from the
65.4 workforce development fund for the "Youth
65.5 at Work" youth workforce development
65.6 competitive grant program. Of this amount,
65.7 up to five percent is for administration
65.8 and monitoring of the youth workforce
65.9 development competitive grant program. All
65.10 grant awards shall be for two consecutive
65.11 years. Grants shall be awarded in the first
65.12 year.

65.13 (f) \$500,000 each year is from the workforce
65.14 development fund for the Opportunities
65.15 Industrialization Center programs.

65.16 (g) \$750,000 each year is from the workforce
65.17 development fund for a grant to the
65.18 Minnesota Alliance of Boys and Girls
65.19 Clubs to administer a statewide project
65.20 of youth jobs skills development. This
65.21 project, which may have career guidance
65.22 components, including health and life skills,
65.23 is to encourage, train, and assist youth in
65.24 job-seeking skills, workplace orientation,
65.25 and job-site knowledge through coaching.
65.26 This grant requires a 25 percent match from
65.27 nonstate resources.

65.28 (h) \$250,000 the first year and \$250,000 the
65.29 second year are for pilot programs in the
65.30 workforce service areas to combine career
65.31 and higher education advising.

65.32 (i) \$215,000 each year is from the workforce
65.33 development fund for a grant to Big
65.34 Brothers, Big Sisters of the Greater Twin
65.35 Cities for workforce readiness, employment

66.1 exploration, and skills development for
66.2 youth ages 12 to 21. The grant must serve
66.3 youth in the Twin Cities, Central Minnesota
66.4 and Southern Minnesota Big Brothers, Big
66.5 Sisters chapters.

66.6 (j) \$900,000 in fiscal year 2016 and
66.7 \$1,100,000 in fiscal year 2017 are from the
66.8 workforce development fund for a grant to the
66.9 Minnesota High Tech Association to support
66.10 SciTechsperience, a program that supports
66.11 science, technology, engineering, and math
66.12 (STEM) internship opportunities for two-
66.13 and four-year college students in their field
66.14 of study. The internship opportunities
66.15 must match students with paid internships
66.16 within STEM disciplines at small, for-profit
66.17 companies located in the seven-county
66.18 metropolitan area, having fewer than 150
66.19 total employees; or at small or medium,
66.20 for-profit companies located outside of the
66.21 seven-county metropolitan area, having
66.22 fewer than 250 total employees. At least 200
66.23 students must be matched in the first year
66.24 and at least 250 students must be matched in
66.25 the second year. Selected hiring companies
66.26 shall receive from the grant 50 percent of the
66.27 wages paid to the intern, capped at \$2,500
66.28 per intern. The program must work toward
66.29 increasing the participation among women or
66.30 other underserved populations.

66.31 (k) \$50,000 each year is from the workforce
66.32 development fund for a grant to the St. Cloud
66.33 ~~Area Somali Salvation~~ Youth Organization
66.34 for youth development and crime prevention
66.35 activities. Grant funds may be used to
66.36 train and place mentors in elementary and

67.1 secondary schools; for athletic, social,
67.2 and other activities to foster leadership
67.3 development; to provide a safe place for
67.4 participating youth to gather after school, on
67.5 weekends, and on holidays; and activities to
67.6 improve the organizational and job readiness
67.7 skills of participating youth. This is a
67.8 onetime appropriation and is available until
67.9 June 30, 2019. Funds appropriated the first
67.10 year are available for use in the second year
67.11 of the biennium.

67.12 (l) \$500,000 each year is for rural career
67.13 counseling coordinator positions in the
67.14 workforce service areas and for the purposes
67.15 specified in Minnesota Statutes, section
67.16 116L.667. The commissioner, in consultation
67.17 with local workforce investment boards and
67.18 local elected officials in each of the service
67.19 areas receiving funds, shall develop a method
67.20 of distributing funds to provide equitable
67.21 services across workforce service areas.

67.22 (m) \$400,000 in fiscal year 2016 is for a grant
67.23 to YWCA Saint Paul for training and job
67.24 placement assistance, including commercial
67.25 driver's license training, through the job
67.26 placement and retention program. This is a
67.27 onetime appropriation.

67.28 (n) \$800,000 in fiscal year 2016 is from
67.29 the workforce development fund for
67.30 the customized training program for
67.31 manufacturing industries under article 2,
67.32 section 24. This is a onetime appropriation
67.33 and is available in either year of the
67.34 biennium. Of this amount:

68.1 (1) \$350,000 is for a grant to Central Lakes
68.2 College for the purposes of this paragraph;

68.3 (2) \$250,000 is for Minnesota West
68.4 Community and Technical College for the
68.5 purposes of this paragraph; and

68.6 (3) \$200,000 is for South Central College for
68.7 the purposes of this paragraph.

68.8 (o) \$500,000 each year is from the workforce
68.9 development fund for a grant to Resource,
68.10 Inc. to provide low-income individuals
68.11 career education and job skills training that
68.12 are fully integrated with chemical and mental
68.13 health services.

68.14 (p) \$200,000 in fiscal year 2016 and \$200,000
68.15 in fiscal year 2017 are from the workforce
68.16 development fund for performance grants
68.17 under Minnesota Statutes, section 116J.8747,
68.18 to Twin Cities RISE! to provide training to
68.19 hard-to-train individuals. This is a onetime
68.20 appropriation.

68.21 (q) \$200,000 in fiscal year 2016 is from
68.22 the workforce development fund for the
68.23 foreign-trained health care professionals
68.24 grant program modeled after the pilot
68.25 program conducted under Laws 2006,
68.26 chapter 282, article 11, section 2, subdivision
68.27 12, to encourage state licensure of
68.28 foreign-trained health care professionals,
68.29 including: physicians, with preference given
68.30 to primary care physicians who commit
68.31 to practicing for at least five years after
68.32 licensure in underserved areas of the state;
68.33 nurses; dentists; pharmacists; mental health
68.34 professionals; and other allied health care
68.35 professionals. The commissioner must

69.1 collaborate with health-related licensing
 69.2 boards and Minnesota workforce centers to
 69.3 award grants to foreign-trained health care
 69.4 professionals sufficient to cover the actual
 69.5 costs of taking a course to prepare health
 69.6 care professionals for required licensing
 69.7 examinations and the fee for the state
 69.8 licensing examinations. When awarding
 69.9 grants, the commissioner must consider the
 69.10 following factors:

69.11 (1) whether the recipient's training involves
 69.12 a medical specialty that is in high demand in
 69.13 one or more communities in the state;

69.14 (2) whether the recipient commits to
 69.15 practicing in a designated rural area or an
 69.16 underserved urban community, as defined in
 69.17 Minnesota Statutes, section 144.1501;

69.18 (3) whether the recipient's language skills
 69.19 provide an opportunity for needed health care
 69.20 access for underserved Minnesotans; and

69.21 (4) any additional criteria established by the
 69.22 commissioner.

69.23 This is a onetime appropriation and is
 69.24 available until June 30, 2019.

69.25 Sec. 11. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 8,
 69.26 is amended to read:

69.27 **Subd. 8. Insurance**

69.28	Appropriations by Fund		
69.29	General	4,095,000	4,004,000
69.30	Workers'		
69.31	Compensation	553,000	553,000

69.32 \$642,000 each year is for health insurance
 69.33 rate review staffing.

70.1 \$91,000 in fiscal year 2016 is for the task
 70.2 force on no-fault auto insurance issues.
 70.3 \$125,000 in fiscal year 2017 is for insurance
 70.4 fraud enforcement under Minnesota Statutes,
 70.5 section 45.0135, subdivision 9.

70.6 **ARTICLE 5**

70.7 **JOBS AND ECONOMIC DEVELOPMENT**

70.8 Section 1. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2,
 70.9 is amended to read:

70.10 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations
 70.11 of this subdivision, the commissioner may sell and issue appropriation bonds of the state
 70.12 under this section for public purposes as provided by law, ~~including, in particular, the~~
 70.13 ~~financing of the land acquisition, design, engineering, and construction of facilities and~~
 70.14 ~~infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water~~
 70.15 ~~System project, including completion of the pipeline to Magnolia, extension of the project~~
 70.16 ~~to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering,~~
 70.17 ~~design, and easement acquisition for the final phase of the project to Worthington. No~~
 70.18 ~~bonds shall be sold until the commissioner determines that a nonstate match of at least~~
 70.19 ~~\$9,000,000 is committed to this project phase.~~ Grant agreements entered into under this
 70.20 section must provide for reimbursement to the state from any federal money provided for
 70.21 the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

70.22 (b) The appropriation bonds may be issued and sold only after the commissioner
 70.23 determines that the construction and administration for work done on the project will
 70.24 comply with (1) all federal requirements and regulations associated with the Lewis and
 70.25 Clark Rural Water System Act of 2000, and (2) the cooperative agreement between the
 70.26 United States Department of the Interior and the Lewis and Clark Regional Water System,
 70.27 Inc. Proceeds of the appropriation bonds must be credited to a special appropriation Lewis
 70.28 and Clark bond proceeds fund in the state treasury. All income from investment of the
 70.29 bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for
 70.30 the payment of principal and interest on the appropriation bonds.

70.31 (c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the
 70.32 commissioner, are necessary to provide sufficient money to the Public Facilities Authority
 70.33 under subdivision 7, not to exceed \$19,000,000 net of costs of issuance, for the purposes as
 70.34 provided under this paragraph (a), and pay debt service including capitalized interest, costs

71.1 of issuance, costs of credit enhancement, or make payments under other agreements entered
71.2 into under paragraph (e). The bonds authorized by this paragraph are for the purposes
71.3 of financing the land acquisition, design, engineering, and construction of facilities and
71.4 infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water
71.5 System project, including completion of the pipeline to Magnolia; extension of the project
71.6 to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering,
71.7 design, and easement acquisition for the final phase of the project to Worthington. No
71.8 bonds shall be sold under this subdivision until the commissioner determines that a
71.9 nonstate match of at least \$9,000,000 is committed to this project phase. Upon completion
71.10 of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision
71.11 is available for the purposes of Phase 3, which includes extension of the project from
71.12 the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington,
71.13 construction of a reservoir in Nobles County and a meter building in Worthington, and
71.14 acquiring and installing a supervisory control and data acquisition (SCADA) system.

71.15 (d) Appropriation bonds may be issued in one or more issues or series on the terms and
71.16 conditions the commissioner determines to be in the best interests of the state, but the term
71.17 on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of
71.18 each issue and series thereof shall be dated and bear interest, and may be includable in or
71.19 excludable from the gross income of the owners for federal income tax purposes.

71.20 (e) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
71.21 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may
71.22 enter into agreements and ancillary arrangements relating to the appropriation bonds,
71.23 including but not limited to trust indentures, grant agreements, lease or use agreements,
71.24 operating agreements, management agreements, liquidity facilities, remarketing or
71.25 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,
71.26 reimbursement agreements, indexing agreements, or interest exchange agreements. Any
71.27 payments made or received according to the agreement or ancillary arrangement shall be
71.28 made from or deposited as provided in the agreement or ancillary arrangement. The
71.29 determination of the commissioner included in an interest exchange agreement that the
71.30 agreement relates to an appropriation bond shall be conclusive.

71.31 (f) The commissioner may enter into written agreements or contracts relating to the
71.32 continuing disclosure of information necessary to comply with or facilitate the issuance
71.33 of appropriation bonds in accordance with federal securities laws, rules, and regulations,
71.34 including Securities and Exchange Commission rules and regulations in Code of Federal
71.35 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants
71.36 with purchasers and holders of appropriation bonds set forth in the order or resolution

72.1 authorizing the issuance of the appropriation bonds, or a separate document authorized
72.2 by the order or resolution.

72.3 (g) The appropriation bonds are not subject to chapter 16C.

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

72.5 Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is
72.6 amended to read:

72.7 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued
72.8 under this section and interest credited to the special appropriation Lewis and Clark bond
72.9 proceeds fund are appropriated ~~to the commissioner:~~

72.10 (1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers
72.11 Board for payment of capital expenses for the purposes provided by as specified in
72.12 subdivision 2, paragraph (a); and

72.13 (2) to the commissioner for debt service on the bonds including capitalized interest,
72.14 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and
72.15 payments under any agreements entered into under subdivision 2, paragraph (e), each as
72.16 permitted by state and federal law, and such proceeds may be granted, loaned, or otherwise
72.17 provided for the public purposes provided by subdivision 2, paragraph (a).

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

72.19 Sec. 3. Minnesota Statutes 2014, section 116J.548, subdivision 2, is amended to read:

72.20 Subd. 2. **Definitions.** For purposes of this section:

72.21 (a) "Capital costs" means expenditures for the public acquisition and of land and
72.22 buildings, betterment of public lands and buildings, and for other publicly owned capital
72.23 improvements. Capital costs also include expenditures for predesign, design, engineering,
72.24 and similar activities for specifically identified eligible projects.

72.25 (b) "Eligible project" means a development or redevelopment project that will
72.26 generate economic development within a time frame of five years or less or facilitate the
72.27 preparation of long-term economic development within a host community.

72.28 (c) "Economic development" means assistance in preparation of a redevelopment or
72.29 development area contained in the application that results in at least one of the following:

72.30 (1) job creation, including jobs relating to construction and temporary jobs;

72.31 (2) an increase in the tax base;

72.32 (3) the capacity ability of the eligible project to attract private investment, and;

72.33 (4) long-term economic development;

73.1 (5) needed public infrastructure or transportation-related improvements to facilitate
 73.2 long-term redevelopment or development; or

73.3 (6) other objective criteria established by the commissioner that demonstrate a
 73.4 public benefit to the host community.

73.5 (d) "Host community" means a city located within the seven-county metropolitan
 73.6 area, as defined in section 473.121, subdivision 2, that is the site of a waste disposal
 73.7 facility that meets the standards in section 473.849, that accepts unprocessed mixed
 73.8 municipal solid waste generated in the metropolitan area.

73.9 (e) "Long-term economic development" means capital costs associated with
 73.10 economic development projects identified by a host community comprehensive plan or
 73.11 redevelopment plan that will generate eligible economic development.

73.12 Sec. 4. Minnesota Statutes 2014, section 116J.548, subdivision 3, is amended to read:

73.13 Subd. 3. **Application.** Host communities may apply for a grant under this section
 73.14 on a form and in a manner prescribed by the commissioner. In awarding grants under
 73.15 this section, ~~the commissioner shall give priority to eligible projects that, based on a~~
 73.16 ~~cost-benefit analysis, provide the highest return on public investment.~~ the commissioner
 73.17 must allocate available money between host communities as evenly as practicable.

73.18 Sec. 5. Minnesota Statutes 2014, section 116J.8737, subdivision 3, is amended to read:

73.19 Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the
 73.20 commissioner for certification as a qualified investor for a taxable year. The application
 73.21 must be in the form and be made under the procedures specified by the commissioner,
 73.22 accompanied by an application fee of \$350. Application fees are deposited in the small
 73.23 business investment tax credit administration account in the special revenue fund. The
 73.24 application for certification for 2010 must be made available on the department's Web
 73.25 site by August 1, 2010. Applications for subsequent years' certification must be made
 73.26 available on the department's Web site by November 1 of the preceding year.

73.27 (b) Within 30 days of receiving an application for certification under this subdivision,
 73.28 the commissioner must either certify the investor as satisfying the conditions required
 73.29 of a qualified investor, request additional information from the investor, or reject the
 73.30 application for certification. If the commissioner requests additional information from the
 73.31 investor, the commissioner must either certify the investor or reject the application within
 73.32 30 days of receiving the additional information. If the commissioner neither certifies the
 73.33 investor nor rejects the application within 30 days of receiving the original application or
 73.34 within 30 days of receiving the additional information requested, whichever is later, then

74.1 the application is deemed rejected, and the commissioner must refund the \$350 application
74.2 fee. An investor who applies for certification and is rejected may reapply.

74.3 (c) To receive certification, an investor must (1) be a natural person; and (2) certify
74.4 to the commissioner that the investor will only invest in a transaction that is exempt under
74.5 section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a
74.6 security registered under section 80A.50, paragraph (b).

74.7 (d) In order for a qualified investment in a qualified small business to be eligible
74.8 for tax credits, a qualified investor who makes the investment must have applied for
74.9 and received certification for the calendar year prior to making the qualified investment,
74.10 except in the case of an investor who is not an accredited investor, within the meaning of
74.11 Regulation D of the Securities and Exchange Commission, Code of Federal Regulations,
74.12 title 17, section 230.501, paragraph (a), application for certification may be made within
74.13 30 days after making the qualified investment.

74.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
74.15 December 31, 2015.

74.16 Sec. 6. Minnesota Statutes 2014, section 116J.8747, subdivision 1, is amended to read:

74.17 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified
74.18 job training program from money appropriated for the purposes of this section as follows:

74.19 (1) ~~a \$9,000~~ an \$11,000 placement grant paid to a job training program upon
74.20 placement in employment of a qualified graduate of the program; and

74.21 (2) ~~a \$9,000~~ an \$11,000 retention grant paid to a job training program upon retention
74.22 in employment of a qualified graduate of the program for at least one year.

74.23 Sec. 7. Minnesota Statutes 2014, section 116J.8747, subdivision 2, is amended to read:

74.24 Subd. 2. **Qualified job training program.** To qualify for grants under this section,
74.25 a job training program must satisfy the following requirements:

74.26 (1) the program must be operated by a nonprofit corporation that qualifies under
74.27 section 501(c)(3) of the Internal Revenue Code;

74.28 (2) the program must spend ~~at least~~, on average, \$15,000 or more per graduate
74.29 of the program;

74.30 (3) the program must provide education and training in:

74.31 (i) basic skills, such as reading, writing, mathematics, and communications;

74.32 (ii) thinking skills, such as reasoning, creative thinking, decision making, and
74.33 problem solving; and

75.1 (iii) personal qualities, such as responsibility, self-esteem, self-management,
75.2 honesty, and integrity;

75.3 (4) the program ~~must~~ may provide income supplements, when needed, to participants
75.4 for housing, counseling, tuition, and other basic needs;

75.5 (5) the program's education and training course must last for an average of at least
75.6 six months;

75.7 (6) individuals served by the program must:

75.8 (i) be 18 years of age or older;

75.9 (ii) have federal adjusted gross income of no more than ~~\$11,000~~ \$12,000 per year in
75.10 the calendar year immediately before entering the program;

75.11 (iii) have assets of no more than ~~\$7,000~~ \$10,000, excluding the value of a
75.12 homestead; and

75.13 (iv) not have been claimed as a dependent on the federal tax return of another person
75.14 in the previous taxable year; and

75.15 (7) the program must be certified by the commissioner of employment and economic
75.16 development as meeting the requirements of this subdivision.

75.17 Sec. 8. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

75.18 Subdivision 1. **Creation; membership.** The Urban Initiative Board is created and
75.19 consists of the commissioner of employment and economic development, the commissioner
75.20 of human rights, the chair of the Metropolitan Council, and eight members from the general
75.21 public appointed by the governor. Six of the public members must be representatives from
75.22 minority business enterprises. No more than four of the public members may be of one
75.23 gender. All public members must be experienced in business or economic development.

75.24 Sec. 9. Minnesota Statutes 2014, section 383B.142, is amended to read:

75.25 **383B.142 PROCEDURE.**

75.26 Subdivision 1. **Delegation of authority.** The county board may by resolution
75.27 delegate the powers and duties enumerated in sections 383B.141 to ~~383B.151~~ 383B.1511,
75.28 and those powers and duties necessary to the implementation of the purposes of central
75.29 purchasing specifying the nature, scope and extent of the delegation. The authority and
75.30 responsibility subject to delegation shall include, but not be limited to the following:

75.31 (a) purchasing and contracting for all goods, materials, supplies, equipment and
75.32 contracted services, as provided in section 383B.143;

75.33 (b) preparation, review, modification and approval of all plans and specifications for
75.34 goods, materials, supplies, equipment and contracted services;

76.1 (c) the transfer of any goods, materials, supplies, equipment or contracted services to
76.2 or between departments, boards, commissions and agencies;

76.3 (d) selling or otherwise disposing of goods, materials, supplies, equipment and
76.4 contracted services which are unusable or no longer required; and

76.5 (e) periodically reviewing and requiring department heads to supply necessary data
76.6 concerning inventories and surpluses and monitoring compliance by department heads
76.7 with purchasing laws, rules, regulations and procedures.

76.8 Subd. 2. **Administrator's duties.** Notwithstanding the provisions of section
76.9 373.02, the county board may delegate its purchasing powers and duties to the county
76.10 administrator. The county administrator, wherever referred to in sections 383B.141 to
76.11 ~~383B.151~~ 383B.1511, may designate and delegate a purchasing manager or other person
76.12 to perform the tasks empowered or assigned to the county administrator. Any purchase in
76.13 excess of \$3,500 shall require the signature of the county administrator or designee.

76.14 Sec. 10. **[383B.1511] JOB ORDER CONTRACTING.**

76.15 Subdivision 1. **Definitions.** (a) In this section, the definitions in this subdivision
76.16 apply.

76.17 (b) "Job order contracting" means a project delivery method that requests a limited
76.18 number of bids from a list of qualified contractors, selected from a registry of qualified
76.19 contractors who have been prescreened and who have entered into master contracts with
76.20 the county, as provided in this section.

76.21 (c) "Project" means an undertaking by the county to construct, alter, maintain, repair,
76.22 or enlarge a building, structure, road, or bridge, or make other improvements.

76.23 (d) "Request for qualifications" means the document or publication soliciting
76.24 qualifications for a job order contracting contract.

76.25 Subd. 2. **Authority.** Notwithstanding any law to the contrary, the county may utilize
76.26 job order contracting for projects that do not exceed a construction cost of \$250,000.

76.27 Subd. 3. **Job order contracting request for qualifications.** (a) The county is
76.28 authorized to issue a request for qualifications that includes the criteria that will be
76.29 used for the projects, provided that these criteria (1) do not unduly restrict competition
76.30 or impose conditions beyond reasonable requirements, in order to ensure maximum
76.31 participation of all qualified contractors, and (2) do not relate to the collective bargaining
76.32 status of the contractor.

76.33 (b) The request for qualifications must be publicized in a manner designated by the
76.34 county that ensures open and unrestricted access for any potential responder. To the extent
76.35 practical, this must include posting on a county Web site.

77.1 Subd. 4. **Qualified contractors.** (a) The county shall review the responses to the
77.2 request for qualifications and determine each proposer's ability to enter into the master
77.3 contract that will be utilized for the projects. The county shall establish a list of qualified
77.4 contractors based on the proposers' ability to enter into a master contract as described
77.5 in the request for qualifications.

77.6 (b) The county may establish a reasonable limit to the number of contractors on the
77.7 registry of qualified contractors, based on the reasonable needs of the county. The county
77.8 may reserve up to 75 percent of the registry for certified small business enterprises that
77.9 may include minority-owned business enterprises, women-owned business enterprises,
77.10 and veteran-owned businesses. The remaining 25 percent of the registry may include
77.11 qualified businesses of any size or ownership.

77.12 (c) The county shall establish procedures to allow firms to submit qualifications at
77.13 least every 24 months to allow placement on the list of contractors qualified to enter
77.14 into a master contract. The county is not prohibited from accepting qualifications more
77.15 frequently or on an ongoing or rolling basis.

77.16 Subd. 5. **Construction services bidding.** The county shall request bids for
77.17 construction services for any project using job order contracting from qualified contractors
77.18 as follows:

77.19 (1) for projects up to a maximum cost of \$50,000, the county shall request a
77.20 minimum of two bids;

77.21 (2) for projects with a cost greater than \$50,000, but less than or equal to \$100,000,
77.22 the county shall request a minimum of three bids; and

77.23 (3) for projects with a cost greater than \$100,000, but less than or equal to \$250,000,
77.24 the county shall request a minimum of four bids.

77.25 Subd. 6. **Qualified contractor selection.** The county shall select the contractor who
77.26 submits the lowest price bid for the construction services proposed. At the discretion of
77.27 the county, any or all bids may be rejected if it is determined to be in the best interest
77.28 of the county.

77.29 Subd. 7. **Reasonable distribution of bid requests among qualified contractors.**
77.30 The county, in requesting bidding for projects using job order contracting as described in
77.31 this section, shall develop a system to ensure a reasonable opportunity for all qualified
77.32 contractors to periodically bid on construction services.

77.33 Subd. 8. **Expiration.** The authority to enter into new contracts under this section
77.34 expires on December 31, 2019.

77.35 Subd. 9. **Reporting.** Hennepin County must provide reports to the chairs of the
77.36 committees in the senate and the house of representatives that have jurisdiction over local

78.1 government operations, describing the uses of the authority provided in this section.
78.2 Uses of the authority described in the reports may include identifying the total number
78.3 of projects where this procurement method was used, the total number of contractors
78.4 qualified by the county, and the total annual expenditures for projects under this section.
78.5 The first report must be made by January 15, 2018, and subsequent reports must be made
78.6 on January 15 of each subsequent even-numbered year.

78.7 **Sec. 11. LAKE MILLE LACS AREA ECONOMIC RELIEF PROGRAM.**

78.8 Subdivision 1. **Relief program established.** Mille Lacs County must develop and
78.9 implement a Lake Mille Lacs area economic relief program to assist businesses adversely
78.10 affected by a decline in walleye fishing on Lake Mille Lacs.

78.11 Subd. 2. **Available relief.** (a) The economic relief program established under this
78.12 section may include grants or loans as provided in this section to the extent that funds are
78.13 available. Prior to awarding a grant to Mille Lacs County for the relief program under
78.14 this section:

78.15 (1) the county must develop criteria, procedures, and requirements for:

78.16 (i) determining eligibility for assistance;

78.17 (ii) the duration, terms, underwriting and security requirements, and repayment
78.18 requirements for loans;

78.19 (iii) evaluating applications for assistance;

78.20 (iv) awarding assistance; and

78.21 (v) administering the grant and loan program authorized under this section;

78.22 (2) the county must submit its criteria, procedures, and requirements developed
78.23 pursuant to clause (1) to the commissioner of employment and economic development
78.24 for review; and

78.25 (3) the commissioner must approve the criteria, procedures, and requirements as
78.26 developed pursuant to clause (1) to be used by the county in determining eligibility for
78.27 assistance, evaluating, awarding, and administering the grant and loan program.

78.28 (b) The relief authorized under this section includes:

78.29 (1) grants not to exceed \$50,000 per business. Grants may be awarded to applicants
78.30 only when the county determines that a loan is not appropriate to address the needs of
78.31 the applicant; and

78.32 (2) loans, with or without interest, and deferred or forgivable loans. The maximum
78.33 loan amount under this subdivision is \$100,000 per business. The lending criteria adopted
78.34 by the county for loans under this subdivision must:

79.1 (i) specify that an entity receiving a deferred or forgivable loan must remain in
79.2 the local community a minimum of five years after the date of the loan. The maximum
79.3 loan deferral period must not exceed five years from the date the loan is approved. The
79.4 maximum amount of a loan that may be forgiven must not exceed 50 percent of the
79.5 principle amount and may be forgiven only if the business has remained in operation in
79.6 the community for at least ten years after the loan is approved; and

79.7 (ii) require submission of a business plan for continued operation until the walleye
79.8 fishing resource recovers. The plan must document the probable success of the applicant's
79.9 business plan and probable success in repaying the loan according to the terms established
79.10 for the loan program; and

79.11 (3) tourism promotion grants to the Mille Lacs Tourism Council.

79.12 (c) All loan repayment funds under this subdivision must be paid to the commissioner
79.13 of employment and economic development for deposit in the Minnesota investment fund
79.14 disaster contingency account under Minnesota Statutes, section 116J.8731.

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

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

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

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

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

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

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

79.34 Subd. 4. **Monitoring.** (a) Mille Lacs County must establish performance measures
79.35 that include, but are not limited to, the following components:

79.36 (1) the number of loans approved and the amounts and terms of the loans;

80.1 (2) the number of grants awarded, award amounts, and the reason that a grant award
80.2 was made in lieu of a loan;

80.3 (3) the loan default rate;

80.4 (4) the number of jobs created or retained as a result of the assistance, including
80.5 information on the wages and benefit levels, the status of the jobs as full-time or part-time,
80.6 and the status of the jobs as temporary or permanent;

80.7 (5) the amount of business activity and changes in gross revenues of the grant or
80.8 loan recipient as a result of the assistance; and

80.9 (6) the new tax revenue generated as a result of the assistance.

80.10 (b) The commissioner of employment and economic development must monitor
80.11 Mille Lacs County's compliance with this section and the performance measures
80.12 developed under paragraph (a).

80.13 (c) Mille Lacs County must comply with all requests made by the commissioner
80.14 under this section.

80.15 Subd. 5. **Business subsidy requirements.** Sections 116J.993 to 116J.995 do not
80.16 apply to assistance under this section. Businesses in receipt of assistance under this section
80.17 must provide for job creation and retention goals, and wage and benefit goals.

80.18 Subd. 6. **Administrative costs.** The commissioner of employment and economic
80.19 development may use up to one percent of the appropriation made for this section for
80.20 administrative expenses of the department.

80.21 **EFFECTIVE DATE.** This section, except for subdivision 4, is effective July 1,
80.22 2016, and expires June 30, 2017. Subdivision 4 is effective July 1, 2016, and expires on
80.23 the date the last loan is repaid or forgiven as provided under this section.

80.24 Sec. 12. **REPEALER.**

80.25 Minnesota Statutes 2014, section 116U.26, is repealed.

80.26 **ARTICLE 6**

80.27 **LABOR AND INDUSTRY**

80.28 Section 1. Minnesota Statutes 2014, section 182.653, subdivision 9, is amended to read:

80.29 Subd. 9. **Standard industrial classification list.** The commissioner shall adopt,
80.30 in accordance with section 182.655, a rule specifying a list of either standard industrial
80.31 classifications of employers or North American industry classifications of employers who
80.32 must comply with subdivision 8. The commissioner shall demonstrate the need to include
80.33 each industrial classification on the basis of the safety record or workers' compensation

82.1 Minnesota Statutes, section 462A.201, and
 82.2 may be used for the purposes provided in
 82.3 that section. To the extent that these funds
 82.4 are used for the acquisition of housing, the
 82.5 agency shall give priority among comparable
 82.6 projects to projects that focus on creating
 82.7 safe and stable housing for homeless youth
 82.8 or projects that provide housing to trafficked
 82.9 women and children.

82.10 (b) \$2,000,000 the first year is a onetime
 82.11 appropriation for temporary rental assistance
 82.12 for families with school-age children who
 82.13 have changed their school or home at least
 82.14 once in the last school year. The agency,
 82.15 in consultation with the Department of
 82.16 Education, may establish additional targeting
 82.17 criteria.

82.18 (c) \$250,000 in the second year is an
 82.19 appropriation for grants for the Exploited
 82.20 Families Rental Assistance Program.

82.21 **Sec. 4. EXPLOITED FAMILIES RENTAL ASSISTANCE PROGRAM.**

82.22 **Subdivision 1. Rental assistance program.** (a) The commissioner of housing
 82.23 finance shall establish a grant program within the housing trust fund to serve families
 82.24 from emerging communities at risk of being homeless and who have been victims of
 82.25 gender-based violence, including but not limited to domestic violence, sexual assault,
 82.26 trafficking, international abusive marriage, or forced marriage. For the purposes of this
 82.27 section, the term "gender-based violence" is defined as violence that is directed against a
 82.28 woman because she is a woman or that affects women disproportionately; and the term
 82.29 "emerging communities" is defined as refugee and immigrant communities who are less
 82.30 established, who are unfamiliar with mainstream government services, or who have
 82.31 limited English proficiency. The commissioner shall award grants to organizations that
 82.32 can provide linguistically and culturally appropriate services and that have the capacity to
 82.33 serve families who have experienced gender-based violence from emerging communities.

82.34 (b) The program must:

83.1 (1) provide rental assistance to individuals with a minor child at risk of being
83.2 homeless and who have been victims of domestic violence, sexual assault, trafficking,
83.3 international abusive marriage, or forced marriage;

83.4 (2) require the participants to pay at least 30 percent of the participant's income
83.5 toward the rent;

83.6 (3) allow the families to choose their own housing, including single-family homes,
83.7 townhomes, and apartments;

83.8 (4) give priority to large families who experience barriers in accessing housing,
83.9 including having limited English proficiency, lack of positive rental history, employment
83.10 history, and financial history; and

83.11 (5) require the program participants to be employed, or actively seeking employment,
83.12 or be engaged in activities that will assist them in gaining employment.

83.13 Subd. 2. **Program evaluation.** All grant recipients must collect and make available
83.14 to the commissioner of the Housing Finance Agency aggregate data to assist the agency
83.15 in the evaluation of the program. The commissioner of housing finance shall evaluate
83.16 the program effectiveness and measure the number of families served from emerging
83.17 communities, the support services provided for families in seeking employment and
83.18 achieving economic stability, and the employment and housing status of the participants.

83.19 **ARTICLE 8**

83.20 **WORKERS' COMPENSATION COURT OF APPEALS PROPOSALS**

83.21 Section 1. Minnesota Statutes 2014, section 176.081, subdivision 1, is amended to read:

83.22 Subdivision 1. **Limitation of fees.** (a) A fee for legal services of 20 percent of the
83.23 first \$130,000 of compensation awarded to the employee is the maximum permissible fee
83.24 and does not require approval by the commissioner, compensation judge, or any other
83.25 party. All fees, including fees for obtaining medical or rehabilitation benefits, must be
83.26 calculated according to the formula under this subdivision, except as otherwise provided
83.27 in clause (1) or (2).

83.28 (1) The contingent attorney fee for recovery of monetary benefits according to the
83.29 formula in this section is presumed to be adequate to cover recovery of medical and
83.30 rehabilitation benefit or services concurrently in dispute. Attorney fees for recovery of
83.31 medical or rehabilitation benefits or services shall be assessed against the employer or
83.32 insurer only if the attorney establishes that the contingent fee is inadequate to reasonably
83.33 compensate the attorney for representing the employee in the medical or rehabilitation
83.34 dispute. In cases where the contingent fee is inadequate the employer or insurer is liable
83.35 for attorney fees based on the formula in this subdivision or in clause (2).

84.1 For the purposes of applying the formula where the employer or insurer is liable for
84.2 attorney fees, the amount of compensation awarded for obtaining disputed medical and
84.3 rehabilitation benefits under sections 176.102, 176.135, and 176.136 shall be the dollar
84.4 value of the medical or rehabilitation benefit awarded, where ascertainable.

84.5 (2) The maximum attorney fee for obtaining a change of doctor or qualified
84.6 rehabilitation consultant, or any other disputed medical or rehabilitation benefit for which
84.7 a dollar value is not reasonably ascertainable, is the amount charged in hourly fees for the
84.8 representation or \$500, whichever is less, to be paid by the employer or insurer.

84.9 (3) The fees for obtaining disputed medical or rehabilitation benefits are included
84.10 in the \$26,000 limit in paragraph (b). An attorney must concurrently file all outstanding
84.11 disputed issues. An attorney is not entitled to attorney fees for representation in any
84.12 issue which could reasonably have been addressed during the pendency of other issues
84.13 for the same injury.

84.14 (b) All fees for legal services related to the same injury are cumulative and may
84.15 not exceed \$26,000. If multiple injuries are the subject of a dispute, the commissioner,
84.16 compensation judge, or court of appeals shall specify the attorney fee attributable to
84.17 each injury.

84.18 (c) If the employer or the insurer or the defendant is given written notice of claims
84.19 for legal services or disbursements, the claim shall be a lien against the amount paid
84.20 or payable as compensation. Subject to the foregoing maximum amount for attorney
84.21 fees, up to 20 percent of the first \$130,000 of periodic compensation awarded to the
84.22 employee may be withheld from the periodic payments for attorney fees or disbursements
84.23 if the payor of the funds clearly indicates on the check or draft issued to the employee for
84.24 payment the purpose of the withholding, the name of the attorney, the amount withheld,
84.25 and the gross amount of the compensation payment before withholding. In no case
84.26 shall fees be calculated on the basis of any undisputed portion of compensation awards.
84.27 Allowable fees under this chapter shall be based solely upon genuinely disputed claims or
84.28 portions of claims, including disputes related to the payment of rehabilitation benefits or
84.29 to other aspects of a rehabilitation plan. The existence of a dispute is dependent upon a
84.30 disagreement after the employer or insurer has had adequate time and information to take
84.31 a position on liability. Neither the holding of a hearing nor the filing of an application for a
84.32 hearing alone may determine the existence of a dispute. Except where the employee is
84.33 represented by an attorney in other litigation pending at the department or at the Office
84.34 of Administrative Hearings, a fee may not be charged after June 1, 1996, for services
84.35 with respect to a medical or rehabilitation issue arising under section 176.102, 176.135,

85.1 or 176.136 performed before the employee has consulted with the department and the
85.2 department certifies that there is a dispute and that it has tried to resolve the dispute.

85.3 (d) An attorney who is claiming legal fees for representing an employee in a workers'
85.4 compensation matter shall file a statement of attorney fees with the commissioner, or
85.5 compensation judge before whom the matter was heard, ~~or Workers' Compensation Court~~
85.6 ~~of Appeals on cases before the court~~. A copy of the signed retainer agreement shall also
85.7 be filed. The employee and insurer shall receive a copy of the statement. The statement
85.8 shall be on a form prescribed by the commissioner and shall report the number of hours
85.9 spent on the case.

85.10 (e) Employers and insurers may not pay attorney fees or wages for legal services
85.11 of more than \$26,000 per case.

85.12 (f) An attorney must file a statement of attorney fees within 12 months of the date
85.13 the attorney has submitted the written notice specified in paragraph (c). If the attorney
85.14 has not filed a statement of attorney fees within the 12 months, the attorney must send a
85.15 renewed notice of lien to the insurer. If 12 months have elapsed since the last notice of
85.16 lien has been received by the insurer and no statement of attorney fees has been filed, the
85.17 insurer must release the withheld money to the employee, except that before releasing the
85.18 money to the employee, the insurer must give the attorney 30 days' written notice of the
85.19 pending release. The insurer must not release the money if the attorney files a statement of
85.20 attorney fees within the 30 days.

85.21 Sec. 2. Minnesota Statutes 2014, section 176.081, subdivision 3, is amended to read:

85.22 Subd. 3. **Review.** A party that is dissatisfied with its attorney fees awarded by the
85.23 commissioner or a compensation judge may file an application a petition for review by the
85.24 Workers' Compensation Court of Appeals. The application petition shall state the basis for
85.25 the need of review and whether or not a hearing is requested. A copy of the application
85.26 petition shall be served by the court upon the party's attorney ~~by the court administrator~~
85.27 ~~and if a hearing is requested by either party, the matter shall be set for hearing awarded~~
85.28 or denied attorney fees. ~~The notice of hearing shall be served upon known interested~~
85.29 ~~parties~~. The Workers' Compensation Court of Appeals shall have the authority to raise
85.30 the issue of the attorney fees at any time upon its own motion and shall have continuing
85.31 jurisdiction over attorney fees.

85.32 Sec. 3. Minnesota Statutes 2014, section 176.471, subdivision 3, is amended to read:

85.33 Subd. 3. **Service of writ ~~and bond~~; filing fee.** To effect a review upon certiorari,
85.34 the party shall serve a writ of certiorari ~~and a bond~~ upon the administrator of the Workers'

86.1 Compensation Court of Appeals within the 30-day period referred to in subdivision 1. The
86.2 party shall also at this time pay to the ~~administrator~~ clerk of the appellate courts the fee
86.3 prescribed by rule ~~103.01~~ 116.03 of the Rules of Civil Appellate Procedure ~~which shall be~~
86.4 ~~disposed of in the manner provided by that rule.~~

86.5 Sec. 4. Minnesota Statutes 2014, section 176.471, subdivision 5, is amended to read:

86.6 Subd. 5. **Bond.** ~~The bond required by subdivision 3 shall be executed in such~~
86.7 ~~amount and with such sureties as the Workers' Compensation Court of Appeals directs~~
86.8 ~~and approves. The bond shall be conditioned to pay the cost of the review. The Workers'~~
86.9 ~~Compensation Court of Appeals may, upon motion of any respondent and a showing that~~
86.10 ~~extraordinary circumstances warrant the requirement of a cost bond, order that a bond be~~
86.11 ~~provided as prescribed by rule 107.02 of the Rules of Civil Appellate Procedure.~~

86.12 Sec. 5. Minnesota Statutes 2014, section 176.511, subdivision 2, is amended to read:

86.13 Subd. 2. **Disbursements, taxation.** The commissioner or compensation judge, or
86.14 ~~on appeal~~ the Workers' Compensation Court of Appeals on cases before the court, may
86.15 award the prevailing party reimbursement for actual and necessary disbursements. ~~These~~
86.16 ~~Disbursements shall be taxed upon five~~ ten days' written notice to adverse parties.

86.17 Sec. 6. Minnesota Statutes 2014, section 176.511, subdivision 3, is amended to read:

86.18 Subd. 3. **Attorney fee, allowance.** ~~Where upon an appeal to the Workers'~~
86.19 ~~Compensation Court of Appeals, (1) an award of compensation is affirmed, or modified~~
86.20 ~~and affirmed, or (2) an order disallowing compensation is reversed, or (3) a petition to~~
86.21 ~~vacate an award is granted, the Workers' Compensation Court of Appeals may include in~~
86.22 ~~its award as an incident to its review on appeal an amount to cover a reasonable attorney~~
86.23 ~~fee; or it may allow the an attorney fee in a proceeding to tax disbursements.~~

86.24 If the employer or insurer files a notice of discontinuance of an employee's benefits
86.25 and an administrative conference is held to resolve the dispute, but the employer or insurer
86.26 fails to attend the administrative conference, the commissioner or compensation judge
86.27 may order the employer or insurer to pay the employee's attorney fees as a cost under this
86.28 section if the employee's benefits are continued.

86.29 Sec. 7. **EFFECTIVE DATE.**

86.30 Sections 1 to 6 are effective the day following final enactment.

ARTICLE 9

WORKERS' COMPENSATION DEPARTMENT PROPOSALS

87.1

87.2

87.3 Section 1. Minnesota Statutes 2015 Supplement, section 176.135, subdivision 7a,
87.4 is amended to read:

87.5 Subd. 7a. **Electronic transactions.** (a) For purposes of this subdivision, the
87.6 following terms have the meanings given:

87.7 (1) "workers' compensation payer" means a workers' compensation insurer and an
87.8 employer, or group of employers, that is self-insured for workers' compensation;

87.9 (2) "clearinghouse" has the meaning given in section 62J.51, subdivision 11a; and

87.10 (3) "electronic transactions" means the health care administrative transactions
87.11 described in section 62J.536.

87.12 (b) In addition to the requirements of section 62J.536, workers' compensation payers
87.13 and health care providers must comply with the requirements in paragraphs (c) to (e).

87.14 (c) No later than January 1, 2016, each workers' compensation payer must place
87.15 the following information in a prominent location on its Web site or otherwise provide
87.16 the information to health care providers:

87.17 (1) the name of each clearinghouse with which the workers' compensation payer has
87.18 an agreement to exchange or transmit electronic transactions, along with the identification
87.19 number each clearinghouse has assigned to the payer in order to route electronic
87.20 transactions through intermediaries or other clearinghouses to the payer;

87.21 (2) information about how a health care provider can obtain the claim number
87.22 assigned by the workers' compensation payer for an employee's claim and how the
87.23 provider should submit the claim number in the appropriate field on the electronic bill to
87.24 the payer; and

87.25 (3) the name, phone number, and e-mail address of contact persons who can answer
87.26 questions related to electronic transactions on behalf of the workers' compensation payer
87.27 and the clearinghouses with which the payer has agreements.

87.28 (d) No later than ~~July 1, 2016~~ January 1, 2017:

87.29 (1) health care providers must electronically submit copies of medical records or
87.30 reports that substantiate the nature of the charge and its relationship to the work injury
87.31 using the ~~most recently approved~~ ASC X12N 5010 version of the ASC X12N 275
87.32 transaction ("Additional Information to Support Health Care Claim or Encounter"),
87.33 according to the requirements in the corresponding implementation guide. The ASC X12N
87.34 275 transaction is the only one that shall be used to electronically submit attachments

88.1 unless a national standard is adopted by federal law or rule. If a new version of the
88.2 attachment transaction is approved, it must be used one year after the approval date;

88.3 (2) workers' compensation payers and all clearinghouses receiving or transmitting
88.4 workers' compensation bills must accept attachments using the ASC X12N 275 transaction
88.5 and must respond with the ~~most recently approved~~ ASC X12N 5010 version of the ASC
88.6 X12 electronic acknowledgment for the attachment transaction. If a new version of the
88.7 acknowledgment transaction is approved, it must be used one year after the approval
88.8 date; and

88.9 (3) if a different national claims attachment or acknowledgment requirement is
88.10 adopted by federal law or rule, it will replace the ASC X12N 275 transaction, and the new
88.11 standard must be used on the date that it is required by the federal law or rule.

88.12 (e) No later than September 1, 2015, workers' compensation payers must provide
88.13 the patient's name and patient control number on or with all payments made to a provider
88.14 under this chapter, whether payment is made by check or electronic funds transfer. The
88.15 information provided on or with the payment must be sufficient to allow providers to
88.16 match the payment to specific bills. If a bulk payment is made to a provider for more than
88.17 one patient, the check or electronic funds transfer statement must also specify the amount
88.18 being paid for each patient. For purposes of this paragraph, the patient control number is
88.19 located on the electronic health care claim 837 transaction, loop 2300, segment CLM01,
88.20 and on the electronic health care claim payment/advice 835 transaction, loop 2100, CLP01.

88.21 (f) The commissioner may assess a monetary penalty of \$500 for each violation of
88.22 this section, not to exceed \$25,000 for identical violations during a calendar year. Before
88.23 issuing a penalty for a first violation of this section, the commissioner must provide written
88.24 notice to the noncompliant payer, clearinghouse, or provider that a penalty may be issued
88.25 if the violation is not corrected within 30 days. Penalties under this paragraph are payable
88.26 to the commissioner for deposit in the assigned risk safety account.

88.27 Sec. 2. Minnesota Statutes 2015 Supplement, section 176.136, subdivision 1b, is
88.28 amended to read:

88.29 Subd. 1b. **Limitation of liability.** (a) The liability of the employer for treatment,
88.30 articles, and supplies provided to an employee while an inpatient or outpatient at a Critical
88.31 Access Hospital certified by the Centers for Medicare and Medicaid Services, or while an
88.32 outpatient at a hospital with 100 or fewer licensed beds, shall be the hospital's usual and
88.33 customary charge, unless the charge is determined by the commissioner or a compensation
88.34 judge to be unreasonably excessive.

89.1 (b) The liability of the employer for the treatment, articles, and supplies that are not
89.2 limited by paragraph (a), subdivision 1a, 1c, or section 176.1362 shall be limited to 85
89.3 percent of the provider's usual and customary charge, or 85 percent of the prevailing
89.4 charges for similar treatment, articles, and supplies furnished to an injured person when
89.5 paid for by the injured person, whichever is lower. On this basis, the commissioner or
89.6 compensation judge may determine the reasonable value of all treatment, services, and
89.7 supplies, and the liability of the employer is limited to that amount. The commissioner
89.8 may by rule establish the reasonable value of a service, article, or supply in lieu of the
89.9 85 percent limitation in this paragraph. A prevailing charge established under Minnesota
89.10 Rules, part 5221.0500, subpart 2, must be based on no more than two years of billing data
89.11 immediately preceding the date of the service.

89.12 (c) The limitation of liability for charges provided by paragraph (b) does not apply
89.13 to a nursing home that participates in the medical assistance program and whose rates are
89.14 established by the commissioner of human services.

89.15 (d) An employer's liability for treatment, articles, and supplies provided under this
89.16 chapter by a health care provider located outside of Minnesota is limited to the payment that
89.17 the health care provider would receive if the treatment, article, or supply were paid under
89.18 the workers' compensation law of the jurisdiction in which the treatment was provided.

89.19 Sec. 3. Minnesota Statutes 2014, section 176.571, subdivision 1, is amended to read:

89.20 Subdivision 1. **Preliminary investigation.** When the head of a department has filed
89.21 a report or the commissioner of administration has otherwise received information of
89.22 the occurrence of an injury to a state employee for which liability to pay compensation
89.23 may exist, the commissioner of administration shall make a preliminary investigation to
89.24 determine the question of probable liability.

89.25 In making this investigation, the commissioner of administration may require the
89.26 assistance of the head of any department or any employee of the state. The commissioner
89.27 of ~~management and budget administration~~ administration may require that all facts be furnished which
89.28 appear in the records of any state department bearing on the issue.

89.29 Sec. 4. **EFFECTIVE DATE.**

89.30 Sections 1 to 3 are effective the day following enactment.

89.31 **ARTICLE 10**

89.32 **WORKERS' COMPENSATION LITIGATION-RELATED PROPOSALS**

89.33 Section 1. Minnesota Statutes 2014, section 176.011, subdivision 7a, is amended to read:

90.1 Subd. 7a. ~~(1)~~ **Compensation judge.** "Compensation judge" means a workers'
90.2 compensation judge at the Office of Administrative Hearings.

90.3 ~~(2) **Calendar judge.** "Calendar judge" means a workers' compensation judge at the~~
90.4 ~~Office of Administrative Hearings.~~

90.5 ~~(3) **Compensation judge.** "Compensation judge" means a compensation judge at~~
90.6 ~~the Department of Labor and Industry. Compensation judges may conduct settlement~~
90.7 ~~conferences, issue summary decisions, approve settlements and issue awards thereon,~~
90.8 ~~determine petitions for attorney fees and costs, and make other determinations,~~
90.9 ~~decisions, orders, and awards as may be delegated to them by law or the commissioner.~~
90.10 Compensation judges must be learned in the law.

90.11 Sec. 2. Minnesota Statutes 2014, section 176.137, subdivision 1, is amended to read:

90.12 Subdivision 1. **Requirement; determination.** The employer shall furnish to an
90.13 employee who is permanently disabled because of a personal injury suffered in the course
90.14 of employment with that employer such alteration or remodeling of the employee's
90.15 principal residence as is reasonably required to enable the employee to move freely into
90.16 and throughout the residence and to otherwise adequately accommodate the disability.
90.17 Any remodeling or alteration shall be furnished only when the division ~~or Workers'~~
90.18 ~~Compensation Court of Appeals~~ determines that the injury is to such a degree that the
90.19 employee is substantially prevented from functioning within the principal residence.

90.20 Sec. 3. Minnesota Statutes 2014, section 176.137, subdivision 4, is amended to read:

90.21 Subd. 4. **Certification required; exceptions.** (a) Except as provided in paragraph
90.22 (b), no award may be made except upon the certification of a licensed architect to the
90.23 division ~~or Workers' Compensation Court of Appeals~~ that the proposed alteration or
90.24 remodeling of an existing residence or the building or purchase of a new or different
90.25 residence is reasonably required for the purposes specified in subdivision 1. The Council on
90.26 Disability shall advise the division ~~or Workers' Compensation Court of Appeals~~ as provided
90.27 in section 256.482, subdivision 5, clause (7). The alteration or remodeling of an existing
90.28 residence, or the building or purchase of a new home must be done under the supervision
90.29 of a licensed architect relative to the specific needs to accommodate the disability.

90.30 (b) Remodeling or alteration projects do not require an architect's certification and
90.31 supervision if the project is:

90.32 (1) approved by the Council on Disability;

90.33 (2) performed by a residential building contractor or residential remodeler licensed
90.34 under section 326B.805, subdivision 1; and

91.1 (3) approved by a certified building official or certified accessibility specialist under
91.2 section 326B.133, subdivision 3a, paragraphs (b) and (d), who states in writing that the
91.3 proposed remodeling or alterations are reasonably required to enable the employee to move
91.4 freely into and throughout the residence and to otherwise accommodate the disability.

91.5 Sec. 4. Minnesota Statutes 2014, section 176.137, is amended by adding a subdivision
91.6 to read:

91.7 Subd. 6. **Disputes.** A proceeding to resolve a dispute under this section shall be
91.8 initiated by petition under sections 176.271 and 176.291 and decided by a compensation
91.9 judge at the office under section 176.305, 176.322, or 176.341. The decision of the
91.10 compensation judge is appealable to the Workers' Compensation Court of Appeals under
91.11 section 176.421.

91.12 Sec. 5. Minnesota Statutes 2014, section 176.331, is amended to read:

91.13 **176.331 PROCEEDINGS WHEN ANSWER NOT FILED.**

91.14 Except in cases involving multiple employers or multiple insurers, if an adverse
91.15 party fails to file and serve an answer or obtain an extension from the commissioner or the
91.16 petitioner as required by section 176.321, subdivision 3, the commissioner shall refer the
91.17 matter to the chief administrative law judge for an immediate hearing and prompt award
91.18 or other order. The adverse party that failed to file an answer may appear at the hearing,
91.19 present evidence and question witnesses, but shall not be granted a continuance ~~for any~~
91.20 ~~reason~~ except upon a showing of good cause.

91.21 If an adverse party who fails to serve and file an answer is neither insured for
91.22 workers' compensation liability nor a licensed self-insured as required by section 176.181
91.23 and the special compensation fund is a party to the proceeding, the commissioner or
91.24 compensation judge may enter an order awarding benefits to the petitioning party without
91.25 a hearing if so requested by the special compensation fund.

91.26 Sec. 6. Minnesota Statutes 2014, section 176.361, subdivision 1, is amended to read:

91.27 Subdivision 1. **Right to intervene.** A person who has an interest in any matter
91.28 before the Workers' Compensation Court of Appeals, or commissioner, or compensation
91.29 judge such that the person may either gain or lose by an order or decision may intervene in
91.30 the proceeding by filing ~~an application or~~ a motion in writing stating the facts which show
91.31 the interest. The commissioner is considered to have an interest and shall be permitted
91.32 to intervene at the appellate level when a party relies in its claim or defense upon any

92.1 statute or rule administered by the commissioner, or upon any rule, order, requirement, or
 92.2 agreement issued or made under the statute or rule.

92.3 The commissioner may adopt rules, not inconsistent with this section to govern
 92.4 intervention. The Workers' Compensation Court of Appeals shall adopt rules to govern the
 92.5 procedure for intervention in matters before it.

92.6 If the Department of Human Services or the Department of Employment and
 92.7 Economic Development seeks to intervene in any matter before the division, a
 92.8 compensation judge or the Workers' Compensation Court of Appeals, a nonattorney
 92.9 employee of the department, acting at the direction of the staff of the attorney general,
 92.10 may prepare, sign, serve and file motions for intervention and related documents, ~~appear~~
 92.11 ~~at~~ attend prehearing conferences, and participate in matters before a compensation judge
 92.12 or the Workers' Compensation Court of Appeals. Any other interested party may intervene
 92.13 using a nonattorney and may participate in any proceeding to the same extent an attorney
 92.14 could. This activity shall not be considered to be the unauthorized practice of law. An
 92.15 intervenor represented by a nonattorney shall be deemed to be represented by an attorney
 92.16 for the purposes of the conclusive presumption of section 176.521, subdivision 2.

92.17 Subdivisions 3 to 6 do not apply to ~~matters pending in the mediation or rehabilitation~~
 92.18 ~~and medical services sections~~ the following proceedings conducted by the Department
 92.19 of Labor and Industry or the office: mediation proceedings; discontinuance conferences
 92.20 under section 176.239; or administrative conferences under section 176.106.

92.21 Sec. 7. Minnesota Statutes 2014, section 176.361, subdivision 2, is amended to read:

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

92.27 (a) The ~~application or motion~~ must be served on all parties, except for other
 92.28 intervenors, either personally, by first class mail, or by registered mail, return receipt
 92.29 requested. ~~An application or A~~ motion to intervene must be served and filed within 60
 92.30 days after a potential intervenor has been served with notice of a right to intervene or
 92.31 within 30 days of notice of an administrative conference. Upon the filing of a timely
 92.32 ~~application or motion~~ to intervene, the potential intervenor shall be granted intervenor
 92.33 status without the need for an order. Objections to the intervention may be subsequently
 92.34 addressed by a compensation judge. Where a motion to intervene is not timely filed
 92.35 under this section, the potential intervenor interest shall be extinguished and the potential

93.1 intervenor may not collect, or attempt to collect, the extinguished interest from the
 93.2 employee, employer, insurer, or any government program.

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

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

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

93.14 (3) copies of all medical or treatment bills ~~on which some~~ for which payment was
 93.15 made is sought;

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

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

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

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

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

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

93.31 Sec. 8. Minnesota Statutes 2014, section 176.361, subdivision 3, is amended to read:

93.32 Subd. 3. **Stipulation.** If the person submitting the ~~application or~~ motion for
 93.33 intervention to intervene has included a proposed stipulation, all parties shall either
 93.34 execute and return the signed stipulation to the intervenor who must file it with the
 93.35 division or judge or serve upon the intervenor and all other parties and file with the

94.1 division specific and detailed objections to any payments made by the intervenor which
94.2 are not conceded to be correct and related to the injury or condition the petitioner has
94.3 asserted is compensable. If a party has not returned the signed stipulation or filed specific
94.4 and detailed objections within 30 days of service of the ~~application or motion to intervene~~,
94.5 the intervenor's right to reimbursement for the amount sought is deemed established
94.6 provided that the petitioner's claim is determined to be compensable. The office may
94.7 establish procedures for filing objections if a timely motion to intervene is filed less than
94.8 30 days before a scheduled hearing.

94.9 Sec. 9. Minnesota Statutes 2014, section 176.361, subdivision 4, is amended to read:

94.10 Subd. 4. **Attendance by intervenor.** ~~Unless a stipulation has been signed and filed or~~
94.11 ~~the intervenor's right to reimbursement has otherwise been established, the intervenor shall~~
94.12 ~~attend all settlement or pretrial conferences, administrative conferences, and the hearing.~~
94.13 ~~Failure~~ A person who has submitted a timely written motion to intervene, as required by
94.14 subdivision 2, is not required to attend settlement or pretrial conferences or the hearing,
94.15 unless attendance is ordered by the compensation judge assigned to the case, pursuant to a
94.16 motion to require the intervenor's attendance filed by a party or as a matter of the judge's
94.17 discretion. A motion to require attendance must be served and filed at least 20 days before
94.18 a scheduled hearing, and the compensation judge must serve and file an order granting or
94.19 denying the motion at least ten days before a scheduled hearing. If attendance is ordered,
94.20 failure of the intervenor to appear attend a proceeding either in person or, if approved by
94.21 the compensation judge, by telephone or some other electronic medium, shall result in the
94.22 denial of the claim for reimbursement: except upon a showing of good cause. If attendance
94.23 has not been ordered, this subdivision does not prohibit an intervenor from attending a
94.24 conference or hearing in person, or from requesting permission from the compensation
94.25 judge to attend a conference or hearing by telephone or other electronic medium.

94.26 Sec. 10. Minnesota Statutes 2014, section 176.361, subdivision 5, is amended to read:

94.27 Subd. 5. **Order Objections.** ~~If an~~ a specific and detailed objection to intervention
94.28 remains following settlement or pretrial conferences, the issue shall be addressed at the
94.29 hearing. If the intervenor has not been ordered to attend the hearing pursuant to subdivision
94.30 4, or has received permission to attend the hearing by telephone or other electronic
94.31 medium, the intervenor may provide a written response to the objection before the hearing
94.32 according to subdivision 6 for consideration as a matter of discretion by the judge.

94.33 Sec. 11. Minnesota Statutes 2014, section 176.361, subdivision 6, is amended to read:

95.1 Subd. 6. **Presentation of evidence by intervenor.** Unless a stipulation has been
95.2 signed and filed or the intervenor's right to reimbursement has otherwise been established,
95.3 the intervenor shall present evidence in support of the claim at or before the hearing ~~unless~~
95.4 ~~otherwise ordered by the compensation judge.~~ When the intervenor has not been ordered
95.5 to attend the hearing pursuant to subdivision 4, or has received permission to attend the
95.6 hearing by telephone or other electronic medium, the office may establish a procedure
95.7 for submission of the intervenor's evidence and response to outstanding objections to
95.8 intervention. If the intervenor does not submit a written response to the objection before
95.9 the hearing, the compensation judge's determination on the objection must be based on
95.10 the information and evidence submitted prior to or at the hearing, as a matter of judicial
95.11 discretion.

95.12 Sec. 12. Minnesota Statutes 2014, section 176.361, is amended by adding a subdivision
95.13 to read:

95.14 Subd. 8. **Chief administrative law judge orders.** The chief administrative law
95.15 judge may issue standing orders to implement this section. The chief administrative law
95.16 judge has the authority to issue standing orders instead of, or in addition to, the authority
95.17 granted to the office or compensation judges under this section, provided that any standing
95.18 order issued by the chief administrative law judge must be consistent with this section.

95.19 Sec. 13. **EFFECTIVE DATE.**

95.20 This article is effective August 1, 2016.

95.21 ARTICLE 11

95.22 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL POLICY

95.23 Section 1. Minnesota Statutes 2014, section 268.051, subdivision 5, is amended to read:

95.24 Subd. 5. **Tax rate for new employers.** ~~(a) Each new taxpaying employer that does~~
95.25 ~~not qualify for an experience rating under subdivision 3, except new employers in a high~~
95.26 ~~experience rating industry, must be assigned, for a calendar year, a tax rate the higher of~~
95.27 ~~(1) one percent, or (2) the tax rate computed, to the nearest 1/100 of a percent, by dividing~~
95.28 ~~the total amount of unemployment benefits paid all applicants during the 48 calendar~~
95.29 ~~months ending on June 30 of the prior calendar year by the total taxable wages of all~~
95.30 ~~taxpaying employers during the same period, plus the applicable base tax rate and any~~
95.31 ~~additional assessments under subdivision 2, paragraph (c).~~

95.32 ~~(b) Each new taxpaying employer in a high experience rating industry that does not~~
95.33 ~~qualify for an experience rating under subdivision 3, must be assigned, for a calendar year,~~

96.1 a tax rate the higher of (1) that assigned under paragraph (a), or (2) the tax rate, computed
 96.2 to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits
 96.3 paid to all applicants from high experience rating industry employers during the 48
 96.4 calendar months ending on June 30 of the prior calendar year by the total taxable wages
 96.5 of all high experience rating industry employers during the same period, to a maximum
 96.6 provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any
 96.7 additional assessments under subdivision 2, paragraph (c).

96.8 (e) An employer is considered to be in a high experience rating industry if:

96.9 (1) the employer is engaged in residential, commercial, or industrial construction,
 96.10 including general contractors;

96.11 (2) the employer is engaged in sand, gravel, or limestone mining;

96.12 (3) the employer is engaged in the manufacturing of concrete, concrete products,
 96.13 or asphalt; or

96.14 (4) the employer is engaged in road building, repair, or resurfacing, including bridge
 96.15 and tunnels and residential and commercial driveways and parking lots.

96.16 (a) Each new taxpaying employer that does not qualify for an experience rating
 96.17 under subdivision 3 must be assigned, for the calendar year, a tax rate equal to the average
 96.18 experience rating for the employer's industry, plus the applicable base tax rate and any
 96.19 additional assessments under subdivision 2, paragraph (c). The tax rate assigned may not
 96.20 be less than one percent.

96.21 (b) The employer's industry, except for construction, is determined by the first two
 96.22 digits of the North American Industrial Classification System (NAICS). The construction
 96.23 industry is determined to five digits. For each calendar year, the commissioner must
 96.24 compute, in accordance with subdivision 3, the average industry experience rating for
 96.25 the employer's industry.

96.26 (d) (c) Regardless of any law to the contrary, a taxpaying employer must be
 96.27 assigned a tax rate under this subdivision if the employer had no taxable wages during the
 96.28 experience rating period under subdivision 3.

96.29 (e) (d) The commissioner must send to the new employer, by mail or electronic
 96.30 transmission, a determination of tax rate. An employer may appeal the determination of
 96.31 tax rate in accordance with the procedures in subdivision 6, paragraph (c).

96.32 **EFFECTIVE DATE.** This section is effective January 1, 2018, and applies to tax
 96.33 rates assigned for the calendar year 2018 and thereafter.

96.34 Sec. 2. Minnesota Statutes 2015 Supplement, section 268.07, subdivision 3b, is
 96.35 amended to read:

97.1 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
97.2 unemployment benefits is effective the Sunday of the calendar week that the application
97.3 was filed. An application for unemployment benefits may be backdated one calendar week
97.4 before the Sunday of the week the application was actually filed if the applicant requests
97.5 the backdating at within seven calendar days of the time date the application is filed. An
97.6 application may be backdated only if the applicant was unemployed during the period of
97.7 the backdating. If an individual attempted to file an application for unemployment benefits,
97.8 but was prevented from filing an application by the department, the application is effective
97.9 the Sunday of the calendar week the individual first attempted to file an application.

97.10 (b) A benefit account established under subdivision 2 is effective the date the
97.11 application for unemployment benefits was effective.

97.12 (c) A benefit account, once established, may later be withdrawn only if:

97.13 (1) the applicant has not been paid any unemployment benefits on that benefit
97.14 account; and

97.15 (2) a new application for unemployment benefits is filed and a new benefit account is
97.16 established at the time of the withdrawal.

97.17 A determination or amended determination of eligibility or ineligibility issued under
97.18 section 268.101, that was sent before the withdrawal of the benefit account, remains in
97.19 effect and is not voided by the withdrawal of the benefit account.

97.20 (d) An application for unemployment benefits is not allowed before the Sunday
97.21 following the expiration of the benefit year on a prior benefit account. Except as allowed
97.22 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
97.23 weeks. This paragraph applies to benefit accounts established under any federal law or
97.24 the law of any other state.

97.25 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to
97.26 applications for unemployment benefits filed after that date.

97.27 Sec. 3. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

97.28 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
97.29 unemployment benefits according to subdivision 10 except when:

97.30 (1) the applicant quit the employment because of a good reason caused by the
97.31 employer as defined in subdivision 3;

97.32 (2) the applicant quit the employment to accept other covered employment
97.33 that provided substantially equal or better terms and conditions of employment, but
97.34 the applicant did not work long enough at the second employment to have sufficient

98.1 subsequent ~~earnings~~ wages paid to satisfy the period of ineligibility that would otherwise
98.2 be imposed under subdivision 10 for quitting the first employment;

98.3 (3) the applicant quit the employment within 30 calendar days of beginning the
98.4 employment ~~because and~~ the employment was unsuitable for the applicant;

98.5 (4) the employment was unsuitable ~~for the applicant~~ and the applicant quit to enter
98.6 reemployment assistance training;

98.7 (5) the employment was part time and the applicant also had full-time employment
98.8 in the base period, from which full-time employment the applicant separated because of
98.9 reasons for which the applicant ~~was held~~ is not to be ineligible, and the wage credits from
98.10 the full-time employment are sufficient to meet the minimum requirements to establish a
98.11 benefit account under section 268.07;

98.12 (6) the applicant quit because the employer notified the applicant that the applicant
98.13 was going to be laid off because of lack of work within 30 calendar days. An applicant
98.14 who quit employment within 30 calendar days of a notified date of layoff because of lack
98.15 of work is ineligible for unemployment benefits through the end of the week that includes
98.16 the scheduled date of layoff;

98.17 (7) the applicant quit the employment (i) because the applicant's serious illness or
98.18 injury made it medically necessary that the applicant quit; or (ii) in order to provide
98.19 necessary care because of the illness, injury, or disability of an immediate family member
98.20 of the applicant. This exception only applies if the applicant informs the employer of
98.21 the medical problem and requests accommodation and no reasonable accommodation
98.22 is made available.

98.23 If the applicant's serious illness is chemical dependency, this exception does not
98.24 apply if the applicant was previously diagnosed as chemically dependent or had treatment
98.25 for chemical dependency, and since that diagnosis or treatment has failed to make
98.26 consistent efforts to control the chemical dependency.

98.27 This exception raises an issue of the applicant's being available for suitable
98.28 employment under section 268.085, subdivision 1, that the commissioner must determine;

98.29 (8) the applicant's loss of child care for the applicant's minor child caused the
98.30 applicant to quit the employment, provided the applicant made reasonable effort to obtain
98.31 other child care and requested time off or other accommodation from the employer and no
98.32 reasonable accommodation is available.

98.33 This exception raises an issue of the applicant's being available for suitable
98.34 employment under section 268.085, subdivision 1, that the commissioner must determine;

99.1 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the
 99.2 applicant or an immediate family member of the applicant, necessitated the applicant's
 99.3 quitting the employment.

99.4 For purposes of this subdivision:

99.5 (i) "domestic abuse" has the meaning given in section 518B.01;

99.6 (ii) "sexual assault" means an act that would constitute a violation of sections
 99.7 609.342 to 609.3453 or 609.352; and

99.8 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

99.9 (10) the applicant quit in order to relocate to accompany a spouse;

99.10 (1) who is in the military; or

99.11 (2) whose job was transferred by the spouse's employer to a new location changed
 99.12 making it impractical for the applicant to commute.

99.13 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
 99.14 matters pending a determination or a decision by an unemployment law judge.

99.15 Sec. 4. Minnesota Statutes 2014, section 268.101, subdivision 2, is amended to read:

99.16 Subd. 2. **Determination.** (a) The commissioner must determine any issue of
 99.17 ineligibility raised by information required from an applicant under subdivision 1,
 99.18 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or
 99.19 electronic transmission, a document titled a determination of eligibility or a determination
 99.20 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result
 99.21 of a quit or a discharge of the applicant must state the effect on the employer under section
 99.22 268.047. A determination must be made in accordance with this paragraph even if a
 99.23 notified employer has not raised the issue of ineligibility.

99.24 (b) The commissioner must determine any issue of ineligibility raised by an
 99.25 employer and send to the applicant and that employer, by mail or electronic transmission,
 99.26 a document titled a determination of eligibility or a determination of ineligibility as is
 99.27 appropriate. The determination on an issue of ineligibility as a result of a quit or discharge
 99.28 of the applicant must state the effect on the employer under section 268.047.

99.29 If a base period employer:

99.30 (1) was not the applicant's most recent employer before the application for
 99.31 unemployment benefits;

99.32 (2) did not employ the applicant during the six calendar months before the
 99.33 application for unemployment benefits; and

99.34 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the
 99.35 applicant within ten calendar days of notification under subdivision 1, paragraph (b);

100.1 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two
100.2 weeks following the week that the issue of ineligibility as a result of a quit or discharge of
100.3 the applicant was raised by the employer.

100.4 A communication from an employer must specifically set out why the applicant
100.5 should be determined ineligible for unemployment benefits for that communication to be
100.6 considered to have raised an issue of ineligibility for purposes of this section. A statement
100.7 of "protest" or a similar term without more information does not constitute raising an issue
100.8 of ineligibility for purposes of this section.

100.9 (c) Subject to section 268.031, an issue of ineligibility is determined based upon
100.10 that information required of an applicant, any information that may be obtained from an
100.11 applicant or employer, and information from any other source.

100.12 (d) Regardless of the requirements of this subdivision, the commissioner is not
100.13 required to send to an applicant a copy of the determination where the applicant has
100.14 satisfied a period of ineligibility because of a quit or a discharge under section 268.095,
100.15 subdivision 10.

100.16 (e) The commissioner may issue a determination on an issue of ineligibility ~~at any~~
100.17 ~~time~~ within 24 months from the establishment of a benefit account based upon information
100.18 from any source, even if the issue of ineligibility was not raised by the applicant or an
100.19 employer. ~~This paragraph does not prevent the imposition of a penalty on~~

100.20 If an applicant obtained unemployment benefits through fraud under section 268.18,
100.21 subdivision 2, or 268.182 a determination of ineligibility may be issued within 48 months
100.22 of the establishment of the benefit account.

100.23 (f) A determination of eligibility or determination of ineligibility is final unless an
100.24 appeal is filed by the applicant or notified employer within 20 calendar days after sending.
100.25 The determination must contain a prominent statement indicating the consequences of not
100.26 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

100.27 (g) An issue of ineligibility required to be determined under this section includes
100.28 any question regarding the denial or allowing of unemployment benefits under this chapter
100.29 except for issues under section 268.07. An issue of ineligibility for purposes of this section
100.30 includes any question of effect on an employer under section 268.047.

100.31 ~~(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant,~~
100.32 ~~the employer will be (1) sent a copy of the determination of eligibility or a determination~~
100.33 ~~of ineligibility, or (2) considered an involved employer for purposes of an appeal under~~
100.34 ~~section 268.105, only if the employer raised the issue of ineligibility.~~

100.35 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
100.36 matters pending a determination.

101.1 Sec. 5. Minnesota Statutes 2014, section 268.182, subdivision 2, is amended to read:

101.2 Subd. 2. **Administrative penalties.** (a) Any applicant who knowingly makes a false
 101.3 statement or representation, who knowingly fails to disclose a material fact, or who makes
 101.4 a false statement or representation without a good faith belief as to the correctness of the
 101.5 statement or representation, in order to obtain or in an attempt to obtain unemployment
 101.6 benefits may be assessed, in addition to any other penalties, an administrative penalty of
 101.7 being ineligible for unemployment benefits for 13 to 104 weeks.

101.8 (b) A determination of ineligibility setting out the weeks the applicant is ineligible
 101.9 must be sent to the applicant by mail or electronic transmission. A determination of
 101.10 ineligibility under this subdivision may be issued within 48 months of the establishment of
 101.11 the benefit account upon which the unemployment benefits were obtained or attempted to
 101.12 be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination
 101.13 is final. Proceedings on the appeal are conducted in accordance with section 268.105.

101.14 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
 101.15 matters pending a determination.

101.16 ARTICLE 12

101.17 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL HOUSEKEEPING

101.18 Section 1. Minnesota Statutes 2014, section 268.035, subdivision 12, is amended to read:

101.19 Subd. 12. **Covered employment.** (a) "Covered employment" means the following
 101.20 unless excluded as "noncovered employment" under subdivision 20:

101.21 (1) an employee's entire employment during the calendar quarter if:

101.22 (i) the employment during the quarter is performed primarily in Minnesota;

101.23 (ii) the employment during the quarter is not performed primarily in Minnesota or
 101.24 any other state but some of the employment is performed in Minnesota and the base
 101.25 of operations or the place from which the employment is directed or controlled is in
 101.26 Minnesota; or

101.27 (iii) the employment during the quarter is not performed primarily in Minnesota
 101.28 or any other state and the base of operations or place from which the employment is
 101.29 directed or controlled is not in any state where part of the employment is performed, but
 101.30 the employee's residence is in Minnesota;

101.31 (2) an employee's entire employment during the calendar quarter performed within
 101.32 the United States or Canada, if:

101.33 (i) the employment is not considered covered employment under the unemployment
 101.34 insurance program of any other state, federal law, or the law of Canada; and

102.1 (ii) the place from which the employment is directed or controlled is in Minnesota;

102.2 (3) the employment during the calendar quarter, performed entirely outside of the
102.3 United States and Canada, by an employee who is a United States citizen in the employ of
102.4 an American employer if the employer's principal place of business in the United States is
102.5 located in Minnesota. An "American employer," for the purposes of this clause, means a
102.6 corporation organized under the laws of any state, an individual who is a resident of the
102.7 United States, or a partnership if two-thirds or more of the partners are residents of the
102.8 United States, or a trust, if all of the trustees are residents of the United States; and

102.9 (4) all employment during the calendar quarter performed by an officer or member
102.10 of the crew of an American vessel on or in connection with the vessel, if the operating
102.11 office from which the operations of the vessel operating on navigable waters within, or
102.12 within and without, the United States are ordinarily and regularly supervised, managed,
102.13 directed, and controlled is in Minnesota.

102.14 (b) "Covered employment" includes covered agricultural employment under
102.15 subdivision 11.

102.16 (c) For the purposes of ~~satisfying the period of ineligibility under~~ section 268.095,
102.17 ~~subdivision 10~~, "covered employment" includes ~~covered~~ employment covered under an
102.18 unemployment insurance program:

102.19 (1) of any other state; or

102.20 (2) established by an act of Congress.

102.21 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
102.22 matters pending a determination or a decision by an unemployment law judge

102.23 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 29, is amended to read:

102.24 Subd. 29. **Wages.** (a) "Wages" means all compensation for employment, including
102.25 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and
102.26 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by
102.27 a customer of an employer and accounted for by the employee to the employer; sickness
102.28 and accident disability payments, except as otherwise provided in this subdivision; and
102.29 the cash value of housing, utilities, meals, exchanges of services, and any other goods
102.30 and services provided to compensate an employee, except:

102.31 (1) the amount of any payment made to, or on behalf of, an employee under a plan
102.32 established by an employer that makes provision for employees generally or for a class or
102.33 classes of employees, including any amount paid by an employer for insurance or annuities,
102.34 or into a plan, to provide for a payment, on account of (i) retirement or (ii) medical and
102.35 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

103.1 (2) the payment by an employer of the tax imposed upon an employee under United
103.2 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect
103.3 to compensation paid to an employee for domestic employment in a private household of
103.4 the employer or for agricultural employment;

103.5 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or
103.6 to a trust described in United States Code, title 26, section 401(a) of the federal Internal
103.7 Revenue Code, that is exempt from tax under section 501(a) at the time of the payment
103.8 unless the payment is made to an employee of the trust as compensation for services as an
103.9 employee and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at
103.10 the time of the payment, is a plan described in section 403(a);

103.11 (4) the value of any special discount or markdown allowed to an employee on goods
103.12 purchased from or services supplied by the employer where the purchases are optional and
103.13 do not constitute regular or systematic payment for services;

103.14 (5) customary and reasonable directors' fees paid to individuals who are not
103.15 otherwise employed by the corporation of which they are directors;

103.16 (6) the payment to employees for reimbursement of meal expenses when employees
103.17 are required to perform work after their regular hours;

103.18 (7) the payment into a trust or plan for purposes of providing legal or dental services
103.19 if provided for all employees generally or for a class or classes of employees;

103.20 (8) the value of parking facilities provided or paid for by an employer, in whole or in
103.21 part, if provided for all employees generally or for a class or classes of employees;

103.22 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral,
103.23 or other right;

103.24 (10) advances or reimbursements for traveling or other bona fide ordinary and
103.25 necessary expenses incurred or reasonably expected to be incurred in the business of the
103.26 employer. Traveling and other reimbursed expenses must be identified either by making
103.27 separate payments or by specifically indicating the separate amounts where both wages
103.28 and expense allowances are combined in a single payment;

103.29 (11) residual payments to radio, television, and similar artists that accrue after
103.30 the production of television commercials, musical jingles, spot announcements, radio
103.31 transcriptions, film sound tracks, and similar activities;

103.32 (12) the income to a former employee resulting from the exercise of a nonqualified
103.33 stock option;

103.34 (13) ~~payments made to supplement~~ supplemental unemployment ~~benefits~~ benefit
103.35 payments under a plan established by an employer, ~~that makes provisions for employees~~
103.36 ~~generally or for a class or classes of employees under the written terms of an agreement,~~

104.1 ~~contract, trust arrangement, or other instrument~~ if the payment is not wages under the
104.2 Federal Unemployment Tax Act. ~~The plan must provide supplemental payments are~~
104.3 wages unless made solely for the supplementing of weekly state or federal unemployment
104.4 benefits. ~~The plan must provide supplemental payments only for those weeks the applicant~~
104.5 ~~has been paid regular, extended, or additional unemployment benefits. The supplemental~~
104.6 ~~payments, when combined with the applicant's weekly unemployment benefits paid, may~~
104.7 ~~not exceed the applicant's regular weekly pay. The plan must not allow the assignment~~
104.8 ~~of Supplemental unemployment benefit payments or provide for any type of additional~~
104.9 ~~payment. The plan must not require~~ may not be assigned, nor may any consideration be
104.10 required from the applicant, other than a release of claims, ~~and must not be designed for~~
104.11 ~~the purpose of avoiding the payment of Social Security obligations, or unemployment~~
104.12 ~~taxes on money disbursed from the plan~~ in order to be excluded from wages;

104.13 (14) sickness or accident disability payments made by the employer after the
104.14 expiration of six calendar months following the last calendar month that the individual
104.15 worked for the employer;

104.16 (15) disability payments made under the provisions of any workers' compensation
104.17 law;

104.18 (16) sickness or accident disability payments made by a third-party payer such as
104.19 an insurance company; or

104.20 (17) payments made into a trust fund, or for the purchase of insurance or an annuity,
104.21 to provide for sickness or accident disability payments to employees under a plan or
104.22 system established by the employer that provides for the employer's employees generally
104.23 or for a class or classes of employees.

104.24 (b) Nothing in this subdivision excludes from the term "wages" any payment
104.25 made under any type of salary reduction agreement, including payments made under a
104.26 cash or deferred arrangement and cafeteria plan, as defined in United States Code, title
104.27 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the
104.28 employee has the option to receive the payment in cash.

104.29 (c) Wages includes the total payment to the operator and supplier of a vehicle or
104.30 other equipment where the payment combines compensation for personal services as well
104.31 as compensation for the cost of operating and hiring the equipment in a single payment.
104.32 This paragraph does not apply if:

104.33 (1) there is a preexisting written agreement providing for allocation of specific
104.34 amounts; or

104.35 (2) at the time of each payment there is a written ~~acknowledgement~~ acknowledgment
104.36 indicating the separate allocated amounts.

105.1 (d) Wages includes payments made for services as a caretaker. Unless there is a
105.2 contract or other proof to the contrary, compensation is considered as being equally
105.3 received by a married couple where the employer makes payment to only one spouse, or
105.4 by all tenants of a household who perform services where two or more individuals share
105.5 the same dwelling and the employer makes payment to only one individual.

105.6 (e) Wages includes payments made for services by a migrant family. Where services
105.7 are performed by a married couple or a family and an employer makes payment to only
105.8 one individual, each worker is considered as having received an equal share of the
105.9 compensation unless there is a contract or other proof to the contrary.

105.10 (f) Wages includes advances or draws against future earnings, when paid, unless
105.11 the payments are designated as a loan or return of capital on the books of the employer
105.12 at the time of payment.

105.13 (g) Wages includes payments made by a subchapter "S" corporation, as organized
105.14 under the Internal Revenue Code, to or on behalf of officers and shareholders that are
105.15 reasonable compensation for services performed for the corporation.

105.16 For a subchapter "S" corporation, wages does not include:

105.17 (1) a loan for business purposes to an officer or shareholder evidenced by a
105.18 promissory note signed by an officer before the payment of the loan proceeds and recorded
105.19 on the books and records of the corporation as a loan to an officer or shareholder;

105.20 (2) a repayment of a loan or payment of interest on a loan made by an officer to the
105.21 corporation and recorded on the books and records of the corporation as a liability;

105.22 (3) a reimbursement of reasonable corporation expenses incurred by an officer and
105.23 documented by a written expense voucher and recorded on the books and records of
105.24 the corporation as corporate expenses; and

105.25 (4) a reasonable lease or rental payment to an officer who owns property that is
105.26 leased or rented to the corporation.

105.27 Sec. 3. Minnesota Statutes 2015 Supplement, section 268.085, subdivision 2, is
105.28 amended to read:

105.29 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
105.30 any week:

105.31 (1) that occurs before the effective date of a benefit account;

105.32 (2) that the applicant, at ~~the beginning of any time during~~ the week, has an
105.33 outstanding fraud overpayment balance under section 268.18, subdivision 2, including
105.34 any penalties and interest;

106.1 (3) that occurs in a period when the applicant is a student in attendance at, or on
 106.2 vacation from a secondary school including the period between academic years or terms;

106.3 (4) that the applicant is incarcerated or performing court-ordered community service.
 106.4 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
 106.5 the applicant is incarcerated or performing court-ordered community service;

106.6 (5) that the applicant fails or refuses to provide information on an issue of
 106.7 ineligibility required under section 268.101;

106.8 (6) that the applicant is performing services 32 hours or more, in employment,
 106.9 covered employment, noncovered employment, volunteer work, or self-employment
 106.10 regardless of the amount of any earnings; or

106.11 (7) with respect to which the applicant has filed an application for unemployment
 106.12 benefits under any federal law or the law of any other state. If the appropriate agency
 106.13 finally determines that the applicant is not entitled to establish a benefit account under
 106.14 federal law or the law of any other state, this clause does not apply.

106.15 Sec. 4. Minnesota Statutes 2014, section 268.0865, subdivision 3, is amended to read:

106.16 Subd. 3. **Continued request for unemployment benefits by electronic**

106.17 **transmission.** (a) A continued request for unemployment benefits by electronic
 106.18 transmission must be filed to that electronic mail address, telephone number, or Internet
 106.19 address prescribed by the commissioner for that applicant. In order to constitute a
 106.20 continued request, all information asked for, including information authenticating that the
 106.21 applicant is sending the transmission, must be provided in the format required. If all of the
 106.22 information asked for is not provided, the communication does not constitute a continued
 106.23 request for unemployment benefits.

106.24 (b) The continued request by electronic transmission communication must be filed
 106.25 within four calendar weeks following the week for which payment is requested on the
 106.26 date day of the week and during the time of day designated for the applicant ~~for filing a~~
 106.27 ~~continued request by electronic transmission.~~

106.28 (c) ~~If the electronic transmission continued request is not filed as required under~~
 106.29 ~~paragraph (b), a continued request by electronic transmission must be accepted if the~~
 106.30 ~~applicant files the continued request by electronic transmission within three calendar~~
 106.31 ~~weeks following the week for which payment is requested. If the continued request by~~
 106.32 ~~electronic transmission is not filed within three~~ four ~~calendar weeks following the week~~
 106.33 ~~for which payment is requested, the electronic continued request will not be accepted~~
 106.34 ~~and the applicant is ineligible for unemployment benefits for the period covered by the~~

107.1 continued request, unless the applicant shows good cause for failing to file the continued
107.2 request by electronic transmission within the time period required.

107.3 Sec. 5. Minnesota Statutes 2014, section 268.0865, subdivision 4, is amended to read:

107.4 Subd. 4. **Continued request for unemployment benefits by mail.** (a) A
107.5 continued request for unemployment benefits by mail must be on a form prescribed by
107.6 the commissioner. The form, in order to constitute a continued request, must be totally
107.7 completed and signed by the applicant. The form must be filed by mail, in an envelope
107.8 with postage prepaid, and sent to the address designated ~~during the week following the~~
107.9 ~~week for which payment is requested.~~

107.10 ~~(b) If the mail continued request for unemployment benefits is not filed as required~~
107.11 ~~under paragraph (a), a continued request must be accepted if the form is filed by mail~~
107.12 ~~within three four calendar weeks following the week for which payment is requested.~~

107.13 (b) If the continued request form is not filed within three four calendar weeks
107.14 following the week for which payment is requested, the form will not be accepted and the
107.15 applicant is ineligible for unemployment benefits for the period covered by the continued
107.16 request for unemployment benefits, unless the applicant shows good cause for failing to
107.17 file the form by mail within the time period required.

107.18 (c) If the applicant has been designated to file a continued request for unemployment
107.19 benefits by mail, an applicant may submit the form by facsimile transmission within
107.20 three four calendar weeks following the week for which payment is requested. A form
107.21 submitted by facsimile transmission must be sent only to the telephone number assigned
107.22 for that purpose.

107.23 (d) An applicant who has been designated to file a continued request by mail may
107.24 personally deliver a continued request form only to the location to which the form was
107.25 otherwise designated to be mailed.

107.26 Sec. 6. Minnesota Statutes 2014, section 268.095, subdivision 2, is amended to read:

107.27 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end
107.28 the employment was, at the time the employment ended, the employee's.

107.29 (b) When determining if an applicant quit, the theory of a constructive quit does
107.30 not apply.

107.31 ~~(b)~~ (c) An employee who has been notified that the employee will be discharged in
107.32 the future, who chooses to end the employment while employment in any capacity is still
107.33 available, ~~is considered to have~~ has quit the employment.

108.1 ~~(e)~~ (d) An employee who seeks to withdraw a previously submitted notice of quitting
 108.2 ~~is considered to have~~ has quit the employment, as of the intended date of quitting, if the
 108.3 employer does not agree that the notice may be withdrawn.

108.4 ~~(d)~~ (e) An applicant ~~who has quit employment with a staffing service if~~, within
 108.5 five calendar days after completion of a suitable job assignment from a staffing service,
 108.6 the applicant:

108.7 (1) fails without good cause to affirmatively request an additional suitable job
 108.8 assignment;₂

108.9 (2) refuses without good cause an additional suitable job assignment offered;₂ or

108.10 (3) accepts employment with the client of the staffing service, ~~is considered to have~~
 108.11 ~~quit employment with the staffing service~~. Accepting employment with the client of the
 108.12 staffing service meets the requirements of the exception to ineligibility under subdivision
 108.13 1, clause (2).

108.14 This paragraph applies only if, at the time of beginning of employment with the
 108.15 staffing service, the applicant signed and was provided a copy of a separate document
 108.16 written in clear and concise language that informed the applicant of this paragraph and
 108.17 that unemployment benefits may be affected.

108.18 For purposes of this paragraph, "good cause" is a reason that ~~is significant and~~ would
 108.19 compel an average, reasonable worker, who would otherwise want an additional suitable
 108.20 job assignment with the staffing service (1) to fail to contact the staffing service, or (2)
 108.21 to refuse an offered assignment.

108.22 Sec. 7. Minnesota Statutes 2014, section 268.095, subdivision 5, is amended to read:

108.23 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any
 108.24 words or actions by an employer would lead a reasonable employee to believe that the
 108.25 employer will no longer allow the employee to work for the employer in any capacity. A
 108.26 layoff because of lack of work is ~~considered~~ a discharge. A suspension from employment
 108.27 without pay of more than 30 calendar days is ~~considered~~ a discharge.

108.28 (b) When determining if an applicant was discharged, the theory of a constructive
 108.29 discharge does not apply.

108.30 ~~(b)~~ (c) An employee who gives notice of intention to quit the employment and is not
 108.31 allowed by the employer to work the entire notice period is ~~considered~~ discharged from
 108.32 the employment as of the date the employer will no longer allow the employee to work. If
 108.33 the discharge occurs within 30 calendar days before the intended date of quitting, then,
 108.34 as of the intended date of quitting, the separation from employment is ~~considered~~ a quit
 108.35 from employment subject to subdivision 1.

109.1 ~~(e)~~ (d) The end of a job assignment with the client of a staffing service is considered
 109.2 a discharge from employment with the staffing service unless subdivision 2, paragraph
 109.3 (d), applies.

109.4 Sec. 8. Minnesota Statutes 2014, section 268.18, is amended to read:

109.5 **268.18 UNEMPLOYMENT BENEFIT OVERPAYMENTS.**

109.6 Subdivision 1. **Nonfraud Repaying an overpayment.** (a) Any applicant who (1)
 109.7 because of a determination or amended determination issued under section 268.07 or
 109.8 268.101, or any other section of this chapter, or (2) because of an unemployment law
 109.9 judge's decision under section 268.105, has received any unemployment benefits that the
 109.10 applicant was held not entitled to, is overpaid the benefits, and must promptly repay the
 109.11 unemployment benefits to the trust fund.

109.12 (b) If the applicant fails to repay the unemployment benefits overpaid, ~~the~~
 109.13 ~~commissioner may offset from any future unemployment benefits otherwise payable the~~
 109.14 ~~amount of the overpayment. Except when the overpayment resulted because the applicant~~
 109.15 ~~failed to report deductible earnings or deductible or benefit delaying payments, no single~~
 109.16 ~~offset may exceed 50 percent of the amount of the payment from which the offset is made.~~
 109.17 ~~The overpayment may also~~ including any penalty and interest assessed under subdivisions
 109.18 2 and 2b, the total due may be collected by the methods allowed under state and federal law.

109.19 ~~(c) If an applicant has been overpaid unemployment benefits under the law of~~
 109.20 ~~another state, because of a reason other than fraud, and that state certifies that the applicant~~
 109.21 ~~is liable under its law to repay the unemployment benefits and requests the commissioner~~
 109.22 ~~to recover the overpayment, the commissioner may offset from future unemployment~~
 109.23 ~~benefits otherwise payable the amount of overpayment, except that no single offset may~~
 109.24 ~~exceed 50 percent of the amount of the payment from which the offset is made.~~

109.25 Subd. 2. **Overpayment because of fraud.** (a) ~~Any~~ An applicant who receives has
 109.26 committed fraud if the applicant is overpaid unemployment benefits by:

109.27 (1) knowingly misrepresenting, misstating, or failing to disclose any material fact;
 109.28 or who makes

109.29 (2) making a false statement or representation without a good faith belief as to the
 109.30 correctness of the statement or representation, ~~has committed fraud.~~

109.31 After the discovery of facts indicating fraud, the commissioner must make issue a
 109.32 determination ~~that the applicant obtained unemployment benefits by fraud and that the~~
 109.33 ~~applicant must promptly repay the unemployment benefits to the trust fund. In addition, the~~
 109.34 ~~commissioner must assess~~ of overpayment penalty, assessing a penalty equal to 40 percent

110.1 of the amount ~~fraudulently obtained~~ overpaid. This penalty is in addition to penalties under
110.2 section 268.182. ~~The determination is effective the Sunday of the week that it was issued.~~

110.3 (b) Unless the applicant files an appeal within 20 calendar days after the sending of
110.4 ~~the~~ a determination of overpayment by fraud penalty to the applicant by mail or electronic
110.5 transmission, the determination is final. Proceedings on the appeal are conducted in
110.6 accordance with section 268.105.

110.7 (c) ~~If the applicant fails to repay the unemployment benefits, penalty, and interest~~
110.8 ~~assessed, the total due may be collected by the methods allowed under state and federal~~
110.9 ~~law.~~ A determination of overpayment by fraud penalty must state the methods of collection
110.10 the commissioner may use to recover the overpayment, penalty, and interest assessed.
110.11 Money received in repayment of ~~fraudulently obtained~~ overpaid unemployment benefits,
110.12 penalties, and interest is first applied to the ~~unemployment~~ benefits overpaid, then to the
110.13 penalty amount due, then to any interest due. 62.5 percent of the payments made toward the
110.14 penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

110.15 (d) ~~If an applicant has been overpaid unemployment benefits under the law of~~
110.16 ~~another state because of fraud and that state certifies that the applicant is liable to repay~~
110.17 ~~the unemployment benefits and requests the commissioner to recover the overpayment,~~
110.18 ~~the commissioner may offset from future unemployment benefits otherwise payable the~~
110.19 ~~amount of overpayment.~~

110.20 (e) ~~Regardless of the limitations in section 268.101, subdivision 2, paragraph (e),~~
110.21 ~~unemployment benefits paid for weeks more than four years before the date of~~ (d) A
110.22 determination of overpayment by ~~fraud issued~~ penalty under this subdivision are ~~not~~
110.23 ~~considered overpaid unemployment benefits~~ may be issued within 48 months of the
110.24 establishment of the benefit account upon which the unemployment benefits were obtained
110.25 though fraud.

110.26 Subd. 2b. **Interest.** On any unemployment benefits fraudulently obtained, and any
110.27 penalty amounts assessed under subdivision 2, the commissioner must assess interest at the
110.28 rate of one percent per month on any amount that remains unpaid beginning 30 calendar
110.29 days after the date of ~~the~~ a determination of overpayment by fraud penalty. A determination
110.30 of overpayment by ~~fraud~~ penalty must state that interest will be assessed. Interest is
110.31 assessed in the same manner as on employer debt under section 268.057, subdivision 5.
110.32 Interest payments collected under this subdivision are credited to the trust fund.

110.33 Subd. 3a. **Offset of federal unemployment benefits.** ~~The commissioner is~~
110.34 ~~authorized to enter into reciprocal agreements with the United States Secretary of Labor,~~
110.35 ~~whereby,~~ (a) The commissioner may offset from any future unemployment benefits
110.36 otherwise payable the amount of a nonfraud overpayment. Except when the nonfraud

111.1 overpayment resulted because the applicant failed to report deductible earnings or
 111.2 deductible or benefit delaying payments, no single offset may exceed 50 percent of the
 111.3 amount of the payment from which the offset is made.

111.4 (b) Overpayments of unemployment benefits as determined under a federal law,
 111.5 program may be recovered by offset from unemployment future benefits otherwise
 111.6 payable and.

111.7 (c) If an applicant has been overpaid unemployment benefits under the law of
 111.8 another state, the commissioner may offset from future benefits otherwise payable the
 111.9 amount of overpayment.

111.10 (d) Nonfraud unemployment benefit overpayments under subdivisions 1 and 2
 111.11 may be recovered by offset from unemployment future benefits otherwise payable under
 111.12 a federal program.

111.13 Subd. 4. **Cancellation of overpayments.** (a) If unemployment benefits overpaid
 111.14 under subdivision 1 for reasons other than fraud are not repaid or offset from subsequent
 111.15 unemployment benefits as provided for in subdivision 1 within six years after the date
 111.16 of the determination or decision holding the applicant overpaid, the commissioner must
 111.17 cancel the overpayment balance, and no administrative or legal proceedings may be used
 111.18 to enforce collection of those amounts.

111.19 (b) If unemployment benefits determined overpaid under subdivision 2 because of
 111.20 fraud including penalties and interest are not repaid within ten years after the date of
 111.21 the determination of overpayment by fraud penalty, the commissioner must cancel the
 111.22 overpayment balance and any penalties and interest due, and no administrative or legal
 111.23 proceeding may be used to enforce collection of those amounts.

111.24 (c) The commissioner may cancel at any time any overpayment, including penalties
 111.25 and interest, that the commissioner determines is uncollectible because of death or
 111.26 bankruptcy.

111.27 Subd. 4a. **Court fees; collection fees.** (a) If the commissioner department
 111.28 is required to pay any court fees in an attempt to enforce collection of overpaid
 111.29 unemployment benefits, penalties, or interest, the commissioner may add the amount of
 111.30 the court fees may be added to the total amount due.

111.31 (b) If an applicant who has been determined overpaid unemployment benefits
 111.32 because of fraud seeks to have any portion of the debt discharged under the federal
 111.33 bankruptcy code, and the commissioner department files an objection in bankruptcy court
 111.34 to the discharge, the commissioner may add the commissioner's cost of any court fees may
 111.35 be added to the debt if the bankruptcy court does not discharge the debt.

112.1 (c) If the Internal Revenue Service assesses the ~~commissioner~~ department a fee for
 112.2 offsetting from a federal tax refund the amount of any overpayment, including penalties
 112.3 and interest, the amount of the fee may be added to the total amount due. The offset
 112.4 amount must be put in the trust fund and that amount credited to the total amount due
 112.5 from the applicant.

112.6 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
 112.7 unemployment benefits, including any penalties and interest, is not considered an election
 112.8 of a method of recovery.

112.9 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation
 112.10 matter under section 176.361 is not considered an election of a remedy and does not
 112.11 prevent the commissioner from determining any unemployment benefits overpaid under
 112.12 subdivision 1 or 2 or taking action under section 268.182.

112.13 Subd. 6. **Collection of overpayments.** (a) The commissioner may not compromise
 112.14 the amount ~~that has been determined of any overpaid under this section~~ unemployment
 112.15 benefits including penalties and interest.

112.16 (b) The commissioner has discretion regarding the recovery of any overpayment
 112.17 ~~under subdivision 4~~ for reasons other than fraud. Regardless of any law to the contrary, the
 112.18 commissioner is not required to refer any ~~amount determined overpaid under subdivision~~
 112.19 ~~4~~ overpayment for reasons other than fraud to a public or private collection agency,
 112.20 including agencies of this state.

112.21 (c) Amounts ~~determined overpaid under subdivision 4~~ for reasons other than fraud
 112.22 are not considered a "debt" to the state of Minnesota for purposes of any reporting
 112.23 requirements to the commissioner of management and budget.

112.24 (d) A pending appeal under section 268.105 does not suspend the assessment of
 112.25 interest, penalties, or collection of an overpayment ~~under this section~~.

112.26 (e) Section 16A.626 applies to the repayment by an applicant of any overpayment,
 112.27 penalty, or interest ~~under this section~~.

112.28 Sec. 9. **EFFECTIVE DATE.**

112.29 This article is effective July 31, 2016, unless indicated otherwise.

112.30 **ARTICLE 13**

112.31 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL TECHNICAL**

112.32 Section 1. Minnesota Statutes 2014, section 268.035, is amended by adding a
 112.33 subdivision to read:

113.1 Subd. 12e. **Earnings.** "Earnings" means all compensation to which the applicant has
 113.2 a legal claim and is earned income under state and federal law for income tax purposes.

113.3 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 20, is amended to read:

113.4 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

113.5 (1) employment for the United States government or an instrumentality thereof,
 113.6 including military service;

113.7 (2) employment for a state, other than Minnesota, or a political subdivision or
 113.8 instrumentality thereof;

113.9 (3) employment for a foreign government;

113.10 ~~(4) employment for an instrumentality wholly owned by a foreign government,~~
 113.11 ~~if the employment is of a character similar to that performed in foreign countries by~~
 113.12 ~~employees of the United States government or an instrumentality thereof and the United~~
 113.13 ~~States Secretary of State has certified that the foreign government grants an equivalent~~
 113.14 ~~exemption to similar employment performed in the foreign country by employees of the~~
 113.15 ~~United States government and instrumentalities thereof;~~

113.16 ~~(5) (4) employment covered under United States Code, title 45, section 351, the~~
 113.17 ~~federal Railroad Unemployment Insurance Act;~~

113.18 ~~(6) employment covered by a reciprocal arrangement between the commissioner and~~
 113.19 ~~another state or the federal government that provides that all employment performed by an~~
 113.20 ~~individual for an employer during the period covered by the reciprocal arrangement is~~
 113.21 ~~considered performed entirely within another state;~~

113.22 ~~(7) (5) employment for a church or convention or association of churches, or an~~
 113.23 ~~a nonprofit organization operated primarily for religious purposes that is operated,~~
 113.24 ~~supervised, controlled, or principally supported by a church or convention or association~~
 113.25 ~~of churches described in United States Code, title 26, section 501(e)(3) of the federal~~
 113.26 ~~Internal Revenue Code and exempt from income tax under section 501(a);~~

113.27 ~~(8) (6) employment for Minnesota or a political subdivision, or a nonprofit~~
 113.28 ~~organization, of a duly ordained or licensed minister of a church in the exercise of a~~
 113.29 ~~ministry or by a member of a religious order in the exercise of duties required by the order;~~
 113.30 ~~for Minnesota or a political subdivision or an organization described in United States~~
 113.31 ~~Code, title 26, section 501(e)(3) of the federal Internal Revenue Code and exempt from~~
 113.32 ~~income tax under section 501(a);~~

113.33 ~~(9) (7) employment for Minnesota or a political subdivision, or a nonprofit~~
 113.34 ~~organization, of an individual receiving rehabilitation of "sheltered" work in a facility~~
 113.35 ~~conducted for the purpose of carrying out a program of rehabilitation for individuals~~

114.1 whose earning capacity is impaired by age or physical or mental deficiency or injury or a
114.2 program providing "sheltered" work for individuals who because of an impaired physical
114.3 or mental capacity cannot be readily absorbed in the competitive labor market. This
114.4 clause applies only to services performed ~~for Minnesota or a political subdivision or an~~
114.5 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
114.6 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~ in a facility
114.7 certified by the Rehabilitation Services Branch of the department or in a day training or
114.8 habilitation program licensed by the Department of Human Services;

114.9 ~~(10)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit
114.10 organization, of an individual receiving work relief or work training as part of an
114.11 unemployment work relief or work training program assisted or financed in whole or
114.12 in part by any federal agency or an agency of a state or political subdivision thereof.
114.13 ~~This clause applies only to employment for Minnesota or a political subdivision or an~~
114.14 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
114.15 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~. This clause does
114.16 not apply to programs that require unemployment benefit coverage for the participants;

114.17 ~~(11)~~ (9) employment for Minnesota or a political subdivision, as an elected official, a
114.18 member of a legislative body, or a member of the judiciary;

114.19 ~~(12)~~ (10) employment as a member of the Minnesota National Guard or Air National
114.20 Guard;

114.21 ~~(13)~~ (11) employment for Minnesota, or a political subdivision, or instrumentality
114.22 thereof, as an employee of an individual serving only on a temporary basis in case of
114.23 fire, flood, tornado, or similar emergency;

114.24 ~~(14)~~ (12) employment as an election official or election worker for Minnesota or
114.25 a political subdivision, ~~but only~~ if the compensation for that employment was less than
114.26 \$1,000 in a calendar year;

114.27 ~~(15)~~ (13) employment for Minnesota that is a major policy-making or advisory
114.28 position in the unclassified service;

114.29 ~~(16)~~ (14) employment for Minnesota in an unclassified position established under
114.30 section 43A.08, subdivision 1a;

114.31 ~~(17)~~ (15) employment for a political subdivision of Minnesota that is a nontenured
114.32 major policy making or advisory position;

114.33 ~~(18)~~ (16) domestic employment in a private household, local college club, or local
114.34 chapter of a college fraternity or sorority ~~performed for a person, only~~, if the wages paid
114.35 in any calendar quarter in either the current or prior calendar year to all individuals in
114.36 domestic employment totaled less than \$1,000.

115.1 "Domestic employment" includes all service in the operation and maintenance of a
115.2 private household, for a local college club, or local chapter of a college fraternity or
115.3 sorority as distinguished from service as an employee in the pursuit of an employer's
115.4 trade or business;

115.5 ~~(19)~~ (17) employment of an individual by a son, daughter, or spouse, and
115.6 employment of a child under the age of 18 by the child's father or mother;

115.7 ~~(20)~~ (18) employment of an inmate of a custodial or penal institution;

115.8 ~~(21)~~ (19) employment for a school, college, or university, by a student who is
115.9 enrolled and whose primary relation to the school, college, or university is as a student.

115.10 This does not include an individual whose primary relation to the school, college, or
115.11 university is as an employee who also takes courses;

115.12 ~~(22)~~ (20) employment of an individual who is enrolled as a student in a full-time
115.13 program at a nonprofit or public educational institution that maintains a regular faculty
115.14 and curriculum and has a regularly organized body of students in attendance at the place
115.15 where its educational activities are carried on, taken for credit at the institution, that
115.16 combines academic instruction with work experience, if the employment is an integral
115.17 part of the program, and the institution has so certified to the employer, except that this
115.18 clause does not apply to employment in a program established for or on behalf of an
115.19 employer or group of employers;

115.20 ~~(23)~~ (21) employment of university, college, or professional school students in an
115.21 internship or other training program with the city of St. Paul or the city of Minneapolis
115.22 under Laws 1990, chapter 570, article 6, section 3;

115.23 ~~(24)~~ (22) employment for a hospital by a patient of the hospital. "Hospital" means
115.24 an institution that has been licensed by the Department of Health as a hospital;

115.25 ~~(25)~~ (23) employment as a student nurse for a hospital or a nurses' training school by
115.26 an individual who is enrolled and is regularly attending classes in an accredited nurses'
115.27 training school;

115.28 ~~(26)~~ (24) employment as an intern for a hospital by an individual who has completed
115.29 a four-year course in an accredited medical school;

115.30 ~~(27)~~ (25) employment as an insurance salesperson, by other than a corporate
115.31 officer, if all the wages from the employment is solely by way of commission. The word
115.32 "insurance" includes an annuity and an optional annuity;

115.33 ~~(28)~~ (26) employment as an officer of a township mutual insurance company or
115.34 farmer's mutual insurance company ~~operating~~ under chapter 67A;

115.35 ~~(29)~~ (27) employment of a corporate officer, if the officer directly or indirectly,
115.36 including through a subsidiary or holding company, owns 25 percent or more of the

116.1 employer corporation, and employment of a member of a limited liability company, if the
 116.2 member directly or indirectly, including through a subsidiary or holding company, owns
 116.3 25 percent or more of the employer limited liability company;

116.4 ~~(30)~~ (28) employment as a real estate salesperson, ~~by~~ other than a corporate officer,
 116.5 if all the wages from the employment is solely by way of commission;

116.6 ~~(31)~~ (29) employment as a direct seller as defined in United States Code, title 26,
 116.7 section 3508;

116.8 ~~(32)~~ (30) employment of an individual under the age of 18 in the delivery or
 116.9 distribution of newspapers or shopping news, not including delivery or distribution to any
 116.10 point for subsequent delivery or distribution;

116.11 ~~(33)~~ (31) casual employment performed for an individual, other than domestic
 116.12 employment under clause ~~(18)~~ (16), that does not promote or advance that employer's
 116.13 trade or business;

116.14 ~~(34)~~ (32) employment in "agricultural employment" unless ~~considered~~ it is "covered
 116.15 agricultural employment" under subdivision 11; or

116.16 ~~(35)~~ (33) if employment during one-half or more of any pay period was covered
 116.17 employment, all the employment for the pay period is ~~considered~~ covered employment;
 116.18 but if during more than one-half of any pay period the employment was noncovered
 116.19 employment, then all of the employment for the pay period is ~~considered~~ noncovered
 116.20 employment. "Pay period" means a period of not more than a calendar month for which a
 116.21 payment or compensation is ordinarily made to the employee by the employer.

116.22 Sec. 3. Minnesota Statutes 2014, section 268.035, is amended by adding a subdivision
 116.23 to read:

116.24 Subd. 20b. **Nonprofit organization.** "Nonprofit organization" means an
 116.25 organization described in United States Code, title 26, section 501(c)(3), and is exempt
 116.26 from income tax under United States Code, title 26, section 501(a).

116.27 Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 23a, is amended to read:

116.28 Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in
 116.29 the applicant's labor market area that is reasonably related to the applicant's qualifications.
 116.30 In determining whether any employment is suitable for an applicant, the degree of risk
 116.31 involved to the health and safety, physical fitness, prior training, experience, length
 116.32 of unemployment, prospects for securing employment in the applicant's customary
 116.33 occupation, and the distance of the employment from the applicant's residence is
 116.34 considered.

117.1 (b) In determining what is suitable employment, primary consideration is given to the
117.2 temporary or permanent nature of the applicant's separation from employment and whether
117.3 the applicant has favorable prospects of finding employment in the applicant's usual or
117.4 customary occupation at the applicant's past wage level within a reasonable period of time.

117.5 If prospects are unfavorable, employment at lower skill or wage levels is suitable
117.6 if the applicant is reasonably suited for the employment considering the applicant's
117.7 education, training, work experience, and current physical and mental ability.

117.8 The total compensation must be considered, including the wage rate, hours of
117.9 employment, method of payment, overtime practices, bonuses, incentive payments, and
117.10 fringe benefits.

117.11 (c) When potential employment is at a rate of pay lower than the applicant's former
117.12 rate, consideration must be given to the length of the applicant's unemployment and the
117.13 proportion of difference in the rates. Employment that may not be suitable because of
117.14 lower wages during the early weeks of the applicant's unemployment may become suitable
117.15 as the duration of unemployment lengthens.

117.16 (d) For an applicant seasonally unemployed, suitable employment includes
117.17 temporary work in a lower skilled occupation that pays average gross weekly wages equal
117.18 to or more than 150 percent of the applicant's weekly unemployment benefit amount.

117.19 (e) If a majority of the applicant's weeks of employment in the base period includes
117.20 part-time employment, part-time employment in a position with comparable skills and
117.21 comparable hours that pays comparable wages is ~~considered~~ suitable employment.

117.22 Full-time employment is not ~~considered~~ suitable employment for an applicant if a
117.23 majority of the applicant's weeks of employment in the base period includes part-time
117.24 employment.

117.25 (f) To determine suitability of employment in terms of shifts, the arrangement of
117.26 hours in addition to the total number of hours is to be considered. Employment on a
117.27 second, third, rotating, or split shift is suitable employment if it is customary in the
117.28 occupation in the labor market area.

117.29 (g) Employment is not ~~considered~~ suitable if:

117.30 (1) the position offered is vacant because of a labor dispute;

117.31 (2) the wages, hours, or other conditions of employment are ~~substantially~~ less
117.32 favorable than those prevailing for similar employment in the labor market area; or

117.33 (3) as a condition of becoming employed, the applicant would be required to join a
117.34 company union or to resign from or refrain from joining any bona fide labor organization; ~~or~~

117.35 ~~(4) the employment is with a staffing service and less than 25 percent of the~~
117.36 ~~applicant's wage credits are from a job assignment with the client of a staffing service.~~

118.1 (h) A job assignment with a staffing service is ~~considered~~ suitable only if 25
118.2 percent or more of the applicant's wage credits are from job assignments with clients of
118.3 a staffing service and the job assignment meets the definition of suitable employment
118.4 under paragraph (a).

118.5 Sec. 5. Minnesota Statutes 2014, section 268.085, subdivision 4, is amended to read:

118.6 Subd. 4. **Social Security old age insurance benefits.** (a) Any applicant aged 62 or
118.7 over is required to state when filing an application for unemployment benefits and when
118.8 filing continued requests for unemployment benefits if the applicant is receiving, has filed
118.9 for, or intends to file for, primary Social Security old age benefits.

118.10 (b) Unless paragraph ~~(b)~~ (c) applies, 50 percent of the weekly equivalent of the
118.11 primary Social Security old age benefit the applicant has received, has filed for, or
118.12 intends to file for, with respect to that week must be deducted from an applicant's weekly
118.13 unemployment benefit amount.

118.14 ~~(b)~~ (c) If all of the applicant's wage credits were earned while the applicant was
118.15 claiming Social Security old age benefits, there is no deduction of the Social Security
118.16 benefits from the applicant's weekly unemployment benefit amount.

118.17 ~~(e)~~ (d) Information from the Social Security Administration is ~~considered~~ conclusive,
118.18 absent specific evidence showing that the information was erroneous.

118.19 ~~(d)~~ (e) This subdivision does not apply to Social Security survivor benefits.

118.20 Sec. 6. Minnesota Statutes 2014, section 268.085, subdivision 5, is amended to read:

118.21 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday
118.22 pay, with respect to any week, from employment, covered employment, noncovered
118.23 employment, self-employment, or volunteer work, equal to or in excess of the applicant's
118.24 weekly unemployment benefit amount, the applicant is ineligible for unemployment
118.25 benefits for that week.

118.26 (b) If the applicant has earnings, including holiday pay, with respect to any week,
118.27 that is less than the applicant's weekly unemployment benefit amount, from employment,
118.28 covered employment, noncovered employment, self-employment, or volunteer work, 50
118.29 percent of the earnings are deducted from the weekly unemployment benefit amount.

118.30 (c) No deduction is made from an applicant's weekly unemployment benefit amount
118.31 for earnings from service in the National Guard or a United States military reserve unit or
118.32 from direct service as a volunteer firefighter or volunteer ambulance service personnel.

118.33 This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided

119.1 to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made
 119.2 for jury duty pay or for pay as an election judge.

119.3 (d) The applicant may report deductible earnings on continued requests for
 119.4 unemployment benefits at the next lower whole dollar amount.

119.5 (e) Deductible earnings does not include any money ~~considered that is~~ a deductible
 119.6 payment under subdivision 3, ~~but includes all compensation considered wages under~~
 119.7 ~~section 268.035, subdivision 29, and any other compensation considered earned income~~
 119.8 ~~under state and federal law for income tax purposes.~~

119.9 **Sec. 7. REVISOR'S INSTRUCTION.**

119.10 (a) The revisor of statutes shall change "liability" to "liability for damages" in
 119.11 Minnesota Rules, part 3315.0555, subpart 1.

119.12 (b) The revisor of statutes shall change "entitled to" to "eligible for" in Minnesota
 119.13 Statutes, section 268.085, subdivision 1, clause (6).

119.14 (c) The revisor of statutes shall change "shall calculate" to "must calculate" in
 119.15 Minnesota Statutes, section 268.035, subdivision 23.

119.16 (d) The revisor of statutes shall renumber Minnesota Statutes, section 268.035,
 119.17 subdivision 12d, to subdivision 12f.

119.18 (e) The revisor of statutes shall reletter the paragraphs in Minnesota Statutes, section
 119.19 268.085, subdivision 4, as follows:

119.20 (1) paragraph (a) shall be relettered paragraph (c); and

119.21 (2) paragraph (c) shall be relettered paragraph (a).

119.22 (f) The revisor of statutes shall renumber the reference to "clause (29)" to "clause
 119.23 (27)" in Minnesota Statutes, section 268.046, subdivision 1.

119.24 (g) The revisor of statutes shall renumber the reference to "clause (10)" to "clause
 119.25 (8)" in Minnesota Statutes, section 383C.19.

119.26 **Sec. 8. EFFECTIVE DATE.**

119.27 This article is effective July 31, 2016, and applies to all matters pending a
 119.28 determination or a decision by an unemployment law judge.

119.29 **ARTICLE 14**

119.30 **TELEPHONE REGULATION**

119.31 Section 1. Minnesota Statutes 2014, section 222.37, subdivision 1, is amended to read:

119.32 Subdivision 1. **Use requirements.** Any water power, telegraph, telephone, wireless
 119.33 telecommunications service provider, pneumatic tube, pipeline, community antenna

120.1 television, cable communications or electric light, heat, power company, or fire department
120.2 may use public roads for the purpose of constructing, using, operating, and maintaining
120.3 lines, subways, canals, conduits, hydrants, or dry hydrants, for their business, but such
120.4 lines shall be so located as in no way to interfere with the safety and convenience of
120.5 ordinary travel along or over the same; and, in the construction and maintenance of such
120.6 line, subway, canal, conduit, hydrants, or dry hydrants, the company shall be subject to all
120.7 reasonable regulations imposed by the governing body of any county, town or city in which
120.8 such public road may be. If the governing body does not require the company to obtain a
120.9 permit, a company shall notify the governing body of any county, town, or city having
120.10 jurisdiction over a public road prior to the construction or major repair, involving extensive
120.11 excavation on the road right-of-way, of the company's equipment along, over, or under the
120.12 public road, unless the governing body waives the notice requirement. A waiver of the
120.13 notice requirement must be renewed on an annual basis. For emergency repair a company
120.14 shall notify the governing body as soon as practical after the repair is made. Nothing herein
120.15 shall be construed to grant to any person any rights for the maintenance of a telegraph,
120.16 telephone, pneumatic tube, community antenna television system, cable communications
120.17 system, or light, heat, power system, or hydrant system within the corporate limits of any
120.18 city until such person shall have obtained the right to maintain such system within such city
120.19 or for a period beyond that for which the right to operate such system is granted by such city.

120.20 Sec. 2. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
120.21 to read:

120.22 Subd. 9. **Voice-over-Internet protocol service.** "Voice-over-Internet protocol
120.23 service" or "VoIP service" means any service that (1) enables real-time two-way voice
120.24 communications that originate from or terminate at the user's location in Internet protocol
120.25 or any successor protocol, and (2) permits users generally to receive calls that originate
120.26 on the public switched telephone network and terminate calls to the public switched
120.27 telephone network.

120.28 Sec. 3. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
120.29 to read:

120.30 Subd. 10. **Internet protocol-enabled service.** "Internet protocol-enabled service"
120.31 or "IP-enabled service" means any service, capability, functionality, or application
120.32 provided using Internet protocol, or any successor protocol, that enables an end user to
120.33 send or receive a communication in Internet protocol format or any successor format,
120.34 regardless of whether that communication is voice, data, or video.

121.1 Sec. 4. [237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND
121.2 INTERNET PROTOCOL-ENABLED SERVICE.

121.3 Subdivision 1. Regulation prohibited. Except as provided in this section, no
121.4 state agency, including the commission and the Department of Commerce, or political
121.5 subdivision of this state shall by rule, order, or other means directly or indirectly regulate
121.6 the entry, rates, terms, quality of service, availability, classification, or any other aspect of
121.7 VoIP service or IP-enabled service.

121.8 Subd. 2. VoIP regulation. (a) To the extent permitted by federal law, VoIP service
121.9 is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard
121.10 to the collection and remittance of the surcharges governed by those sections.

121.11 (b) A provider of VoIP service must comply with the requirements of chapter 403
121.12 applicable to the provision of access to 911 service by service providers, except to the
121.13 extent those requirements conflict with federal requirements for the provision of 911
121.14 service by VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP
121.15 provider is entitled to the benefit of the limitation of liability provisions of section 403.07,
121.16 subdivision 5. Beginning June 1, 2016, and continuing each June 1 thereafter, each VoIP
121.17 provider shall file a plan with the commission describing how it will comply with the
121.18 requirements of this paragraph. After its initial filing under this paragraph, a VoIP provider
121.19 shall file with the commission either an update of the plan or a statement certifying that
121.20 the plan and personnel contact information previously filed is still current.

121.21 Subd. 3. Relation to other law. Nothing in this section restricts, creates, expands,
121.22 or otherwise affects or modifies:

121.23 (1) the commission's authority under the Federal Communications Act of 1934,
121.24 United States Code, title 47, sections 251 and 252;

121.25 (2) any applicable wholesale tariff or any commission authority related to wholesale
121.26 services;

121.27 (3) any commission jurisdiction over (i) intrastate switched access rates, terms,
121.28 and conditions, including the implementation of federal law with respect to intercarrier
121.29 compensation, or (ii) existing commission authority to address or affect the resolution of
121.30 disputes regarding intercarrier compensation;

121.31 (4) the rights of any entity, or the authority of the commission and local government
121.32 authorities, with respect to the use and regulation of public rights-of-way under sections
121.33 237.162 and 237.163; or

121.34 (5) the establishment or enforcement of standards, requirements or procedures in
121.35 procurement policies, internal operational policies, or work rules of any state agency or
121.36 political subdivision of the state relating to the protection of intellectual property.

122.1 Subd. 4. **Exemption.** The following services delivered by IP-enabled service are
122.2 not regulated under this chapter:

122.3 (1) video services provided by a cable communications system, as defined in section
122.4 238.02, subdivision 3; or

122.5 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

122.6 (3) any other IP-enabled video service.

122.7 Sec. 5. **TASK FORCE ON DEPLOYMENT OF SMALL WIRELESS**
122.8 **TELECOMMUNICATIONS FACILITIES.**

122.9 Subdivision 1. **Purpose; task force established.** In order to promote statewide
122.10 access to wireless telecommunications and ensure orderly deployment of wireless
122.11 telecommunication facilities subject to consistent and fair local regulations and
122.12 appropriate fee structures, a task force is established to study the needs of the state and
122.13 make recommendations to the legislature.

122.14 Subd. 2. **Members.** The task force consists of 13 voting members, appointed as
122.15 follows:

122.16 (1) two members appointed by the League of Minnesota Cities, one member
122.17 appointed by the Association of Minnesota Counties, and one member appointed by
122.18 the Minnesota Association of Townships;

122.19 (2) two members of the public, one member appointed by the senate Subcommittee
122.20 on Committees of the Committee on Rules and Administration and one member appointed
122.21 by the speaker of the house. Appointments under this clause must be made as provided in
122.22 Minnesota Statutes, section 15.0597, to the extent applicable;

122.23 (3) four members representing wireless telecommunications service providers, two
122.24 members appointed by the senate Subcommittee on Committees of the Committee on
122.25 Rules and Administration and two members appointed by the speaker of the house;

122.26 (4) one member appointed by the commissioner of commerce to serve as chair; and

122.27 (5) two members of the wireless telecommunications infrastructure industry, one
122.28 member appointed by the senate Subcommittee on Committees of the Committee On
122.29 Rules and Administration and one member appointed by the speaker of the house.

122.30 Appointments must be made as soon as practicable after the effective date of this section.

122.31 Subd. 3. **Study.** The task force shall identify and analyze issues that increase
122.32 its understanding of the needs of local governments and wireless telecommunications
122.33 providers in order to develop a robust statewide wireless telecommunications network.

122.34 These issues include, but are not limited to:

123.1 (1) the concerns and needs of local governments, municipal utilities, and wireless
 123.2 telecommunications providers;

123.3 (2) the goals of the state to ensure all areas of the state and all residents have access
 123.4 to wireless telecommunications networks that meet residents' needs, and the obstacles
 123.5 to achieving those goals;

123.6 (3) the best practices and protocols for local governments' timely consideration and
 123.7 approval of applications by wireless telecommunications providers for equipment and
 123.8 facilities placements; and

123.9 (4) what changes in law are necessary to implement the best practices and protocols
 123.10 to achieve the goals while addressing the concerns and needs of local governments.

123.11 Subd. 4. **Open meetings; staff.** Meetings of the task force are subject to Minnesota
 123.12 Statutes, chapter 13D. The commissioner of commerce shall provide meeting space and
 123.13 administrative support to the task force as requested, including posting meeting notices
 123.14 on the agency's Web site.

123.15 Subd. 5. **Report.** The task force shall submit a report containing the findings and
 123.16 recommendations of its study under subdivision 3 to the chairs and ranking minority
 123.17 members of the legislative committees with jurisdiction over local government and
 123.18 telecommunications, and to the governor, by January 15, 2017. The report may be in
 123.19 the form of proposed legislation.

123.20 Subd. 6. **No compensation.** Members of the task force shall not receive
 123.21 compensation.

123.22 Subd. 7. **Expiration.** The task force expires January 15, 2017.

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

123.24 **ARTICLE 15**

123.25 **BROADBAND DEVELOPMENT**

123.26 Section 1. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

123.27 **116J.394 DEFINITIONS.**

123.28 (a) For the purposes of sections 116J.394 to ~~116J.396~~ 116J.398, the following terms
 123.29 have the meanings given them.

123.30 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
 123.31 subdivision 1, paragraph (b).

123.32 (c) "Broadband infrastructure" means networks of deployed telecommunications
 123.33 equipment and technologies necessary to provide high-speed Internet access and other
 123.34 advanced telecommunications services for end users.

124.1 (d) "Commissioner" means the commissioner of employment and economic
124.2 development.

124.3 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
124.4 final leg connecting the broadband service provider's network to the end-use customer's
124.5 on-premises telecommunications equipment.

124.6 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
124.7 broadband service provider's core network infrastructure to last-mile infrastructure.

124.8 (g) "Political subdivision" means any county, city, town, school district, special
124.9 district or other political subdivision, or public corporation.

124.10 (h) "Underserved areas" means areas of Minnesota in which households or
124.11 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~
124.12 ~~broadband goals of~~ greater than ten to 20 megabits per second download and five to ten
124.13 three megabits per second upload but less than 25 megabits per second download and
124.14 three megabits per second upload.

124.15 (i) "Unserved areas" means areas of Minnesota in which households or businesses
124.16 lack access to wire-line broadband service, ~~as defined in section 116J.39~~ at speeds equal to
124.17 or greater than ten megabits per second download and three megabits per second upload.

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

124.19 Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

124.20 Subd. 4. **Application process.** (a) An eligible applicant must submit an application
124.21 to the commissioner on a form prescribed by the commissioner. The commissioner shall
124.22 develop administrative procedures governing the application and grant award process.
124.23 The commissioner shall act as fiscal agent for the grant program and shall be responsible
124.24 for receiving and reviewing grant applications and awarding grants under this section.

124.25 (b) At least 30 days prior to the first day applications may be submitted each fiscal
124.26 year, the commissioner must publish the specific criteria and any quantitative weighting
124.27 scheme or scoring system the commissioner will use to evaluate or rank applications and
124.28 award grants under subdivision 6 on the department's Web site.

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

124.30 Sec. 3. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
124.31 to read:

124.32 Subd. 5a. **Incumbent right of first refusal.** (a) An applicant shall submit a copy of
124.33 the application to all incumbent broadband service providers operating in the geographic

125.1 area in which the proposed project is to be located at the same time the application is
125.2 submitted to the commissioner.

125.3 (b) The commissioner may not continue to process or consider an application for a
125.4 grant award if the commissioner receives notice in writing from an incumbent broadband
125.5 service provider of the service provider's intention and commitment to begin construction,
125.6 within 12 months of the date on which grant awards are to be made under this section, and
125.7 to complete construction within 24 months of that date, of a project to extend or upgrade
125.8 broadband service to speeds equal to or greater than the state broadband speed goal
125.9 contained in section 237.012, subdivision 1, throughout the area in which the proposed
125.10 project that is the subject of the application is to be located.

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

125.12 Sec. 4. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

125.13 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants,
125.14 the commissioner shall give priority to applications that: (1) are constructed in areas
125.15 identified by the director of the Office of Broadband Development as unserved; and (2) the
125.16 commissioner determines will result in the creation or retention of jobs in underserved
125.17 areas located in counties that are not metropolitan counties, as defined in section 473.121,
125.18 subdivision 4.

125.19 (b) In evaluating applications and awarding grants, the commissioner may give
125.20 priority to applications that:

125.21 (1) are constructed in areas identified by the director of the Office of Broadband
125.22 Development as underserved;

125.23 (2) offer new or substantially upgraded broadband service to important community
125.24 institutions including, but not limited to, libraries, educational institutions, public safety
125.25 facilities, and healthcare facilities;

125.26 (3) facilitate the use of telemedicine and electronic health records;

125.27 (4) serve economically distressed areas of the state, as measured by indices of
125.28 unemployment, poverty, or population loss that are significantly greater than the statewide
125.29 average;

125.30 (5) provide technical support and train residents, businesses, and institutions in the
125.31 community served by the project to utilize broadband service;

125.32 (6) include a component to actively promote the adoption of the newly available
125.33 broadband services in the community;

125.34 (7) provide evidence of strong support for the project from citizens, government,
125.35 businesses, and institutions in the community;

126.1 (8) provide access to broadband service to a greater number of unserved or
126.2 underserved households and businesses; or

126.3 (9) leverage greater amounts of funding for the project from other private and
126.4 public sources.

126.5 (c) The commissioner shall endeavor to award grants under this section to qualified
126.6 applicants in all regions of the state.

126.7 (d) Within 90 days after the first grant is awarded under this section in a fiscal year,
126.8 the commissioner shall notify in writing each applicant who did not receive a grant why
126.9 the specific application was unsuccessful.

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

126.11 Sec. 5. Minnesota Statutes 2014, section 116J.395, subdivision 7, is amended to read:

126.12 Subd. 7. **Limitation.** (a) No grant awarded under this section in an unserved area
126.13 may fund more than 50 percent of the total cost of a project.

126.14 (b) ~~Grants awarded to a single project under this section must not exceed \$5,000,000~~
126.15 No grant awarded under this section in an underserved area may fund more than 25
126.16 percent of the total cost of a project.

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

126.18 Sec. 6. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
126.19 to read:

126.20 Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of
126.21 Broadband Development shall place on the Department of Employment and Economic
126.22 Development's Web site and provide to the chairs and ranking minority members of the
126.23 senate and house of representatives committees with primary jurisdiction over broadband
126.24 a list of all applications for grants under this section received during the previous year
126.25 and, for each application:

126.26 (1) the results of any quantitative weighting scheme or scoring system the
126.27 commissioner used to award grants or rank the applications;

126.28 (2) the grant amount requested; and

126.29 (3) the grant amount awarded, if any.

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

126.31 The initial report submission required under this section is due June 30, 2016.

126.32 Sec. 7. **[116J.397] UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

127.1 (a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband
 127.2 Development shall contract with one or more independent organizations that have
 127.3 extensive experience working with Minnesota broadband providers to:

127.4 (1) collect broadband deployment data from Minnesota providers, verify its accuracy
 127.5 through on-the-ground testing, and create state and county maps available to the public by
 127.6 February 1, 2017, and each February 1 thereafter, showing the availability of broadband
 127.7 service at various upload and download speeds throughout Minnesota;

127.8 (2) analyze the deployment data collected to help inform future investments in
 127.9 broadband infrastructure; and

127.10 (3) conduct business and residential surveys that measure broadband adoption and
 127.11 use in the state.

127.12 (b) Data provided by a broadband provider under this section is nonpublic data
 127.13 under section 13.02, subdivision 9. Maps produced under this paragraph are public data
 127.14 under section 13.03.

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

127.16 Sec. 8. **[116J.398] BROADBAND PREVAILING WAGE EXEMPTION.**

127.17 Notwithstanding any other law to the contrary, sections 116J.871 and 177.41 to
 127.18 177.44 do not apply to the construction, installation, remodeling, and repair of last-mile
 127.19 infrastructure, as defined under section 116J.394, paragraph (e).

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

127.21 Sec. 9. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

127.22 Subdivision 1. **Universal access and high-speed goal.** (a) It is a state goal that as
 127.23 soon as possible, but no later than ~~2015~~ 2022, all state residents and businesses have access
 127.24 to high-speed broadband service that provides minimum download speeds of ~~ten to 20~~ 25
 127.25 megabits per second and minimum upload speeds of ~~five to ten~~ three megabits per second.

127.26 (b) It is a state goal that no later than 2026 all households in the state have access to
 127.27 at least one broadband service provider offering broadband service at minimum speeds of
 127.28 100 megabits per second download and 20 megabits per second upload.

127.29 Sec. 10. Minnesota Statutes 2014, section 237.012, subdivision 2, is amended to read:

127.30 Subd. 2. **State broadband leadership position.** It is a goal of the state that by
 127.31 ~~2015~~ 2022 and thereafter, the state be in:

- 128.1 (1) the top five states of the United States for broadband speed universally accessible
128.2 to residents and businesses;
- 128.3 (2) the top five states for broadband access; and
128.4 (3) the top 15 when compared to countries globally for broadband penetration.

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

128.6 **ARTICLE 16**

128.7 **ENERGY**

128.8 Section 1. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

128.9 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
128.10 eligible applicants for reimbursable costs.

128.11 (b) The following costs are reimbursable for purposes of this chapter:

128.12 (1) corrective action costs incurred by the applicant and documented in a form
128.13 prescribed by the board, ~~except the costs related to the physical removal of a tank,~~

128.14 Corrective action costs incurred by the applicant include costs for physical removal of
128.15 a tank when the physical removal is part of a corrective action, regardless of whether
128.16 the tank is leaking at the time of removal, and the removal is directed or approved by
128.17 the commissioner;

128.18 (2) costs that the responsible person is legally obligated to pay as damages to third
128.19 parties for bodily injury, property damage, or corrective action costs incurred by a third
128.20 party caused by a release where the responsible person's liability for the costs has been
128.21 established by a court order or court-approved settlement; and

128.22 (3) up to 180 days of interest costs associated with the financing of corrective action
128.23 and incurred by the applicant in a written extension of credit or loan that has been signed by
128.24 the applicant and executed after July 1, 2002, provided that the applicant documents that:

128.25 (i) the interest costs are incurred as a result of an extension of credit or loan from a
128.26 financial institution; and

128.27 (ii) the board has not considered the application within the applicable time frame
128.28 specified in subdivision 2a, paragraph (c).

128.29 Interest costs meeting the requirements of this clause are eligible only when they are
128.30 incurred between the date a complete initial application is received by the board, or the
128.31 date a complete supplemental application is received by the board, and the date that the
128.32 board first notifies the applicant of its reimbursement determination. An application is
128.33 complete when the information reasonably required or requested by the board's staff
128.34 from the applicant has been received by the board's staff. Interest costs are not eligible

129.1 for reimbursement to the extent they exceed two percentage points above the adjusted
129.2 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
129.3 extension of credit or loan was executed.

129.4 (c) A cost for liability to a third party is incurred by the responsible person when an
129.5 order or court-approved settlement is entered that sets forth the specific costs attributed
129.6 to the liability. Except as provided in this paragraph, reimbursement may not be made
129.7 for costs of liability to third parties until all eligible corrective action costs have been
129.8 reimbursed. If a corrective action is expected to continue in operation for more than one
129.9 year after it has been fully constructed or installed, the board may estimate the future
129.10 expense of completing the corrective action and, after subtracting this estimate from the
129.11 total reimbursement available under subdivision 3, reimburse the costs for liability to third
129.12 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

129.13 Sec. 2. Minnesota Statutes 2014, section 115C.09, subdivision 3, is amended to read:

129.14 Subd. 3. **Reimbursements; subrogation; appropriation.** (a) The board shall
129.15 reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs
129.16 incurred at the site, except that the board may reimburse an eligible applicant from the
129.17 fund for greater than 90 percent of the total reimbursable costs, if the applicant previously
129.18 qualified for a higher reimbursement rate. For costs associated with a release from a tank
129.19 in transport, the board may reimburse a maximum of \$100,000.

129.20 Not more than ~~\$1,000,000 may be reimbursed for costs associated with a single~~
129.21 ~~release, regardless of the number of persons eligible for reimbursement, and not more than~~
129.22 ~~\$2,000,000 may be reimbursed for costs associated with a single tank facility release.~~

129.23 (b) A reimbursement may not be made from the fund under this chapter until the
129.24 board has determined that the costs for which reimbursement is requested were actually
129.25 incurred and were reasonable.

129.26 (c) When an applicant has obtained responsible competitive bids or proposals
129.27 according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs
129.28 for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal
129.29 are presumed to be reasonable by the board, unless the costs of the low bid or proposal are
129.30 substantially in excess of the average costs charged for similar tasks, procedures, services,
129.31 materials, equipment, and tests in the same geographical area during the same time period.

129.32 (d) When an applicant has obtained a minimum of two responsible competitive bids or
129.33 proposals on forms prescribed by the board and where the rules ~~promulgated~~ adopted under
129.34 this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures,

130.1 services, materials, equipment and tests, the eligible costs of the low bid or proposal are
130.2 deemed reasonable if the costs are at or below the maximums set forth in the rules.

130.3 (e) Costs incurred for change orders executed as prescribed in rules ~~promulgated~~
130.4 adopted under this chapter after June 1, 1995, are presumed reasonable if the costs are
130.5 at or below the maximums set forth in the rules, unless the costs in the change order are
130.6 above those in the original bid or proposal or are unsubstantiated and inconsistent with the
130.7 process and standards required by the rules.

130.8 (f) A reimbursement may not be made from the fund in response to either an initial
130.9 or supplemental application for costs incurred after June 4, 1987, that are payable under
130.10 an applicable insurance policy, except that if the board finds that the applicant has made
130.11 reasonable efforts to collect from an insurer and failed, the board shall reimburse the
130.12 applicant.

130.13 (g) If the board reimburses an applicant for costs for which the applicant has
130.14 insurance coverage, the board is subrogated to the rights of the applicant with respect to
130.15 that insurance coverage, to the extent of the reimbursement by the board. The board may
130.16 request the attorney general to bring an action in district court against the insurer to enforce
130.17 the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes
130.18 an assignment by the applicant to the board of any rights of the applicant with respect to
130.19 any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this
130.20 paragraph, the board may instead request a return of the reimbursement under subdivision
130.21 5 and may employ against the applicant the remedies provided in that subdivision, except
130.22 where the board has knowingly provided reimbursement because the applicant was denied
130.23 coverage by the insurer.

130.24 (h) Money in the fund is appropriated to the board to make reimbursements under
130.25 this chapter. A reimbursement to a state agency must be credited to the appropriation
130.26 account or accounts from which the reimbursed costs were paid.

130.27 (i) The board may reduce the amount of reimbursement to be made under this
130.28 chapter if it finds that the applicant has not complied with a provision of this chapter, a
130.29 rule or order issued under this chapter, or one or more of the following requirements:

130.30 (1) the agency was given notice of the release as required by section 115.061;

130.31 (2) the applicant, to the extent possible, fully cooperated with the agency in
130.32 responding to the release;

130.33 (3) the state rules applicable after December 22, 1993, to operating an underground
130.34 storage tank and appurtenances without leak detection;

131.1 (4) the state rules applicable after December 22, 1998, to operating an underground
131.2 storage tank and appurtenances without corrosion protection or spill and overflow
131.3 protection; and

131.4 (5) the state rule applicable after November 1, 1998, to operating an aboveground
131.5 tank without a dike or other structure that would contain a spill at the aboveground tank site.

131.6 (j) The reimbursement may be reduced as much as 100 percent for failure by
131.7 the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In
131.8 determining the amount of the reimbursement reduction, the board shall consider:

131.9 (1) the reasonable determination by the agency that the noncompliance poses a
131.10 threat to the environment;

131.11 (2) whether the noncompliance was negligent, knowing, or willful;

131.12 (3) the deterrent effect of the award reduction on other tank owners and operators;

131.13 (4) the amount of reimbursement reduction recommended by the commissioner; and

131.14 (5) the documentation of noncompliance provided by the commissioner.

131.15 (k) An applicant may request that the board issue a multiparty check that includes each
131.16 lender who advanced funds to pay the costs of the corrective action or to each contractor
131.17 or consultant who provided corrective action services. This request must be made by filing
131.18 with the board a document, in a form prescribed by the board, indicating the identity of the
131.19 applicant, the identity of the lender, contractor, or consultant, the dollar amount, and the
131.20 location of the corrective action. The applicant must submit a request for the issuance
131.21 of a multiparty check for each application submitted to the board. Payment under this
131.22 paragraph does not constitute the assignment of the applicant's right to reimbursement
131.23 to the consultant, contractor, or lender. The board has no liability to an applicant for a
131.24 payment issued as a multiparty check that meets the requirements of this paragraph.

131.25 Sec. 3. Minnesota Statutes 2014, section 116C.779, subdivision 1, is amended to read:

131.26 Subdivision 1. **Renewable development account.** (a) Except as provided in
131.27 subdivision 1a, the public utility that owns the Prairie Island nuclear generating plant
131.28 must transfer to a renewable development account \$500,000 each year for each dry cask
131.29 containing spent fuel that is located at the Prairie Island power plant for each year the plant
131.30 is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the
131.31 commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste
131.32 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for
131.33 any part of a year.

131.34 (b) Except as provided in subdivision 1a, the public utility that owns the Monticello
131.35 nuclear generating plant must transfer to the renewable development account \$350,000

132.1 each year for each dry cask containing spent fuel that is located at the Monticello nuclear
132.2 power plant for each year the plant is in operation, and \$5,250,000 each year the plant is
132.3 not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer
132.4 must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage
132.5 facility at Monticello for any part of a year.

132.6 (c) After discontinuation of operation of the Prairie Island nuclear plant or the
132.7 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
132.8 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
132.9 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
132.10 facility for any year in which the commission finds, by the preponderance of the evidence,
132.11 that the public utility did not make a good faith effort to remove the spent nuclear
132.12 fuel stored at the facility to a permanent or interim storage site out of the state. This
132.13 determination shall be made at least every two years.

132.14 (d) Funds in the account may be expended only for any of the following purposes:

132.15 (1) to increase the market penetration within the state of renewable electric energy
132.16 resources at reasonable costs;

132.17 (2) to promote the start-up, expansion, and attraction of renewable electric energy
132.18 projects and companies within the state;

132.19 (3) to stimulate research and development within the state into renewable electric
132.20 energy technologies; and

132.21 (4) to develop near-commercial and demonstration scale renewable electric projects
132.22 or near-commercial and demonstration scale electric infrastructure delivery projects if
132.23 those delivery projects enhance the delivery of renewable electric energy.

132.24 The utility that owns a nuclear generating plant is eligible to apply for renewable
132.25 development account grants.

132.26 (e) Expenditures authorized by this subdivision from the account may be made only
132.27 after approval by order of the Public Utilities Commission upon a petition by the public
132.28 utility. The commission may approve proposed expenditures, may disapprove proposed
132.29 expenditures that it finds to be not in compliance with this subdivision or otherwise
132.30 not in the public interest, and may, if agreed to by the public utility, modify proposed
132.31 expenditures. The commission may approve reasonable and necessary expenditures
132.32 for administering the account in an amount not to exceed five percent of expenditures.
132.33 Commission approval is not required for expenditures required under subdivisions 2
132.34 and 3, section 116C.7791, or other law.

132.35 (f) The account shall be managed by the public utility but the public utility must
132.36 consult about account expenditures with an advisory group that includes, among others,

133.1 representatives of its ratepayers. The commission may require that other interests be
133.2 represented on the advisory group. The advisory group must be consulted with respect to
133.3 the general scope of expenditures in designing a request for proposal and in evaluating
133.4 projects submitted in response to a request for proposals. In addition to consulting with the
133.5 advisory group, the public utility must utilize an independent third-party expert to evaluate
133.6 proposals submitted in response to a request for proposal, including all proposals made by
133.7 the public utility. A request for proposal for research and development under paragraph (d),
133.8 clause (3), may be limited to or include a request to higher education institutions located in
133.9 Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for
133.10 multiple projects may include a provision that exempts the projects from the third-party
133.11 expert review and instead provides for project evaluation and selection by a merit peer
133.12 review grant system. The utility should attempt to reach agreement with the advisory
133.13 group after consulting with it but the utility has full and sole authority to determine which
133.14 expenditures shall be submitted to the commission for commission approval. In the
133.15 process of determining request for proposal scope and subject and in evaluating responses
133.16 to request for proposals, the public utility must strongly consider, where reasonable,
133.17 potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

133.18 (g) Funds in the account may not be directly appropriated by the legislature by a law
133.19 enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date
133.20 may be expended only pursuant to an order of the commission according to this subdivision.

133.21 (h) A request for proposal for renewable energy generation projects must, when
133.22 feasible and reasonable, give preference to projects that are most cost-effective for a
133.23 particular energy source.

133.24 (i) The public utility must annually, by February 15, report to the chairs and ranking
133.25 minority members of the legislative committees with jurisdiction over energy policy on
133.26 projects funded by the account for the prior year and all previous years. The report must,
133.27 to the extent possible and reasonable, itemize the actual and projected financial benefit to
133.28 the public utility's ratepayers of each project.

133.29 (j) A project receiving funds from the account must produce a written final report
133.30 that includes sufficient detail for technical readers and a clearly written summary for
133.31 nontechnical readers. The report must include an evaluation of the project's financial,
133.32 environmental, and other benefits to the state and the public utility's ratepayers.

133.33 (k) Final reports, any mid-project status reports, and renewable development account
133.34 financial reports must be posted online on a public Web site designated by the commission.

134.1 (l) All final reports must acknowledge that the project was made possible in whole
134.2 or part by the Minnesota renewable development fund, noting that the fund is financed
134.3 by the public utility's ratepayers.

134.4 Sec. 4. Minnesota Statutes 2014, section 116C.779, is amended by adding a subdivision
134.5 to read:

134.6 Subd. 1a. **Payment termination.** (a) The commissioner shall track the cumulative
134.7 transfers made to the account each year since 1999 for each dry cask containing spent fuel
134.8 that is stored at an independent spent-fuel storage facility at Prairie Island or Monticello.
134.9 During the time when state law required the public utility to transfer a specific amount of
134.10 funds to the account for all the casks stored, the per-cask allocation shall be calculated by
134.11 dividing the total amount transferred by the number of casks stored that year.

134.12 (b) When the commissioner determines that the cumulative transfers calculated
134.13 under paragraph (a) for a specific cask reach \$10,000,000, the commissioner shall notify
134.14 the public utility that no additional transfers to the account for that cask shall be made.

134.15 (c) This subdivision does not affect any provisions of subdivision 1, paragraph (a) or
134.16 (b), with respect to transfers to the account made after a plant has ceased operation.

134.17 Sec. 5. Minnesota Statutes 2014, section 216A.03, subdivision 1, is amended to read:

134.18 Subdivision 1. **Members.** The Public Utilities Commission shall consist of ~~five~~ nine
134.19 members, eight of whom shall each represent one of the state's congressional districts, and
134.20 one member appointed at large. At the time of appointment, each member, except for the
134.21 at-large appointee, must reside in the congressional district the member is to represent.

134.22 The terms of members shall be six years and until their successors have been appointed
134.23 and qualified. Each commissioner shall be appointed by the governor by and with the
134.24 advice and consent of the senate. Not more than ~~three~~ five commissioners shall belong
134.25 to the same political party. ~~At least one commissioner must have been domiciled at the~~
134.26 ~~time of appointment outside the seven-county metropolitan area. If the membership of the~~
134.27 ~~commission after July 31, 1986, does not consist of at least one member domiciled at the~~
134.28 ~~time of appointment outside the seven-county metropolitan area, the membership shall~~
134.29 ~~conform to this requirement following normal attrition of the present commissioners. The~~
134.30 governor when selecting commissioners shall give consideration to persons learned in the
134.31 law or persons who have engaged in the profession of engineering, public accounting,
134.32 property and utility valuation, finance, physical or natural sciences, production agriculture,
134.33 or natural resources as well as being representative of the general public.

135.1 For purposes of this subdivision, ~~"seven-county metropolitan area" means Anoka,~~
135.2 ~~Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.~~

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

135.4 Sec. 6. Minnesota Statutes 2014, section 216A.03, is amended by adding a subdivision
135.5 to read:

135.6 Subd. 2a. **Transition.** (a) Until the governor has appointed commissioners from
135.7 each congressional district and one at-large commissioner, this subdivision governs
135.8 membership of the commission.

135.9 (b) Members of the commission as of July 1, 2016, shall continue to serve until the
135.10 expiration of their terms.

135.11 (c) No later than October 1, 2016, the governor shall appoint commissioners from
135.12 the first, seventh, and eighth congressional districts for terms to begin January 2, 2017.

135.13 (d) No later than October 1, 2018, the governor shall appoint a commissioner from
135.14 the second congressional district for a term to begin January 7, 2019.

135.15 (e) No later than October 1, 2019, the governor shall appoint commissioners from
135.16 the third, fourth, and fifth congressional districts for terms to begin January 6, 2020.

135.17 (f) No later than October 1, 2020, the governor shall appoint a commissioner from
135.18 the sixth congressional district for a term to begin January 4, 2021.

135.19 (g) No later than October 1, 2021, the governor shall appoint an at-large
135.20 commissioner for a term to begin January 3, 2022.

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

135.22 Sec. 7. Minnesota Statutes 2014, section 216B.1641, is amended to read:

135.23 **216B.1641 COMMUNITY SOLAR GARDEN.**

135.24 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
135.25 plan with the commission to operate a community solar garden program which shall begin
135.26 operations within 90 days after commission approval of the plan. Other public utilities
135.27 may file an application at their election. The community solar garden program must be
135.28 designed to offset the energy use of not less than five subscribers in each community
135.29 solar garden facility of which no single subscriber has more than a 40 percent interest.
135.30 The owner of the community solar garden may be a public utility or any other entity or
135.31 organization that contracts to sell the output from the community solar garden to the
135.32 utility under section 216B.164. There shall be no limitation on the number or cumulative

136.1 generating capacity of community solar garden facilities other than the limitations imposed
136.2 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

136.3 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
136.4 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for
136.5 the electricity generated in proportion to the size of their subscription. The solar garden
136.6 must have a nameplate capacity of no more than one megawatt. Each subscription shall be
136.7 sized to represent at least 200 watts of the community solar garden's generating capacity
136.8 and to supply, when combined with other distributed generation resources serving the
136.9 premises, no more than 120 percent of the average annual consumption of electricity by
136.10 each subscriber at the premises to which the subscription is attributed.

136.11 (c) The solar generation facility must be located in the service territory of the public
136.12 utility filing the plan. Subscribers must be retail customers of the public utility located in
136.13 the same county or a county contiguous to where the facility is located.

136.14 (d) The public utility must purchase from the community solar garden all energy
136.15 generated by the solar garden. The purchase shall be at the rate calculated under section
136.16 216B.164, subdivision 10, or, until that rate for the public utility has been approved by
136.17 the commission, the applicable retail rate. A solar garden is eligible for any incentive
136.18 programs offered under either section 116C.7792 or section 216C.415. A subscriber's
136.19 portion of the purchase shall be provided by a credit on the subscriber's bill.

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

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

136.24 (2) establish uniform standards, fees, and processes for the interconnection
136.25 of community solar garden facilities that allow the utility to recover reasonable
136.26 interconnection costs for each community solar garden;

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

136.29 (4) be consistent with the public interest;

136.30 (5) identify the information that must be provided to potential subscribers to ensure
136.31 fair disclosure of future costs and benefits of subscriptions;

136.32 (6) include a program implementation schedule;

136.33 (7) identify all proposed rules, fees, and charges; and

136.34 (8) identify the means by which the program will be promoted;.

137.1 (9) certify that the utility and the owner of a solar garden will submit copies of all
137.2 marketing and promotional material and sample contracts to the commission, and that
137.3 the materials will be updated periodically;

137.4 (10) provide a mechanism for subscribers to transfer subscriptions to other new or
137.5 current subscribers;

137.6 (11) require an owner of a solar garden and the utility purchasing electricity
137.7 generated by the solar garden to forward customer complaints regarding the operation of
137.8 the solar garden to the commission; and

137.9 (12) reflect the commission's determination that:

137.10 (i) the plan is financially viable; and

137.11 (ii) the contract between a subscriber and the owner of a solar garden is fair,
137.12 reasonable, and not discriminatory.

137.13 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
137.14 community solar garden facility shall be considered a utility solely as a result of their
137.15 participation in the community solar garden facility.

137.16 (g) Within 180 days of commission approval of a plan under this section, a utility
137.17 shall begin crediting subscriber accounts for each community solar garden facility in
137.18 its service territory, and shall file with the commissioner of commerce a description of
137.19 its crediting system.

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

137.21 (1) "subscriber" means a retail customer of a utility who owns one or more
137.22 subscriptions of a community solar garden facility interconnected with that utility; and

137.23 (2) "subscription" means a contract between a subscriber and the owner of a solar
137.24 garden.

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

137.27 Sec. 8. Minnesota Statutes 2014, section 216B.241, subdivision 1, is amended to read:

137.28 Subdivision 1. **Definitions.** For purposes of this section and section 216B.16,
137.29 subdivision 6b, the terms defined in this subdivision have the meanings given them.

137.30 (a) "Commission" means the Public Utilities Commission.

137.31 (b) "Commissioner" means the commissioner of commerce.

137.32 (c) "Department" means the Department of Commerce.

137.33 (d) "Energy conservation" means demand-side management of energy supplies
137.34 resulting in a net reduction in energy use. Load management that reduces overall energy
137.35 use is energy conservation.

138.1 (e) "Energy conservation improvement" means a project that results in energy
138.2 efficiency or energy conservation. Energy conservation improvement may include waste
138.3 heat that is recovered and converted into electricity, but does not include electric utility
138.4 infrastructure projects approved by the commission under section 216B.1636. Energy
138.5 conservation improvement also includes waste heat recovered and used as thermal energy.

138.6 (f) "Energy efficiency" means measures or programs, including energy conservation
138.7 measures or programs, that target consumer behavior, equipment, processes, or devices
138.8 designed to produce either an absolute decrease in consumption of electric energy or natural
138.9 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
138.10 basis without a reduction in the quality or level of service provided to the energy consumer.

138.11 (g) "Gross annual retail energy sales" means annual electric sales to all retail
138.12 customers in a utility's or association's Minnesota service territory or natural gas
138.13 throughput to all retail customers, including natural gas transportation customers, on a
138.14 utility's distribution system in Minnesota. For purposes of this section, gross annual
138.15 retail energy sales exclude:

138.16 (1) gas sales to:

138.17 (i) a large energy facility;

138.18 (ii) a large customer facility whose natural gas utility has been exempted by the
138.19 commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made
138.20 to the large customer facility; ~~and~~

138.21 (iii) a commercial gas customer facility whose natural gas utility has been exempted
138.22 by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales
138.23 made to the commercial gas customer facility; and

138.24 (iv) a pipeline facility; and

138.25 (2) electric sales to:

138.26 (i) a large customer facility whose electric utility has been exempted by the
138.27 commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to
138.28 the large customer facility; and

138.29 (ii) a pipeline facility.

138.30 (h) "Investments and expenses of a public utility" includes the investments
138.31 and expenses incurred by a public utility in connection with an energy conservation
138.32 improvement, including but not limited to:

138.33 (1) the differential in interest cost between the market rate and the rate charged on a
138.34 no-interest or below-market interest loan made by a public utility to a customer for the
138.35 purchase or installation of an energy conservation improvement;

139.1 (2) the difference between the utility's cost of purchase or installation of energy
139.2 conservation improvements and any price charged by a public utility to a customer for
139.3 such improvements.

139.4 (i) "Large customer facility" means all buildings, structures, equipment, and
139.5 installations at a single site that collectively (1) impose a peak electrical demand on an
139.6 electric utility's system of not less than 20,000 kilowatts, measured in the same way as the
139.7 utility that serves the customer facility measures electrical demand for billing purposes or
139.8 (2) consume not less than 500 million cubic feet of natural gas annually. In calculating
139.9 peak electrical demand, a large customer facility may include demand offset by on-site
139.10 cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy
139.11 demand from the large customer facility's mining and processing operations.

139.12 (j) "Large energy facility" has the meaning given it in section 216B.2421,
139.13 subdivision 2, clause (1).

139.14 (k) "Load management" means an activity, service, or technology to change the
139.15 timing or the efficiency of a customer's use of energy that allows a utility or a customer to
139.16 respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

139.17 (l) "Low-income programs" means energy conservation improvement programs that
139.18 directly serve the needs of low-income persons, including low-income renters.

139.19 (m) "Petroleum products" has the meaning given in section 296A.01, subdivision 42,
139.20 and includes propane, as defined in section 216B.02, subdivision 3a.

139.21 (n) "Pipeline facility" means a pipeline located within Minnesota with a diameter of
139.22 six inches or greater and through which natural gas, petroleum, or petroleum products are
139.23 transported under pressure to a utility, petroleum refinery, or other wholesale customer.
139.24 Pipeline facility includes natural gas compressor stations, petroleum pumping stations,
139.25 and other facilities necessary to physically transport fuel through a pipeline to a wholesale
139.26 customer, but does not include facilities used to transport natural gas, petroleum, or
139.27 petroleum products within a petroleum refinery, storage, or manufacturing facility.

139.28 (o) "Qualifying utility" means a utility that supplies the energy to a customer that
139.29 enables the customer to qualify as a large customer facility.

139.30 ~~(n)~~ (p) "Waste heat recovered and used as thermal energy" means capturing
139.31 heat energy that would otherwise be exhausted or dissipated to the environment from
139.32 machinery, buildings, or industrial processes and productively using such recovered
139.33 thermal energy where it was captured or distributing it as thermal energy to other locations
139.34 where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

139.35 ~~(o)~~ (q) "Waste heat recovery converted into electricity" means an energy recovery
139.36 process that converts otherwise lost energy from the heat of exhaust stacks or pipes used

140.1 for engines or manufacturing or industrial processes, or the reduction of high pressure
140.2 in water or gas pipelines.

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

140.4 Sec. 9. Minnesota Statutes 2014, section 216B.241, subdivision 1a, is amended to read:

140.5 Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For
140.6 purposes of this subdivision and subdivision 2, "public utility" has the meaning given it
140.7 in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy
140.8 conservation improvements under this subdivision and subdivision 2 the following
140.9 amounts:

140.10 (1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues
140.11 from service provided in the state;

140.12 (2) for a utility that furnishes electric service, 1.5 percent of its gross operating
140.13 revenues from service provided in the state; and

140.14 (3) for a utility that furnishes electric service and that operates a nuclear-powered
140.15 electric generating plant within the state, two percent of its gross operating revenues
140.16 from service provided in the state.

140.17 For purposes of this paragraph (a), "gross operating revenues" do not include
140.18 revenues from large customer facilities exempted under paragraph (b), ~~or~~ from commercial
140.19 gas customers that are exempted under paragraph (c) or (e), or from a customer that is
140.20 a pipeline facility.

140.21 (b) The owner of a large customer facility may petition the commissioner to exempt
140.22 both electric and gas utilities serving the large customer facility from the investment and
140.23 expenditure requirements of paragraph (a) with respect to retail revenues attributable to
140.24 the large customer facility. The filing must include a discussion of the competitive or
140.25 economic pressures facing the owner of the facility and the efforts taken by the owner
140.26 to identify, evaluate, and implement energy conservation and efficiency improvements.
140.27 A filing submitted on or before October 1 of any year must be approved within 90 days
140.28 and become effective January 1 of the year following the filing, unless the commissioner
140.29 finds that the owner of the large customer facility has failed to take reasonable measures
140.30 to identify, evaluate, and implement energy conservation and efficiency improvements.
140.31 If a facility qualifies as a large customer facility solely due to its peak electrical demand
140.32 or annual natural gas usage, the exemption may be limited to the qualifying utility if
140.33 the commissioner finds that the owner of the large customer facility has failed to take
140.34 reasonable measures to identify, evaluate, and implement energy conservation and
140.35 efficiency improvements with respect to the nonqualifying utility. Once an exemption is

141.1 approved, the commissioner may request the owner of a large customer facility to submit,
141.2 not more often than once every five years, a report demonstrating the large customer
141.3 facility's ongoing commitment to energy conservation and efficiency improvement after
141.4 the exemption filing. The commissioner may request such reports for up to ten years after
141.5 the effective date of the exemption, unless the majority ownership of the large customer
141.6 facility changes, in which case the commissioner may request additional reports for up to
141.7 ten years after the change in ownership occurs. The commissioner may, within 180 days
141.8 of receiving a report submitted under this paragraph, rescind any exemption granted under
141.9 this paragraph upon a determination that the large customer facility is not continuing
141.10 to make reasonable efforts to identify, evaluate, and implement energy conservation
141.11 improvements. A large customer facility that is, under an order from the commissioner,
141.12 exempt from the investment and expenditure requirements of paragraph (a) as of
141.13 December 31, 2010, is not required to submit a report to retain its exempt status, except as
141.14 otherwise provided in this paragraph with respect to ownership changes. No exempt large
141.15 customer facility may participate in a utility conservation improvement program unless the
141.16 owner of the facility submits a filing with the commissioner to withdraw its exemption.

141.17 (c) A commercial gas customer that is not a large customer facility and that
141.18 purchases or acquires natural gas from a public utility having fewer than 600,000 natural
141.19 gas customers in Minnesota may petition the commissioner to exempt gas utilities serving
141.20 the commercial gas customer from the investment and expenditure requirements of
141.21 paragraph (a) with respect to retail revenues attributable to the commercial gas customer.
141.22 The petition must be supported by evidence demonstrating that the commercial gas
141.23 customer has acquired or can reasonably acquire the capability to bypass use of the utility's
141.24 gas distribution system by obtaining natural gas directly from a supplier not regulated by
141.25 the commission. The commissioner shall grant the exemption if the commissioner finds
141.26 that the petitioner has made the demonstration required by this paragraph.

141.27 (d) The commissioner may require investments or spending greater than the amounts
141.28 required under this subdivision for a public utility whose most recent advance forecast
141.29 required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100
141.30 megawatts or greater within five years under midrange forecast assumptions.

141.31 (e) A public utility or owner of a large customer facility may appeal a decision of the
141.32 commissioner under paragraph (b), (c), or (d) to the commission under subdivision 2. In
141.33 reviewing a decision of the commissioner under paragraph (b), (c), or (d), the commission
141.34 shall rescind the decision if it finds that the required investments or spending will:

- 141.35 (1) not result in cost-effective energy conservation improvements; or
141.36 (2) otherwise not be in the public interest.

142.1 (f) No pipeline facility may participate in a utility conservation improvement
142.2 program.

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

142.4 Sec. 10. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

142.5 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
142.6 goals for energy conservation improvement expenditures and shall evaluate an energy
142.7 conservation improvement program on how well it meets the goals set.

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

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

142.18 (d) In its energy conservation improvement plan filing, a utility or association may
142.19 request the commissioner to adjust its annual energy-savings percentage goal based on
142.20 its historical conservation investment experience, customer class makeup, load growth, a
142.21 conservation potential study, or other factors the ~~commissioner determines warrants~~ utility
142.22 or association asserts warrant an adjustment. The commissioner:

142.23 (1) must approve a request by a municipal utility or cooperative electric association
142.24 to adjust the utility's or association's annual energy-savings goal;

142.25 (2) may approve a request from a public utility to adjust its annual energy-savings
142.26 goal; and

142.27 (3) may not approve is prohibited from approving a plan of a public utility that
142.28 provides for an annual energy-savings goal of less than one percent of gross annual retail
142.29 energy sales from energy conservation improvements.

142.30 A public utility or association may include in its energy conservation plan energy
142.31 savings from electric utility infrastructure projects approved by the commission under
142.32 section 216B.1636 or waste heat recovery converted into electricity projects ~~that~~ each of
142.33 which may count as energy savings only in addition to a minimum energy-savings goal of
142.34 at least one percent for energy conservation improvements. Energy savings from electric
142.35 utility infrastructure projects, as defined in section 216B.1636, may be included in the

143.1 energy conservation plan of a municipal utility or cooperative electric association. Electric
143.2 utility infrastructure projects must result in increased energy efficiency greater than that
143.3 which would have occurred through normal maintenance activity.

143.4 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure
143.5 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
143.6 energy-savings goal established in this subdivision.

143.7 (f) An association or utility is not required to make energy conservation investments
143.8 to attain the energy-savings goals of this subdivision that are not cost-effective even
143.9 if the investment is necessary to attain the energy-savings goals. For the purpose of
143.10 this paragraph, in determining cost-effectiveness, the commissioner shall consider the
143.11 costs and benefits to ratepayers, the utility, participants, and society. In addition, the
143.12 commissioner shall consider the rate at which an association or municipal utility is
143.13 increasing its energy savings and its expenditures on energy conservation.

143.14 (g) On an annual basis, the commissioner shall produce and make publicly available
143.15 a report on the annual energy savings and estimated carbon dioxide reductions achieved
143.16 by the energy conservation improvement programs for the two most recent years for
143.17 which data is available. The commissioner shall report on program performance both in
143.18 the aggregate and for each entity filing an energy conservation improvement plan for
143.19 approval or review by the commissioner.

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

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

143.24 Sec. 11. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

143.25 Subd. 8. **Exemptions.** This section does not apply to:

143.26 (1) cogeneration or small power production facilities as defined in the Federal Power
143.27 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
143.28 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
143.29 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
143.30 any case where the commission has determined after being advised by the attorney general
143.31 that its application has been preempted by federal law;

143.32 (2) a high-voltage transmission line proposed primarily to distribute electricity to
143.33 serve the demand of a single customer at a single location, unless the applicant opts to
143.34 request that the commission determine need under this section or section 216B.2425;

144.1 (3) the upgrade to a higher voltage of an existing transmission line that serves the
 144.2 demand of a single customer that primarily uses existing rights-of-way, unless the applicant
 144.3 opts to request that the commission determine need under this section or section 216B.2425;

144.4 (4) a high-voltage transmission line of one mile or less required to connect a new or
 144.5 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

144.6 (5) conversion of the fuel source of an existing electric generating plant to using
 144.7 natural gas;

144.8 (6) the modification of an existing electric generating plant to increase efficiency,
 144.9 as long as the capacity of the plant is not increased more than ten percent or more than
 144.10 100 megawatts, whichever is greater; ~~or~~

144.11 (7) a wind energy conversion system or solar electric generation facility if the system
 144.12 or facility is owned and operated by an independent power producer and the electric output
 144.13 of the system or facility is not sold to an entity that provides retail service in Minnesota
 144.14 or wholesale electric service to another entity in Minnesota other than an entity that is a
 144.15 federally recognized regional transmission organization or independent system operator; or

144.16 (8) an interstate pipeline traversing Minnesota whose termini lie outside the state.

144.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
 144.18 and applies to (1) a pipeline that has not filed a certificate of need application before the
 144.19 effective date of this section, and (2) a pipeline that has a certificate of need application
 144.20 pending before the commission on the effective date of this section.

144.21 Sec. 12. Minnesota Statutes 2014, section 216C.20, subdivision 3, is amended to read:

144.22 Subd. 3. **Parking ramp.** No enclosed structure or portion of an enclosed structure
 144.23 constructed after January 1, 1978, and used primarily as a commercial parking facility for
 144.24 three or more motor vehicles shall be heated. Incidental heating resulting from building
 144.25 exhaust air passing through a parking facility shall not be prohibited, provided that
 144.26 substantially all useful heat has previously been removed from the air. The commissioner
 144.27 of commerce may grant an exemption from this subdivision if the commercial parking is
 144.28 integrated within a facility that has both public and private uses, the benefits to taxpayers
 144.29 of the exemption exceed the costs, and all appropriate energy efficiency measures have
 144.30 been considered.

144.31 Sec. 13. **[216E.023] PROHIBITION; SITING SOLAR SYSTEM; TREE**
 144.32 **CUTTING.**

144.33 No state or local site permit may be issued for a solar energy generating system that
 144.34 would contribute to meeting the requirements of section 216B.1691, subdivision 2f, or

145.1 that is governed under section 216B.1641, if the solar energy generating system is to be
145.2 sited at a location where more than 75 percent of the trees standing in an area exceeding
145.3 three acres are proposed to be cut in order to accommodate construction of the solar
145.4 energy generating system.

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

145.6 Sec. 14. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

145.7 Subd. 5. **Environmental review.** (a) The commissioner of the Department of
145.8 Commerce shall prepare for the commission an environmental impact statement on each
145.9 proposed large electric generating plant or high-voltage transmission line for which a
145.10 complete application has been submitted. The commissioner shall not consider whether
145.11 or not the project is needed. No other state environmental review documents shall be
145.12 required. The commissioner shall study and evaluate any site or route proposed by an
145.13 applicant and any other site or route the commission deems necessary that was proposed in
145.14 a manner consistent with rules concerning the form, content, and timeliness of proposals
145.15 for alternate sites or routes.

145.16 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is
145.17 a large electric power generating plant and is not proposed by a utility, the commissioner
145.18 must make a finding in the environmental impact statement whether the project is likely to
145.19 result in a net reduction of carbon dioxide emissions, considering both the utility providing
145.20 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
145.21 emissions as a result of increased efficiency from the production of thermal energy on the
145.22 part of the customer operating or owning the proposed cogeneration facility.

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

145.24 Sec. 15. Minnesota Statutes 2014, section 216H.01, is amended by adding a
145.25 subdivision to read:

145.26 Subd. 1a. **Cogeneration facility or combined heat and power facility.**

145.27 "Cogeneration facility" or "combined heat and power facility" means a facility that:

145.28 (1) has the meaning given in United States Code, title 16, section 796, clause (18),
145.29 paragraph (A); and

145.30 (2) meets the applicable operating and efficiency standards contained in Code of
145.31 Federal Regulations, title 18, part 292.205.

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

146.1 Sec. 16. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

146.2 Subdivision 1. **Definition; new large energy facility.** For the purpose of this
146.3 section, "new large energy facility" means a large energy facility, as defined in section
146.4 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but
146.5 does not include a facility that (1) uses natural gas as a primary fuel, (2) is a cogeneration
146.6 facility or combined heat and power facility located in the electric service area of a public
146.7 utility, as defined in section 216B.02, subdivision 4, or is designed to provide peaking,
146.8 intermediate, emergency backup, or contingency services, (3) uses a simple cycle or
146.9 combined cycle turbine technology, and (4) is capable of achieving full load operations
146.10 within 45 minutes of startup for a simple cycle facility, or is capable of achieving
146.11 minimum load operations within 185 minutes of startup for a combined cycle facility.

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

146.13 Sec. 17. Laws 2001, chapter 130, section 3, is amended to read:

146.14 Sec. 3. **ASSESSMENT.**

146.15 A propane education and research council, established and certified pursuant to
146.16 section 2, may assess propane producers and retail marketers an amount not to exceed ~~one~~
146.17 ~~mill~~ the maximum assessment authorized in United States Code, title 15, section 6405(a),
146.18 per gallon of odorized propane in a manner established by the council in compliance with
146.19 United States Code, title 15, section 6405, subsections (a) to (c). Propane producers and
146.20 retail marketers shall be responsible for the amounts assessed.

146.21 Sec. 18. **PROHIBITION ON EXPENDITURE OF STATE FUNDS; CLEAN**
146.22 **POWER PLAN.**

146.23 No state agency shall expend state funds to develop a state plan as required by the
146.24 federal Clean Power Plan unless and until a final decision in the case of West Virginia,
146.25 et. al., v. United States Environmental Protection Agency, et. al., determines that the
146.26 federal Environmental Protection Agency has legal authority to require the submission
146.27 of such state plans.

146.28 For the purposes of this section, "Clean Power Plan" means the final rule of the
146.29 federal Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric
146.30 Utility Generating Units, issued by the United States Environmental Protection Agency in
146.31 Docket No. EPA-HQ-OAR-2013-0602, and any subsequent amendments made to the plan.

APPENDIX
Article locations in H3931-3

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	ENVIRONMENT AND NATURAL RESOURCES	
ARTICLE 2	APPROPRIATIONS	Page.Ln 29.16
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ARTICLE 4	JOBS APPROPRIATIONS	Page.Ln 52.3
ARTICLE 5	JOBS AND ECONOMIC DEVELOPMENT	Page.Ln 70.6
ARTICLE 6	LABOR AND INDUSTRY	Page.Ln 80.26
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ARTICLE 15	BROADBAND DEVELOPMENT	Page.Ln 123.24
ARTICLE 16	ENERGY	Page.Ln 128.6

116P.13 MINNESOTA FUTURE RESOURCES FUND.

Subdivision 1. **Revenue sources.** The money in the Minnesota future resources fund consists of revenue credited under section 297F.10, subdivision 1, paragraph (b), clause (1).

Subd. 2. **Interest.** The interest attributable to the investment of the Minnesota future resources fund must be credited to the fund.

Subd. 3. **Revenue purposes.** Revenue in the Minnesota future resources fund may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance, and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1.

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the commissioner of employment and economic development. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the commissioner of employment and economic development about program payment, but the commissioner has the authority to make the final determination on payments. The commissioner's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

- (i) a story and scenario to be used for a film;
- (ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;
- (iii) set construction and operations, wardrobe, accessories, and related services;
- (iv) photography, sound synchronization, lighting, and related services;
- (v) editing and related services;
- (vi) rental of facilities and equipment;
- (vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;

(viii) above-the-line talent fees for nonresident talent; or

(ix) costs incurred during postproduction; and

(2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

179A.50 REPRESENTATION OF FAMILY CHILD CARE PROVIDERS.

Sections 179A.50 to 179A.52 shall be known as the Family Child Care Providers Representation Act.

179A.51 DEFINITIONS.

APPENDIX

Repealed Minnesota Statutes: H3931-3

Subdivision 1. **Scope.** For the purposes of sections 179A.50 to 179A.52, the terms in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of mediation services.

Subd. 3. **Exclusive representative.** "Exclusive representative" means an employee organization that has been elected and certified under section 179A.52, thereby maintaining the right to represent family child care providers in their relations with the state.

Subd. 4. **Family child care provider.** "Family child care provider" means an individual, either licensed or unlicensed, who provides legal child care services as defined under section 245A.03, except for providers licensed under Minnesota Rules, chapter 9503, or excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), and who receives child care assistance to subsidize child care services for a child or children currently in the individual's care, under sections 119B.03; 119B.05; and 119B.011, subdivisions 20 and 20a.

179A.52 RIGHT TO ORGANIZE.

Subdivision 1. **Rights of individual providers and participants.** For the purposes of the Public Employment Labor Relations Act, under chapter 179A, family child care providers shall be considered, by virtue of this section, executive branch state employees employed by the commissioner of management and budget or the commissioner's representative. This section does not require the treatment of family child care providers as public employees for any other purpose. Family child care providers are not state employees for purposes of section 3.736. Chapter 179A shall apply to family child care providers except as otherwise provided in this section. Notwithstanding section 179A.03, subdivision 14, paragraph (a), clause (5), chapter 179A shall apply to family child care providers regardless of part-time or full-time employment status. Family child care providers shall not have the right to strike.

Subd. 2. **Appropriate unit.** The only appropriate unit under this section shall be a statewide unit of all family child care providers who meet the definition in section 179A.51, and who have had an active registration under chapter 119B within the previous 12 months. The unit shall be treated as an appropriate unit under section 179A.10, subdivision 2.

Subd. 3. **Compilation of list.** The commissioner of human services shall, by July 1, 2013, and monthly thereafter, compile and maintain a list of the names and addresses of all family child care providers who meet the definition in section 179A.51, and who have had an active registration under chapter 119B within the previous 12 months. The list shall not include the name of any participant, or indicate that an individual provider is a relative of a participant or has the same address as a participant. The commissioner of human services shall share the lists with others as needed for the state to meet its obligations under chapter 179A as modified and made applicable to family child care providers under this section, and to facilitate the representational processes under this section.

Subd. 4. **List access.** Beginning July 1, 2013, upon a showing made to the commissioner of the Bureau of Mediation Services by any employee organization wishing to represent the appropriate unit of family child care providers that at least 500 family child care providers support such representation, the commissioner of human services shall provide to such organization within seven days the most recent list of actively registered family child care providers compiled under subdivision 3, and subsequent monthly lists upon request for an additional three months. When the list is made available to an employee organization under this subdivision, the list must be made publicly available.

Subd. 5. **Elections for exclusive representative.** After July 31, 2013, any employee organization wishing to represent the appropriate unit of family child care providers may seek exclusive representative status pursuant to section 179A.12. Certification elections for family child care providers shall be conducted by mail ballot, and such election shall be conducted upon an appropriate petition stating that at least 30 percent of the appropriate unit wishes to be represented by the petitioner. The family child care providers eligible to vote in any such election shall be those family child care providers on the monthly list of family child care providers compiled under this section, most recently preceding the filing of the election petition. Except as otherwise provided, elections under this subdivision shall be conducted in accordance with section 179A.12.

Subd. 6. **Meet and negotiate.** If the commissioner certifies an employee organization as the majority exclusive representative, the state, through the governor or the governor's designee, shall meet and negotiate in good faith with the exclusive representative of the family child care provider unit regarding grievance issues, child care assistance reimbursement rates under chapter 119B, and terms and conditions of service, but this obligation does not compel the state or its representatives to agree to a proposal or require the making of a concession. The governor or the governor's designee is authorized to enter into agreements with the exclusive representative.

APPENDIX

Repealed Minnesota Statutes: H3931-3

Negotiated agreements and arbitration decisions must be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22.

Subd. 7. **Meet and confer.** The state has an obligation to meet and confer under chapter 179A with family child care providers to discuss policies and other matters relating to their service that are not terms and conditions of service.

Subd. 8. **Terms and conditions of service.** For purposes of this section, "terms and conditions of service" has the same meaning as given in section 179A.03, subdivision 19.

Subd. 9. **Rights.** Nothing in this section shall be construed to interfere with:

(1) parental rights to select and deselect family child care providers or the ability of family child care providers to establish the rates they charge to parents;

(2) the right or obligation of any state agency to communicate or meet with any citizen or organization concerning family child care legislation, regulation, or policy; or

(3) the rights and responsibilities of family child care providers under federal law.

Subd. 10. **Membership status and eligibility for subsidies.** Membership status in an employee organization shall not affect the eligibility of a family child care provider to receive payments under, or serve a child who receives payments under, chapter 119B.

179A.53 NO USE OF SCHOLARSHIPS FOR DUES OR FEES.

Early learning scholarships shall not be applied, through state withholding or otherwise, toward payment of dues or fees that are paid to exclusive representatives of family child care providers.