

Chapter 53

2023 Regular Session

Subject Jobs and Labor Policy and Finance Bill

Bill S.F. 3035

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Overview

This act is the jobs and labor policy and finance bill.

Article 1: Labor Policy

Makes miscellaneous policy and technical changes to labor and industry provisions.

Section Description – Article 1: Labor Policy

- 1 Definitions.**

Modifies the definition of “economic development” under existing law to exclude financial assistance for detached single-family affordable homeownership units when the financial assistance covers no more than ten such buildings. Defines “affordable homeownership” as households with incomes, at initial occupancy, at or below 115 percent of the state or area median income, whichever is greater.
- 2 Prevailing wage required.**

Expands existing prevailing wage requirements and enforcement provisions for projects receiving state financial assistance for economic development-related purposes under section 116J.871, subdivision 2. In addition to paying the prevailing wage rate to laborers and mechanics on such projects, as currently required, additional enforcement and other requirements under the prevailing wage law and the Minnesota Fair Labor Standards Act would apply, including the commissioner’s enforcement and compliance authority, recordkeeping, and penalty provisions.

Paragraph (b) clarifies that the issuing state agency is the contracting authority for the purpose of certain recordkeeping and reporting requirements, and that the project is considered a public works project. Requires the person receiving financial assistance to notify employers on the project of certain recordkeeping and reporting requirements, and in turn, the employers must provide certain information to the state agency as the contracting authority.
- 3-5, 7-9, 13-14, 34 Division of apprenticeship (multiple sections).**

Sections 3 to 5, 7 to 9, 13 to 14, and 34 create the Division of Apprenticeship, separate from the Division of Labor Standards and remove obsolete language.
- 6 Compliance orders.**

Allows the commissioner to issue compliance orders for additional statutory references.
- 10 Labor education advancement grant program.**

Modifies the labor education advancement grant program to focus on both recruiting and retaining people of color, Indigenous people, and women in registered

Section Description – Article 1: Labor Policy

- apprenticeship programs. Allows grants to nonprofits and Tribal governments as well as community-based organizations.
- 11 **State employees.**
Creates new bargaining units for police.

Effective date: This section became effective May 25, 2023.
- 12 **Posting of veterans’ benefits and services.**
Requires the commissioner of labor and industry to create and distribute a veterans’ benefits and services poster in consultation with the commissioner of veterans affairs. Provides the minimum information that must be included in the poster and requires annual review and update of content. Requires employers with 50 or more full-time employees to display the poster.

Effective date: This section is effective January 1, 2024.
- 15-20 **OSHA penalty conformance (multiple sections).**
Makes several conforming changes to OSHA penalties. Sections 15 to 19 increase the fine amounts for willful or repeat, serious, nonserious, failure to correct, and posting violations of occupational safety and health standards to conform to federal law. Section 20 provides that future yearly increases to fine amounts will be tied to inflation.
- 21 **[182.677] Ergonomics.**
Establishes an ergonomics program under MNOSHA. Requires all licensed health care facilities and warehouse distribution centers or meatpacking sites with 100 or more employees to create and implement a written ergonomics program meeting specified requirements and assess its effectiveness annually. Requires employee training and employee involvement in the ergonomics program, as well as recordkeeping of worker medical visits and ergonomic injuries. Gives MNOSHA enforcement authority and establishes an ergonomics grant program for employers to make safety improvements. MNOSHA would provide education and outreach, prepare training materials for employers, and may propose an ergonomics occupational safety and health standard.

Effective date: This section is effective January 1, 2024, except for subdivisions 9 and 12 (reporting encouraged and the grant program) which shall be effective July 1, 2023.

Section Description – Article 1: Labor Policy

22-23 Construction codes and licensing fees (multiple sections).

Reduces fees for the reinstatement of licenses after revocation, suspension, or voluntary termination. Provides a refund for contractor recovery fund fees when a license is not issued.

24-27, 31 State Building Code – electric vehicle charging infrastructure (multiple sections).

Makes modifications to the State Building Code related to electric vehicle charging infrastructure by defining terms and requiring a minimum number of specific types of charging infrastructure for new commercial and multifamily structures (other than those with fewer than four dwelling units) that provide on-site parking facilities.

28 State Building Code – assisted living with dementia care facilities.

Modifies the definition of a “state licensed facility” under the State Building Code to include assisted living facilities, including those with dementia care, for the purposes of the Department of Labor and Industry’s building plan review and inspection authority.

Effective date: This section is effective August 1, 2023.

29 State Building Code – model commercial energy code.

Directs the commissioner of labor and industry, beginning in 2024, to adopt each new published edition of the ASHRAE 90.1 or a more efficient standard and to adopt incremental changes to commercial energy codes between 2024 and 2036 that move towards 80 percent or greater reduction in annual net energy consumption by 2036. Requires a report to the legislature on progress towards that goal the year following each new code adoption. Clarifies that this requirement does not limit a public utility’s ability to offer code support programs through its energy conservation and optimizations plans or to claim the resulting energy savings.

30, 33 State Building Code – adult-sized changing facilities and window cleaning safety (multiple sections).

Directs the commissioner of labor and industry to adopt rules using expedited rulemaking to require window cleaning safety features that comply with a nationally recognized standard as part of the State Building Code. Requires compliance with this new standard for all new buildings and for renovations of existing buildings when there is not currently a safe window cleaning feature and it is feasible to add one.

Directs the commissioner of labor and industry to adopt rules requiring adult-size changing facilities as part of the State Building Code. Provides expedited rulemaking authority to the commissioner for that purpose. This change would apply only to new construction or substantially remodeled bathrooms.

Section Description – Article 1: Labor Policy

Effective date: These changes both became effective May 25, 2023.

32 Contractor licensing.

Adds penetration of roof coverings to install a solar photovoltaic system to the areas of work that count as the special skill of residential roofing. Adds assembly of a support system for a solar photovoltaic system to the areas of work that count as the special skill of general installation specialties.

A person who performs two or more special skills is required to be licensed as a residential building contractor. This involves registration with the Department of Labor and Industry, payment of a fee, and complying with laws relating to continuing education, bonding, insurance, contracts, and contribution to the contractor recovery fund, among other provisions.

Article 2: Agriculture and Food Processing Workers

Makes various modifications and additions to labor standards for agricultural and food processing workers. Sections 1 to 4 make changes to the Packinghouse Workers Bill of Rights (section 179.86). Section 5 makes a conforming change with the timing of payment required under the Migrant Labor Law. Sections 6 to 10 make changes to the Recruitment in Food Processing Employment Law (section 181.635). Sections 11 to 19 make changes to the Migrant Labor Law (sections 181.85 to 181.91).

Section Description – Article 2: Agriculture and Food Processing Workers

1 Definition.

Expands the definition of “employer” under the Packinghouse Workers Bill of Rights to include the poultry processing industry.

2 Information provided by employee to employer.

Modifies the requirements for the information that must be provided to packinghouse employees by the employer. Requires information to be provided in an employee’s native language at the start of employment in person and in writing and provides that additional explanation must be provided, including certain information when workers’ compensation coverage is required. Requires the Department of Labor and Industry to provide a standard form providing this information for employer use. Clarifies that this information is additional to the notice required under section 181.032.

Section Description – Article 2: Agriculture and Food Processing Workers

- 3 **Civil action.**
Creates a civil action for damages for packinghouse employees for violations of the Packinghouse Workers Bill of Rights.
- 4 **Fine.**
Creates a fine of \$400 to \$1,000 on packinghouse employers for each violation of the information requirements to be paid to the aggrieved employee.
- 5 **Prompt payment required.**
Makes conforming change to require that migrant worker wages are due and payable within three days of quitting or resignation.
- 6 **Definitions.**
Modifies the definition of “recruits” to include inducing an employee to relocate for employment or the possibility of employment within Minnesota.
- 7 **Recruiting; required disclosure.**
Modifies the disclosure requirements for recruits by requiring that the disclosure be provided in the person’s preferred language, if it is not English or Spanish, and requiring that the signed disclosure be maintained by the employer for three years. Clarifies that this disclosure is additional to the notice required under section 181.032.
- 8 **Civil action.**
Increases the damage amounts available to plaintiffs in a civil action for violations of the Recruitment in Food Processing Employment Law.
- 9 **Fine.**
Increases the fine amount for each violation of the Recruitment in Food Processing Employment Law to be paid to the aggrieved employee.
- 10 **Standard disclosure form.**
Provides that the standard disclosure form from the Department of Labor and Industry must be provided in languages other than English and Spanish upon request.
- 11 **Agricultural labor.**
Modifies the definition of “agricultural labor” to also include labor performed in agriculture, as defined in Minnesota Rules, part 5200.0260.
- 12 **Employer.**
Expands the definition of “employer” under the Migrant Labor Law to include an individual, partnership, association, corporation, business trust, or any person or

Section Description – Article 2: Agriculture and Food Processing Workers

group of persons who employs one or more migrant workers through a recruiter in any calendar year.

13 Terms.

Requires the written employment statement for migrant workers be provided in the worker's preferred language, in addition to English and Spanish. Requires that additional information about workers' compensation coverage be provided when coverage is required. Requires the Department of Labor and Industry to provide a standard form providing this information for employer use. Clarifies that the written employment statement under this section is additional to the notice required under section 181.032.

14 Biweekly pay.

Adds a cross-reference to section 181.13, providing that migrant worker wages are immediately due and payable if discharged.

15 Guaranteed hours.

Modifies payment requirements for the 70 guaranteed hours for migrant workers. Requires payment of the highest wage rate applicable under local, state, or federal minimum wage laws, or as provided in the employment statement. Clarifies that an employer may change an employment start date with notice to the migrant worker's last known physical address or email address. Requires a \$50 minimum payment per day when no work is available for seven days or more due to climate conditions or an act of God.

16 Statement itemizing deductions from wages.

Requires migrant labor employers to comply with the earning statement requirements under section 181.032, part of the wage theft law, in addition to providing an itemized statement of deductions from wages.

17 Record keeping.

Requires migrant labor employers to comply with the recordkeeping requirements under section 177.30, part of the Minnesota Fair Labor Standards Act, and to maintain the written employment statement required for migrant worker recruits under section 181.86 for at least three years.

18 Judgment; damages.

Increases the damage amounts available to plaintiffs in a civil action for violations of the Migrant Labor Law.

Section Description – Article 2: Agriculture and Food Processing Workers

19 Enforcement.

Allows the Department of Labor and Industry to assess penalties for violations of the Migrant Labor Law to be paid to aggrieved migrant workers.

Article 3: Nursing Home Workforce Standards

Establishes the Minnesota Nursing Home Workforce Standards Board and requires the board to adopt rules establishing minimum nursing home employment standards for nursing home workers, certifying worker organizations to provide training to nursing home workers, and establishing curriculum requirements for training. It also requires nursing home employers to post notices informing nursing home workers of their rights and obligations under the minimum nursing home employment standards and prohibits nursing home employers from retaliating against nursing home workers for certain conduct. The article authorizes the commissioner of labor and industry to investigate violations and enforce minimum nursing home employment standards, and authorizes civil actions by nursing home workers.

Section Description – Article 3: Nursing Home Workforce Standards

1 Title.

Provides that sections 181.211 to 181.217 may be cited as the Minnesota Nursing Home Workforce Standards Board Act.

2 Employer liability.

Authorizes the commissioner of labor and industry to impose liability on employers for violations of any rule establishing nursing home employment standards under section 181.213 or notice requirements under section 181.215. Under existing law, the commissioner must order an employer to pay back pay, gratuities, compensatory damages, and liquidated damages to an aggrieved employee, and may impose a civil penalty of up to \$1,000 for each willful or repeat violation.

3 [181.211] Definitions.

Defines terms for sections governing the Nursing Home Workforce Standards Board. Terms defined are board, certified worker organization, commissioner, compensation, employer organization, nursing home, nursing home employer, nursing home worker, and worker organization.

4 [181.212] Minnesota Nursing Home Workforce Standards Board; establishment.

Establishes the board, specifies voting members of the board, and provides for terms, vacancies, election of a chairperson, staffing, compensation, application of other laws, voting, hearings and investigations, and department support.

Section Description – Article 3: Nursing Home Workforce Standards

Subd. 1. Board established; membership. Establishes the Minnesota Nursing Home Workforce Standards Board and lists voting members of the board: the commissioners of human services, health, and labor and industry or designees; three members who represent nursing home employers or employer organizations; and three members who represent nursing home workers or worker organizations, all appointed by the governor in accordance with existing law. In appointing members who represent nursing home employers or employer organizations, the governor must consider the geographic distribution of nursing homes in the state.

Subd. 2. Terms; vacancies. Provides that board members appointed to represent nursing home employers or employer organizations and nursing home workers or worker organizations shall serve four-year terms following the initial staggered lot determination of term length for certain members under section 10. Specifies that the governor shall fill vacancies of members representing nursing home employers or employer organizations and nursing home workers or worker organizations by appointment for the unexpired term, and prohibits members appointed to represent nursing home employers or employer organizations and nursing home workers or worker organizations from being appointed to more than two consecutive terms. Board members serve until a successor is appointed.

Subd. 3. Chairperson. Requires the board to elect a member to serve as its chairperson.

Subd. 4. Staffing. Allows the commissioner to employ an executive director for the board and other personnel.

Subd. 5. Board compensation. Allows board members to be compensated at \$55 per day spent on board activities, plus expenses as authorized by the commissioner's plan. Provides that members who are public employees must not receive the daily payment for activities unless they use vacation time or compensatory time for board activities, and allows members who are public employees to be reimbursed for expenses.

Subd. 6. Application of other laws. Provides that board meetings must comply with Open Meeting Law requirements and that the board is subject to the Data Practices Act and existing law governing appointments to multimember agencies.

Subd. 7. Voting. Provides that an affirmative vote of five board members is required to take action.

Section Description – Article 3: Nursing Home Workforce Standards

Subd. 8. Hearings and investigations. Requires the board to hold public hearings and conduct investigations into nursing home working conditions in accordance with section 181.213.

Subd. 9. Department support. Requires the commissioner of labor and industry to provide staff support to the board in performing rulemaking and its assigned duties, as well as office space and supplies.

Subd. 10. Antitrust compliance. Requires the board to establish operating procedures that meet all state and federal antitrust requirements and may prohibit board member access to data to meet the requirements of this subdivision.

Subd. 11. Annual report. Requires the executive director of the board to submit an annual report to the legislature on any actions taken or standards adopted by the board.

5 **[181.213] Duties of the board; minimum nursing home employment standards.**

Requires the board to adopt rules that establish minimum nursing home employment standards based on the board's investigations of market conditions and existing wages, benefits, and working conditions for nursing home workers.

Subd. 1. Authority to establish minimum nursing home employment standards. Requires the board to adopt rules establishing minimum nursing home employment standards that include standards for compensation, and may include recommendations for occupational health and safety standards. Requires the board to establish statewide standards, and allows adoption of standards for specific occupations. Requires initial standards to be adopted by August 1, 2024, and allows the board to use the expedited rulemaking process to adopt initial rules. Requires the board to consult with the department in developing standards prior to the rulemaking adoption process.

If minimum standards considered by the board fall within the jurisdiction of occupational safety and health, requires the board to recommend any occupational safety and health standards to the commissioner of labor and industry, and requires the commissioner to adopt rules establishing the recommended standards unless the recommended standard is outside the commissioner's authority, poses enforceability challenges, is infeasible to implement, or is otherwise unlawful.

Subd. 2. Investigation of market conditions. Requires the board to investigate market conditions and existing wages, benefits, and working conditions for nursing home workers for specific geographic areas and for specific nursing home occupations, and to seek to adopt minimum standards that meet or exceed

Section Description – Article 3: Nursing Home Workforce Standards

existing conditions for a majority of nursing home workers. Makes initial employment standards established by the board effective January 1, 2025, and these standards remain in effect until any subsequent standards are adopted. Lists information the board must consider when making determinations of reasonably necessary employment standards.

Specifies the process by which the board and the commissioner of human services must determine the impact of compliance with new employment standards on the MA nursing facility reimbursement rates. Makes implementation of any new nursing home employment standards contingent upon an appropriation to fund the nursing facility rate increase necessary to comply with the new employment standards. Prohibits the budget and economic forecasts from assuming an increase in nursing facility payment rates resulting from the new employment standards until the board certifies the rates will need to be increased and the legislature appropriates funding for the payment rate increases.

Subd. 3. Review of standards. Requires the board to review previously adopted minimum nursing home employment standards every two years and update the standards or recommend updates to them using the expedited rulemaking process.

Subd. 4. Variance and waiver. Requires the board to adopt procedures for temporary variances and waivers of standards for individual nursing homes facing a risk of closure for noncompliance with a standard.

Subd. 5. Conflict. Except as provided in paragraphs (b) and (c), if there is a conflict with a rule adopted by the board and a rule adopted by another state agency, the board rule applies to nursing home workers and nursing home employers. However, under paragraph (b), if the conflicting rule adopted by the other state agency is adopted after the board's rule and is more protective or beneficial than the board's rule, the rule of the other state agency applies to nursing home workers and nursing home employers. Under paragraph (c), if the commissioner of health determines that a rule adopted or recommended by the board conflicts with a federal regulation or state standard for nursing home certification or licensure of nursing homes, the conflicting federal regulation or state standard will apply to nursing home workers and nursing home employers.

Subd. 6. Effect on other agreements. Provides that the statutes governing the Nursing Home Workforce Standards Board do not limit the rights of parties to a collective bargaining agreement to bargain and agree on nursing home employment standards, and do not diminish the obligations of nursing home employers to comply with contracts, collective bargaining agreements, and

Section Description – Article 3: Nursing Home Workforce Standards

employment benefit programs and plans that meet or exceed and do not conflict with the requirements in statutes and board rules.

6 [181.214] Duties of the board; training for nursing home workers.

Requires the board to certify worker organizations to provide training to nursing home workers, establish curriculum requirements, and annually review the adequacy of curriculum requirements and revise them as appropriate. Also lists duties of certified worker organizations and nursing home employers, and requires nursing home workers to be compensated for training at their regular hourly rate, plus travel expenses for any off-site training.

Subd. 1. Certification of worker organizations. Requires the board to certify worker organizations to provide training to nursing home workers, and to establish certification criteria in rule and establish a process for renewal of certification. Allows the board to use the expedited rulemaking process to establish certification criteria.

Subd. 2. Curriculum. Requires the board to establish curriculum requirements for nursing home worker training, and lists information a curriculum must provide. Requires the board to hold at least one public hearing to solicit input on the requirements before establishing initial curriculum requirements.

Subd. 3. Topics covered in training session. Provides that a certified worker organization is not required to cover all training topics in a single training session, and allows the organization to provide instructions on the topics over the course of up to three training sessions.

Subd. 4. Annual review of curriculum requirements. Requires the board to annually review the adequacy of its curriculum requirements, including holding at least one public hearing to solicit input, and to revise requirements as appropriate.

Subd. 5. Duties of certified worker organizations. Lists requirements for certified worker organizations providing training to nursing home workers. Allows certified worker organizations to survey training attendees to assess the effectiveness of training sessions and industry compliance with the act and laws governing nursing home working conditions or worker health and safety.

Subd. 6. Nursing home employer duties regarding training. Requires a nursing home employer to submit written documentation to certify compliance to the board that every two years each of its nursing home workers completed one hour of required training. If requested by the certified worker organization, requires a nursing home employer to provide the organization with names and

Section Description – Article 3: Nursing Home Workforce Standards

contact information of nursing home workers who attended the training, unless nursing home workers opt out of having their information provided.

Subd. 7. Training compensation. Requires a nursing home employer to compensate nursing home workers at their regular hourly rate for hours of training completed according to this section and reimburse them for any reasonable travel expenses associated with attending off-site training sessions.

7 [181.215] Required notices.

Requires nursing home employers to provide notices informing nursing home workers of their rights and obligations regarding applicable minimum nursing home employment standards and local minimum standards. Specifies minimum requirements for providing notice by a readily seen posting or through paper or electronic copies, and requires the notice to inform nursing home workers that they may request the notice to be provided in a specific language. Requires the board to adopt rules using the expedited rulemaking process specifying minimum content and posting requirements for notices required in this section, and to make available a template or sample notice.

8 [181.216] Retaliation prohibited.

Prohibits retaliation, including discharge or demotion, against a nursing home worker for exercising any right under the Minnesota Nursing Home Workforce Standards Board Act, for participating in any hearing, investigation, proceeding, or training as provided under the act, for informing another employer that a nursing home worker has engaged in protected activities under the act, or for reporting or threatening to report the immigration or citizenship status of a current or former nursing home worker or the worker's family member. Requires reinstatement with the same conditions of employment for a nursing home worker who experiences retaliation.

9 [181.217] Enforcement.

Provides for enforcement of the Minnesota Nursing Home Workforce Standards Board Act by the commissioner of labor and industry.

Subd. 1. Minimum nursing home employment standards. Except as provided in section 181.213, subdivision 4, paragraph (b) or (c), requires nursing home employers to follow at least the minimum employment standards for wages and other compensation for nursing home workers. Except as provided in section 181.213, subdivision 4, paragraph (b) or (c), prohibits nursing home employment that would provide lower wages or other compensation than the minimum required by state law.

Section Description – Article 3: Nursing Home Workforce Standards

Subd. 2. Investigations. Authorizes the commissioner of labor and industry to investigate suspected violations of the Minnesota Nursing Home Workforce Standards Board Act.

Subd. 3. Civil action by nursing home worker. Allows a nursing home worker or class of nursing home workers aggrieved by a violation of the minimum employment standards under the act to bring a civil cause of action in district court. Requires the employer to pay any wages, benefits, or overtime owed, plus an additional equal amount as liquidated damages. Allows employees to seek damages and other appropriate relief, including attorney’s fees. Also authorizes the court to issue orders to comply and to order reinstatement of an employee subject to retaliation. Provides that a labor agreement that fails to meet minimum nursing home employment standards is not a defense.

10 Initial appointments.

Requires the governor to make initial appointments to the Minnesota Nursing Home Workforce Standards Board no later than August 1, 2023, and the board to hold its first meeting within 30 days after appointments are made. The initial terms of board members appointed to represent nursing home employers or employer organizations and nursing home workers or worker organizations will be determined by lot by the secretary of state, with one member each appointed to an initial two-year, three-year, or four-year term respectively.

Effective date: This section became effective May 25, 2023.

Article 4: Combative Sports

Makes a variety of technical changes to the combative sports licensing system, including excluding martial arts and amateur boxing from licensure under this chapter, specifically listing kickboxing as a combative sport, reducing fees, and modifying licensing requirements.

Section Description – Article 4: Combative Sports

1 Combatant.

Modifies the definition of “combatant” to exclude martial artists and amateur boxers and to specifically include kickboxers.

Effective date: This section is effective January 1, 2024.

2 Combative sport.

Adds kickboxing to the list of combative sports.

Section Description – Article 4: Combative Sports

Effective date: This section is effective January 1, 2024.

3 Combative sports contest.

Adds kickboxing to the list of types of combative sports contests and removes martial art contests.

Effective date: This section is effective January 1, 2024.

4 Martial art.

Removes kickboxing and Muay Thai from the list of disciplines fitting the definition of a “martial art.”

Effective date: This section is effective January 1, 2024.

5 Kickboxing.

Defines “kickboxing” as the act of attack and defense with the fists using padded gloves and bare feet.

Effective date: This section is effective January 1, 2024.

6 Tough person contest.

Redefines “tough person contest” as a boxing match or similar contest where combatants wear headgear and gloves weighing at least 12 ounces.

7 Advisory council.

Reduces the membership of the advisory council from nine members to five and removes the requirement to include a retired courtroom judge. Stipulates all members must have knowledge of combative sports and that appointments and terms will be governed by the general rules for council members under chapter 15 now. Exempts meetings about challenges to the outcome of a combative sports contest from the open meeting requirements under chapter 13D.

8 Rules.

Incorporates into the rules by reference the most recent version of the Unified Rules of Mixed Martial Arts, Unified Rules of Boxing, and the Unified Rules of Kickboxing.

Effective date: This section is effective January 1, 2024.

9 Commissioner duties.

Specifically includes kickboxing in the arts the commissioner shall develop policies and procedures for regulating. Directs the commissioner to approve regulatory bodies to oversee martial arts and amateur boxing contests.

Section Description – Article 4: Combative Sports

Effective date: This section is effective January 1, 2024.

10 Regulatory authority; tough person contests.

Makes all tough person contests subject to the most recent version of the Unified Rules of Boxing and requires wearing headgear. Removes language about the length and number of rounds allowed.

11 Regulatory authority; mixed martial arts contests.

Limits the regulation to just mixed martial arts contests, excluding martial arts contests and similar sporting events.

Effective date: This section is effective January 1, 2024.

12 Regulatory authority; kickboxing contests.

States that all kickboxing contests are subject to this chapter and all event officials must be licensed.

Effective date: This section is effective January 1, 2024.

13 Regulatory authority; martial arts and amateur boxing.

Exempts martial arts and amateur boxing contests from this chapter and all event officials from the requirement to be licensed under this chapter, but does require regulation by a nationally recognized organization approved by the commissioner. Requires this regulatory body to submit bout results and any suspensions to the commissioner within 72 hours of the event.

Effective date: This section is effective January 1, 2024.

14 Regulatory authority; certain students.

Exempts from this chapter and licensing requirements all combative sports or martial arts contests regulated by the Minnesota State High School League, National Collegiate Athletic Association, National Junior Collegiate Athletic Association, National Association of Intercollegiate Athletics, or any similar organization for interscholastic athletics.

Effective date: This section is effective January 1, 2024.

15 Prelicensure requirements.

Makes conforming changes to requirements for a promoter license and limits deposits to surety bonds rather than also allowing cash bonds. Modifies the requirements for a combatant's license to clarify the medical requirements. Requires submission of proof of qualifications before a license may be issued to a referee,

Section Description – Article 4: Combative Sports

- judge, or timekeeper. Stipulates ringside physicians to receive a license must submit proof of licensure to practice medicine in Minnesota.
- 16 **Expiration and application.**
Changes the length of licenses issued on or after January 1, 2023, to a full year.
- 17 **Fee schedule.**
Reduces fees for trainers and seconds and amateur combatants. Makes conforming changes to the promoter license. Streamlines contest fees to \$1,500 or four percent of gross ticket sales, whichever is greater, with \$500 due when the contest is scheduled, \$1,000 at weigh-in, and any balance within 14 days of the contest’s completion.

Effective date: This section is effective July 1, 2023, except that the changes to contest fees are effective for contests scheduled to occur on or after January 1, 2024.
- 18 **[341.322] Payment schedule.**
Allows the commissioner to establish a schedule of payments from a promoter to referees, judges, timekeepers, and physicians.
- 19 **[341.323] Event approval.**
Requires informing the commissioner at least six weeks before a combative sports contest of the time, date, and location of the contest. Stipulates that at least 72 hours before the contest the promoter must submit a copy of any agreement with combatants on payment of gate receipts, proof of insurance, and proof of adequate event security and ambulance presence. Requires promoters to be licensed under this chapter from when the contest is scheduled through the end of the contest. Clarifies that the commissioner’s discretion in approving a contest is not limited by this section.
- 20 **[341.324] Ambulance.**
Requires promoters to provide at their expense at every combative sports contest a licensed ambulance service with two emergency medical technicians.
- 21 **Physical examination required; fees.**
Makes conforming changes.
- 22 **[341.331] Prohibited performance enhancing substances and testing.**
Prohibits combatants from using a wide variety of performance enhancing substances and masking agents. Sets rules for when the commissioner may

Section Description – Article 4: Combative Sports

administer drug testing of combatants and discipline those who test positive or fail to provide samples.

Effective date: This section is effective January 1, 2024.

23 [341.345] Challenging the outcome of a combative sport contest.

Allows combatants to challenge the outcome of a combative sport contest and sets rules for the form and timing of that challenge, the opponent’s response, review by licensed officials, and the commissioner’s decision, as well as any request for a hearing before an administrative law judge.

24 Civil penalties.

Allows the commissioner to impose civil penalties on those who violate the rules imposed by the regulatory bodies for martial arts or amateur boxing contests, so as to remove any economic advantage gained by the violation.

Effective date: This section is effective January 1, 2024.

Article 5: Meat and Poultry Processing

Establishes the Safe Workplaces for Meat and Poultry Processing Workers Act.

Section Description – Article 5: Meat and Poultry Processing

1 [179.87] Title.

Titles the new sections created under this article as the Safe Workplaces for Meat and Poultry Workers Act (the act).

2 [179.871] Definitions.

Provides several definitions used in the act. Defines “meat-processing worker” as an individual working directly with raw meatpacking products in the meatpacking operation, including independent contractors and those hired by a temp service or staffing agency. Also includes workers inspecting or packaging meatpacking products or cleaning, maintaining, or sanitizing equipment and services, though not government inspectors. The provisions of the act apply to a “meatpacking operation” with 100 or more employees in the specified Minnesota and North American Industrial Classification system codes, but does not include a grocery store, butcher shop, meat market, restaurant, or other site of direct sale to the end consumer.

Section Description – Article 5: Meat and Poultry Processing

3 [179.8715] Worker rights coordinator.

Requires the commissioner of labor and industry to appoint a meatpacking industry worker rights coordinator as part of the department. Provides enforcement authority of the act to the commissioner, who may inspect, review, and recommend practices and procedures for improving meatpacking operations. Starting December 1, 2024, requires the coordinator to submit an annual report to the governor and relevant legislative committees with recommendations for treatment of meatpacking workers.

4 [179.872] Refusal to work under dangerous conditions.

Allows a meatpacking worker to refuse to work under dangerous conditions as provided under existing law. Prohibits discrimination and requires continued pay for the worker as required by existing law.

5 [179.875] Enforcement and compliance.

Provides administrative enforcement and compliance authority to the commissioner of labor and industry over meatpacking operations and alleged violations of certain provisions under sections 179.8755, 179.8756, and 179.8757. Allows the commissioner to seek relief as provided under existing law if a meatpacking employer does not comply. Provides a private civil cause of action for an aggrieved worker or authorized employee representative for violations of the act. Also gives the attorney general and city and county attorneys enforcement authority over the act. Provides certain relief in a civil action or administrative proceeding, including an injunction, payment of costs and fees to the prevailing worker, and a daily civil penalty to the state. A worker subject to retaliation is entitled to three times the amount of damages, plus lost pay, fees, and costs. A company faces up to a \$10,000 fine for retaliation.

Further provides a private civil action for whistleblower claims. Requires written notice to the worker rights coordinator of the specific violation, and allows for a private cause of action if no enforcement authority is taken by the commissioner within 30 days. Recovery of a civil penalty for whistleblower claims will be paid 70 percent to the commissioner for enforcement, and 30 percent to the individual or authorized employee representative.

6 [179.8755] Retaliation against employees and whistleblowers prohibited.

Prohibits discharge or discrimination against a meatpacking worker who reports health or safety concerns, or for exercising a right under the act. Prohibits a contract or agreement from limiting a worker's right to disclose health or safety hazards. Reporting the immigration or citizenship status or suspected status of a meatpacking worker or a worker's family member for exercising a right under the act is considered an adverse employment action.

Section Description – Article 5: Meat and Poultry Processing

7 [179.8756] Meatpacking worker chronic injuries and workplace safety.

Subd. 1. Facility committee. Establishes requirements for meatpacking employers' ergonomics programs under section 182.677, subdivision 2, to be developed and implemented by a knowledgeable committee. The facility committee must include a certified ergonomist, licensed physician, and at least three workers from the facility.

Subd. 2. New task and annual safety training. Requires safety and ergonomics training and information for new employees or when employees are assigned new tasks. Training must be provided in an understandable language. Also requires at least eight hours of annual health and safety training for all employees, including at least two hours on topics related to ergonomic injury prevention.

Subd. 3. Medical services and qualifications. Provides qualifications and requirements for medical staff and first-aid workers engaged by a meatpacking employer, including guidance on medical management and prevention of musculoskeletal injuries. Requires the worker rights coordinator to report annually on ergonomics programs.

Subd. 4. Pandemic protections. Provides several protections that apply during a peacetime public health emergency declared by the governor involving airborne transmission. Pandemic-specific requirements include: provide and require PPE for employees; maintain a radius of space between workers without nonporous separation barriers; provide handwashing or hand sanitizing facilities; and ensure frequent cleaning and disinfecting.

Other general requirements that apply during a peacetime public health emergency include: provide required notices to employees in a language they understand; provide adequate break times and sufficient PPE; keep records of workplace injuries and illnesses; and make redacted records available upon request.

Also provides for enforcement and penalties for violations of this subdivision.

Effective date: This section is effective January 1, 2024, except for subdivision 4 (pandemic protections) which is effective July 1, 2023.

8 [179.8757] Notification required.

Employers must provide written notice to employees of their rights under the act in a language they understand at least annually. The worker rights coordinator must provide annual updates and post information for employees, including on the Department of Labor and Industry's website.

Section Description – Article 5: Meat and Poultry Processing

Effective date: This section is effective January 1, 2024.

9 Refusal to work under dangerous conditions.

Modifies and expands existing law that allows an employee acting in good faith to refuse to work under dangerous conditions. In addition to relief under section 182.669, allows an administrative law judge to order reinstatement of an aggrieved worker, compensation for unpaid wages and benefits, or front pay, plus compensatory damages.

Article 6: Covenants Not to Compete

Makes covenants not to compete void and unenforceable except in certain circumstances.

Section Description – Article 6: Covenants Not to Compete

1 [181.988] Covenants not to compete void in employment agreements; substantive protections of Minnesota law apply.

Subd. 1. Definitions. Defines key terms, including that “employee” includes independent contractors.

Subd. 2. Covenants not to compete void and unenforceable. Makes covenants not to compete void and unenforceable unless in the context of the sale or dissolution of a business. Allows an employee enforcing rights under this subdivision injunctive relief and any other remedies, as well as reasonable attorney fees.

Subd. 3. Choice of law; venue. Gives employees who primarily reside and work in Minnesota the right to void any agreement that would require any claim arising in Minnesota under this section be adjudicated in another state or without the protections of this section. Allows an employee enforcing rights under this subdivision injunctive relief and any other remedies, as well as reasonable attorney fees.

Effective date: This section is effective July 1, 2023, and applies to contracts entered on or after that date.

Article 7: Building and Construction Contracts

Makes indemnification agreements in connection with a contract for a public improvement unenforceable except in certain circumstances and without affecting the validity of other types of requirements.

Section Description – Article 7: Building and Construction Contracts

1 Indemnification agreement.

Defines “indemnification agreement” to mean an agreement to indemnify against liability for bodily injury or physical damage to property.

2 Promisee.

Defines “promisee” to include the party’s independent contractors, agents, employees, and indemnitees.

3 Unenforceability of certain agreements.

Makes indemnification agreements in connection with a contract for a public improvement unenforceable unless:

- 1) the harm is attributable to the negligent or wrongful act or omission of the promisor or its independent contractors, agents, employees, or delegates; or
- 2) there is an agreement to indemnify against strict liability for environmental laws.

Renders void and unenforceable provisions requiring provision of insurance coverage for other parties for negligent or intentional acts or omissions as part of a public building or construction contract. Limits the section so it does not affect the validity of requirements of workers’ compensation insurance, construction performance or payment bonds, builder’s risk policies, and so forth and so it does not apply to construction within 50 feet of public or private railroads.

4 Indemnification agreement.

Adds agreements to defend a party against claims of liability to the definition of “indemnification agreement.”

5 Agreements valid.

Makes conforming changes as to which requirements are affected.

6 Effective date.

Sections 1 through 5 became effective May 25, 2023, and apply to agreements entered into on or after that date.

Article 8: Public Employment Relations Board

Makes changes related to the Public Employment Relations Board (PERB) data.

Section Description – Article 8: Public Employment Relations Board

- 1 **Access by labor organizations, Bureau of Mediation Services, Public Employment Relations Board.**

Amends the Minnesota Government Data Practices Act (MGDPA) to allow the PERB access to personnel data if the labor organization responsible authority determines it's necessary for certain purposes or if ordered by the Bureau of Mediation Services, the PERB, its employees, or agents.
- 2 **[13.7909] Public Employment Relations Board data.**

Adds a new provision to the MGDPA related to the PERB data.

 - (a) Except as provided in paragraphs (b) and (c), classifies data maintained by the PERB related to an unfair labor practice charge or appeal as protected nonpublic or confidential data under the MGDPA before being admitted into evidence at a hearing. Clarifies that such data becomes public once admitted into evidence at a hearing unless subject to protective order.
 - (b) Makes individual statements provided to the PERB private data on individuals before being admitted into evidence at a hearing, at which point it becomes public.
 - (c) Makes other types of data related to the PERB public data at all times, including the: (1) filing date of an unfair labor charge; (2) status of an unfair labor practice charge; (3) name and job class of the charging and charged party; (4) alleged provision(s) of law violated in charges; (5) complaint issued by the PERB; and (6) unless subject to a protection order: (i) the full and complete record of an evidentiary hearing on a charge; (ii) recommended decisions and orders; (iii) exceptions to a recommended decision and order filed with the PERB; (iv) briefs filed with the PERB; and (v) decisions and orders issued by the PERB.
 - (d) Allows the PERB to grant access to data classified as private, protected nonpublic, or confidential data to any person if it would aid in implementing chapters 179 and 179A or ensure due process protection.
- 3 **Open Meeting Law; exceptions.**

Provides that Open Meeting Law requirements under existing law do not apply to certain meetings of the PERB, including those deliberating the merits of unfair labor charges, reviewing a recommended decision and order, or reviewing a decision by the Bureau of Mediations Services related to unfair labor practices.

Effective date: This section became effective May 25, 2023.

Article 9: Warehouse Workers

Establishes worker safety requirements for warehouse distribution centers.

Section Description – Article 9: Warehouse Workers

1 **[182.6526] Warehouse distribution worker safety.**

Provides several worker safety requirements for warehouse distribution centers.

Subd. 1. Definitions. Provides definitions used in the article. Applies to employers with 250 or more employees at one warehouse distribution center or 1,000 or more employees at one or more warehouse distribution centers.

Subd. 2. Written description required. Requires written description to employees of each quota they are required to meet. Notice must be in understandable plain language in the employee's preferred language and must be given at the time of hire, or within 30 days of enactment, and at least two working days before the quota will take effect. The notice must include how the work standards for the quota will be measured, such as a certain speed, certain output amount, or certain error or defect rate for a certain period of time or group, and any employment consequence for not meeting the quota. Prohibits adverse employment action against an employee for failing to meet a quota that was not disclosed.

Subd. 3. Breaks. Prohibits employers from requiring employees to meet quotas that would interfere with compliance of required meal, rest, restroom break (including reasonable travel time), or prayer periods, or otherwise prevent compliance with any Occupational Safety and Health Administration (OSHA) workplace safety standard. Also prohibits employers from taking adverse employment action against employees who do not meet such a quota.

Subd. 4. Employee work speed data. Allows employees to request: (1) a written description of each quota they are required to meet; (2) a copy of their work speed data for the most recent 90 days; and (3) a copy of the last six months of aggregated work speed data for similar employees at their worksite. Requests may be made orally or in writing up to four times a year. Requires employers to provide the requested data within 72 hours. Also requires employers to provide a copy of an employee's work speed data for the most recent 90 days when the employee is disciplined or fired for failing to meet a quota. Prohibits retaliation against employees for seeking this data.

Subd. 5. High rates of injury. Requires the commissioner of labor and industry to investigate violations under this section if OSHA data shows a 30 percent higher than the year's average incidence rate for nonfatal occupational injuries and

Section Description – Article 9: Warehouse Workers

illnesses in that industry. Requires employer to hold monthly safety meetings for two years until incidence rates fall below 30 percent higher than the average.

Subd. 6. Enforcement. Provides enforcement by the commissioner of labor and industry, as provided under existing law. The commissioner may inspect and investigate and issue written citations for violations, set a reasonable timeline to correct violations, and impose a penalty. Citations, penalties, and remedies are set under existing law. Also creates a private civil cause of action for an employee aggrieved by violations of this section. An employee may commence an action within one year of a violation, and if successful, the district court may order damages and costs, an injunction to comply, and other equitable relief, including reinstatement with back pay. Does not preempt OSHA standards that are more restrictive.

Effective date: This section becomes effective August 1, 2023.

Article 10: Construction Worker Wage Protections

Creates wage protection laws for construction workers and allows for investigation by the Department of Labor and Industry as well as private lawsuits when construction workers are not paid by subcontractors or contractors for work on construction projects that are not related to single family homes or duplexes unless the project is for construction on ten or more homes.

Section Description – Article 10: Construction Worker Wage Protections

1 Examination of records.

Allows the commissioner of labor and industry to inspect employment records related to wages, hours, and conditions of employment, and places of employment to ensure compliance with the construction worker's wage protection provisions in new section 181.165.

2 Compliance orders.

Allows the commissioner of labor and industry to issue compliance orders to enforce the construction worker's wage protection provisions in new section 181.165. Defines an employer to include a contractor assuming a subcontractor's liability under that section.

3 Court actions; suits brought by private parties.

Allows an employee to bring a civil action for unpaid wages and overtime under the construction worker's wage protection provisions in new section 181.165, including a

Section Description – Article 10: Construction Worker Wage Protections

- contractor who has assumed a subcontractor’s liability to recover unpaid wages, overtime, and liquidated damages in district court.
- 4 **District court jurisdiction.**
An action under section 3 can be brought in the county where the employer failed to pay the wages.
- 5 **Attorney fees and costs.**
Allows an employee who prevails in a case against an employer for unpaid wages as a construction worker to collect attorney’s fees, court costs, and witness fees.
- 6 **[181.165] Wage protection; construction workers.**
- Subd. 1. Definitions.** Provides definitions related to wage protection for construction workers, including definitions for a claimant, contractor, owner, and subcontractor.
- Subd. 2. Assumption of liability.** Provides that a contractor who is overseeing a construction project is liable for unpaid wages, penalties, and fringe benefits owed to a person claiming unpaid wages or fringe benefits by law or contract by the contractor or any subcontractor for that person’s performance of labor on the construction project. Allows a contractor who satisfies unpaid wage claims to seek actual and liquidated damages from a subcontractor for any fees and costs incurred in doing so.
- Subd. 3. Enforcement.** Allows a person who can file a complaint with the commission or a private lawsuit for unpaid construction wages to designate another person, organization, or collective bargaining agent to file the complaint on their behalf. This section provides that a contractor is jointly and severally liable for subcontractors for construction worker’s unpaid wages, penalties, and benefits.
- Subd. 4. Payroll records; data.** Requires subcontractors to provide payroll records containing certain information to a contractor or subcontractor within 15 days of a request. A contractor or subcontractor can disclose that a construction worker works for them but cannot disclose any personal identifying information publicly unless required by law.
- Subd. 5. Payments to contractors and subcontractors.** Provides owners who hire contractors must still pay contractors, and contractors must pay subcontractors, and nothing in this section changes those arrangements.
- Subd. 6. Exemption.** Allows a collective bargaining agreement with a bona fide building and construction trade labor organization representing workers on a

Section Description – Article 10: Construction Worker Wage Protections

construction project to waive provisions under this section in certain circumstances. Also provides the construction worker’s wage protection provisions under this section do not apply to construction work when prevailing wage applies.

7 Employer; definition.

Adds contractors who assume contractor liability to the definition of employer for section 181.171.

8 Effective date.

Provides that sections 1 to 7 become effective on August 1, 2023, and would apply to contracts signed, renewed, amended, or modified on or after that date.

Article 11: Miscellaneous

This article includes language from the following labor-related bills: H.F. 1691, H.F. 1831, H.F. 2442, H.F. 1522, H.F. 2165, H.F. 2687, H.F. 2213, H.F. 1551, and H.F. 1872.

Section Description – Article 11: Miscellaneous

1 Access by labor organizations. [Personnel data]

Requires personnel data to be disseminated to labor organizations to the extent necessary for certain public labor relations purposes. Also requires personnel data under section 179A.07, subdivision 8, to be disseminated to a union as provided under that subdivision. Clarifies data that is considered private data on individuals.

2 [16A.1335] Employee salaries and benefits in event of state government shutdown.

Requires payment of lost salary and benefits to employees of an executive agency, the house of representatives, senate, Legislative Coordinating Commission, or another office or department of the legislature, or to a judicial branch agency, department, or court, if money for their operations has not been appropriated or enacted by July 1st of an odd-numbered year. Appropriates money for this purpose when necessary, requires certification of salary and benefit amounts from the appropriate entity, and specifies how subsequent appropriations would interact.

3 Plan. [E-learning days]

Requires a school board to meet and negotiate with the exclusive representative of teachers before adopting an e-learning day.

Section Description – Article 11: Miscellaneous

- 4 **Limitations on license. [Tier 1 license]**
Allows a teacher with a Tier 1 license to be in the teacher bargaining unit under PELRA.
- 5 **Exceptions. [Community education teachers; licensure requirements]**
Allows community education and early childhood family education teachers to obtain tenure or continuing contract.

Effective date: This section is effective for the 2023-2024 school year and later.
- 6 **Probationary period. [Employment; contracts; termination]**
Reduces from 120 to 90 the number of days of teaching service a probationary teacher must complete during the probationary period.
- 7 **Probationary period; discharge or demotion. [Teacher Tenure Act; cities of the first class; definitions]**
Modifies the teacher probationary period to be the same as it is for districts in cities not in the first class. Sets the probationary period in a subsequent district at one year for a teacher that completes the three-year period in the first district. Reduces from 120 to 90 the number of days of teaching service a probationary teacher must complete during the probationary period.
- 8 **Compliance orders.**
Adds section 181.991 prohibiting restrictive franchise agreements to the laws that the commissioner of labor and industry can enforce by issuing compliance orders.

Effective date: This section became effective May 25, 2023, and applies to franchise agreements entered into or amended on or after that date.
- 9 **Project. [prevailing wage]**
Modifies the definition of “project” under existing law to apply the prevailing wage requirements under sections 177.41 to 177.45 to any acquisition of property, predesign, demolition, erection, construction, remodeling, or repair of any building, facility, or public work receiving full or partial state funding.

Effective date: This section became effective May 25, 2023.
- 10 **Public employee or employee. [Definitions]**
Modifies the definition of “public employee” for purposes of PELRA. Allows a temporary or seasonal school district or charter school employee to be counted as a “public employee,” for purposes of collective bargaining. Also adds an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities as

Section Description – Article 11: Miscellaneous

- the instructor of record to teach (1) one class for more than three credits in a fiscal year, or (2) two or more credit bearing classes in a fiscal year as a “public employee” for collective bargaining purposes, and removes the existing exclusion under PELRA.
- 11 **Teacher. [Definitions]**
Modifies the definition of “teacher” for purposes of PELRA, which determines what individuals can be in the teacher bargaining unit. Includes in the definition of teacher, a person creating and delivering instruction to children in a preschool, school readiness, school readiness plus, or prekindergarten program or other school district or charter school-based early education program but allows these teachers to stay in a different bargaining unit certified before January 1, 2023, with some exceptions.

Effective date: This section is effective July 1, 2023.
- 12 **Terms and conditions of employment. [Definitions]**
Requires collective bargaining over staffing ratios, and for school employees, bargaining over adult-to-student ratios in classrooms, student testing, and student-to-personnel ratios.
- 13 **Payroll deduction, authorization, and remittance.**
Clarifies existing law to allow a payroll deduction for a union based on the union’s certification of a public employee’s signed authorization for the deduction. A public employee’s authorization may be made by electronic signature and remains in effect until the union notifies the employer of a change or cancellation. Specifies other requirements related to deduction timing, requests, and unfair labor practices.
- 14 **Inherent managerial policy.**
Removes the number of personnel as a matter of inherent managerial policy that public employers are not required to meet and negotiate on.
- 15 **Time off. [Rights and obligations of employers]**
Requires a public employer to give reasonable time off to elected or appointed officials of a union affiliate to conduct union duties.
- 16 **Bargaining unit information. [Rights and obligations of employers]**
Requires a public employer to provide certain contact information for new employees to the union within 20 calendar days of hire. Requires the employer to provide the union certain contact information for all bargaining unit employees every 120 calendar days beginning on January 1, 2024.

Section Description – Article 11: Miscellaneous

- 17 **Access. [Rights and obligations of employers]**
Requires a public employer to provide a union access to members of the bargaining unit in specific ways and at specified times, access to the public employer’s e-mail system to communicate with bargaining unit members, and access to facilities owned or leased by the public employer to conduct meetings with bargaining unit members for specific reasons. Requires a public employer to provide notice to a union of new hire orientation in advance, as well as providing access to new hires for in person meetings.
- 18 **Majority verification procedure.**
Allows an employee organization to request certification as the union for a unit—without requiring an election—upon the commissioner’s verification that over 50 percent of employees in the proposed unit wish to be represented by that employee organization. Requires the employee organization to submit authorization signatures by affected employees as verification.
- 19 **Authorization signatures.**
Provides that a public employee’s authorization signature is valid for one year and may be electronically signed.
- 20 **Unfair labor practices.**
Adds majority verification procedures under section 179A.12, subdivision 2a, to the unfair labor practices provision under PELRA referencing elections.
- 21 **Retaliation.**
Expands the list of negative employment actions an employer must not retaliate against an employee with for asserting rights or remedies under law.

Effective date: This section is effective July 1, 2023.
- 22 **Payroll deductions.**
Allows written contracts to make payroll deductions for contributions to 501(c) nonprofit organizations. Requires private sector employers to make payroll deductions to nonlabor organizations under this subdivision when requested by five or more employees.

Effective date: This section is effective July 1, 2023.
- 23 **Wage disclosure protection.**
Expands the list of negative employment actions an employer must not retaliate against an employee with for asserting rights or remedies under this section.

Section Description – Article 11: Miscellaneous

Effective date: This section is effective July 1, 2023.

24 Definitions.

Expands the list of negative employment actions included in the definition of “taking action against”.

Effective date: This section is effective July 1, 2023.

25 [181.531] Employer-sponsored meetings or communication.

Subd. 1. Prohibition. Prohibits an employer from firing, disciplining, or otherwise penalizing an employee in their employment because the employee declines to attend, participate, or listen to an employer-sponsored meeting or communication on religious or political matters, as a way to compel the employee’s involvement, or for reporting a violation of this section in good faith.

Subd. 2. Remedies. Allows an employee aggrieved by a violation of this section to bring a civil action in district court and provides the relief that may be granted.

Subd. 3. Notice. Requires an employer to post notice of the requirements under this section within 30 days of its enactment.

Subd. 4. Scope. Does not prohibit employer communications that are required by law, providing information to employees or requiring their attendance at meetings or events that are necessary to their job duties, or employer-sponsored meetings or communications on religious or political matters or speech where the employee’s participation is wholly voluntary.

Subd. 5. Definitions. Defines “political matters” and “religious matters” as those terms are used in this section.

Effective date: This section is effective August 1, 2023, and applies to causes of action accruing on or after that date.

26 Prohibited action.

Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for asserting rights under the Minnesota Whistleblower Act.

Effective date: This section is effective July 1, 2023.

27 Nursing mothers, lactating employees, and pregnancy accommodations.

Removes language limiting the right to reasonable break times to express milk to the twelve months following the birth of the employee’s child. Clarifies that break times may run concurrently with break times already provided. Removes the ability of the

Section Description – Article 11: Miscellaneous

employer to not provide break times if it would unduly disrupt the operations of the employer. Clarifies that the location provided to employees to express milk needs to be clean, private, and secure. Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for asserting rights under the subdivision governing nursing mothers.

Specifies other types of eligible reasonable accommodation. Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for asserting rights under the pregnancy accommodations subdivision. Amends the definition of employer to include a person or entity that employs one or more employees instead of 15 or more employees as is in current law.

Requires an employer to inform employees in writing of their rights to express milk and pregnancy accommodation at the time of hire and when an employee requests parental leave and requires the notice be included in any employee handbook. Requires the commissioner to provide the text to be included in the notice.

Effective date: This section is effective July 1, 2023.

28 Employee.

Amends the definition of employee to remove the requirement that an employee be employed for at least 12 months at least half-time preceding a request for an unpaid pregnancy or parental leave, school conference and activities leave, or sick and safety leave and includes all individuals employed by the employer.

Effective date: This section is effective July 1, 2023.

29 Employer.

Amends the definition of employer to a person or entity that employs one or more employees, decreased from 21 or more employees, for purposes of an unpaid pregnancy or parental leave, school conference and activities leave, or sick and safety leave.

Effective date: This section is effective July 1, 2023.

30 No employer retribution.

Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for requesting or obtaining an unpaid pregnancy or parental leave of absence.

Effective date: This section is effective July 1, 2023.

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31 Sick leave benefits; care of relatives.

Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for requesting or using personal sick leave benefits.

Effective date: This section is effective July 1, 2023.

32 Reinstatement after leave.

Provides an employee the right to return to the employee's former or comparable position at the same rate of pay and benefits after a leave obtained as a reasonable pregnancy accommodation.

Effective date: This section is effective July 1, 2023.

33 Posting of law.

Requires the Division of Labor Standards to develop an educational poster on employee rights to nursing and pregnancy accommodations for employers to post on the employer's premises.

Effective date: This section is effective July 1, 2023.

34 No employer sanctions.

Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for requesting or obtaining a leave of absence for bone marrow donations under the Leave for Bone Marrow Donations law.

Effective date: This section is effective July 1, 2023.

35 No employer sanctions.

Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for requesting or obtaining a leave of absence to donate an organ under the Leave for Organ Donation law.

Effective date: This section is effective July 1, 2023.

36 Retaliation prohibited.

Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for asserting rights and remedies under the Drug and Alcohol Testing in the Workplace Act statutes.

Effective date: This section is effective July 1, 2023.

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37 Retaliation prohibited.

Modifies retaliation language to clarify types of prohibited retaliatory action an employer shall not take against an employee for accessing and reviewing their personnel record.

Effective date: This section is effective July 1, 2023.

38 Restrictive franchise agreements prohibited.

Adds new section 181.991, prohibiting restrictive franchise agreements.

Subd. 1. Definitions. Provides the definitions used in the bill.

Subd. 2. Prohibition on restrictive franchise agreements. Prohibits restrictive franchise agreements. A franchisor cannot restrict, restrain, or prohibit a franchisee from soliciting or hiring employees of the same franchisor or the general franchisor. Existing contracts that violate this prohibition are unenforceable and the franchisee must provide notice to employees of this law.

Subd. 3. Franchise agreement amendment. Requires existing franchise agreements to be amended within one year of the effective date to remove restrictive employment provisions prohibited under subdivision 2 or to sign a memorandum of understanding with each franchisee that provisions that violate this section are void and unenforceable and provide notice of this law.

Subd. 4. Severability. Provides that if any part of the section is found to be unconstitutional or void, the other provisions remain in effect.

Effective date: This section became effective May 25, 2023.

39 Authority to inspect.

Modifies existing law outlining the Minnesota Occupational Safety and Health Administration's (MNOSHA) authority to inspect places of employment to add that neither an employer nor an employer's representative can be present for any employee interview with MNOSHA.

40 Protection from subpoena; data.

Modifies existing law protecting the commissioner of labor and industry or an employee of MNOSHA from facing a subpoena relating to an occupational safety and health inspection, to remove certain language and to include both former and current employees of the department.

Section Description – Article 11: Miscellaneous

- 41 **Classification of citation data.**
Adds a subdivision making written MNOSHA citations and any notice of contest that is filed public 20 days after an employer has received them. Makes all parts of the citation public.
- 42 **Contestation of time for correction of a violation.**
Adds a subdivision clarifying the procedure if an employer contests the time period to correct a nonserious, nonwillful, or nonrepeat violation. Also provides for a referral to the Office of Administrative Hearings for an expedited contested case hearing if an employer contests the time period to correct a serious, willful, or repeat violation.
- 43 **Safety committees.**
Clarifies the safety committee requirements under existing law. Provides that an employer with 25 or fewer employees who is required to have A Workplace Accident and Injury Reduction (AWAIR) program under existing law is also required to establish and administer a safety committee as provided under this section.
- 44 **Examination results. [CCLD]**
Modifies the timeline for when an applicant can submit a new license application after failing the licensing exam from 30 days after the notification of denial to 30 days after the date of the failed examination.
- 45 **Refrigerants designated as acceptable for use.**
Prohibits using the State Building Code to bar or limit the use of refrigerants that federal law designates as acceptable to use, as long as the equipment that contains the refrigerant is listed and installed in full compliance with all applicable requirements, safety standards, and use conditions required by that federal designation.
- 46 **Elevator.**
Clarifies, with section 47, the definition of “platform lift.”
- 47 **Platform lift.**
Defines “platform lift” as a powered device for transporting mobility-impaired people on a guided platform.
- 48 **Exemption from licensing.**
Allows work to be performed on conveyors other than vertical reciprocating conveyors, platform lifts other than those carrying mobility-impaired people, and dock levelers without being a licensed elevator contractor.

Section Description – Article 11: Miscellaneous

49 Technology system contractor. [CCLD]

Expands the definition of “technology system contractor” to include licensed contractors whose responsible licensed individual is a licensed master electrician.

50 Composition. [CCLD]

Changes the composition of the Board of Electricity so that instead of including two power limited technicians who are both technology system contractors primarily engaged in installing technology circuits or systems, it will include two power limited technicians, but only one of whom must be a technology system contractor.

51-52 Exemptions from inspections. [Load control equipment inspections]

Exempts equipment used exclusively for load control from inspection requirements, effective the day after final enactment, as long as the installation is:

- 1) done by a licensed electrician employed by a class A electrical contractor;
- 2) for replacement or repair of existing equipment of an electric utility other than a public utility; and
- 3) completed on or before December 31, 2028.

Effective date: These sections became effective May 25, 2023.

53 Exemptions. [CCLD]

Alters the exemption for owners of residential real estate from the requirement to be licensed as a residential building contractor so that it applies only if, once the work is completed, the owner occupies the property for residential purposes or retains it for rental purposes. Clarifies that owners are not exempt from licensing if the work was done for purposes of reselling the property or speculation and that speculation will be assumed if the owner constructs or improves more than one property in a 24-month period unless they are retained for rental purposes.

54 Reciprocity with other states. [CCLD]

Rewrites the statute relating to granting reciprocal licenses to people licensed in other states. Sets out new rules for how and when the commissioner may enter into interstate reciprocity agreements about licensing.

55 Composition. [CCLD]

Deletes the requirement that the two members of the Board of High Pressure Piping Systems who are journeyworker high pressure pipefitters must be engaged in the business of high pressure piping systems installation.

Section Description – Article 11: Miscellaneous

56 **Exceptions. [CCLD]**

Adjusts an exception from the boiler inspection and licensing provisions to cut the maximum heat input for exempt hot water supply boilers from 500,000 BTU per hour to 200,000 BTU per hour and to stipulate that potable water heaters not exceeding a heat input of 200,000 BTU per hour or a nominal water capacity of 120 gallons (removing language about pressure) are exempt.

57 **[327.30] Sacred communities and micro unit dwellings.**

Sets requirements for placing permanent micro unit dwellings surrounding a religious institution as a sacred community for housing the chronically homeless or extremely low-income individuals and designated volunteers. Defines terms and technical requirements for micro units placed in sacred communities in order to be authorized dwellings under this section.

Subd. 1. Definitions. Provides definitions for the section, including that “sacred community” means a residential settlement on the grounds of a religious institution’s primary worship location primarily for the purpose of providing permanent housing for chronically homeless or extremely low-income persons and designated volunteers approved by the religious institution.

Subd. 2. Dwelling in micro units in sacred communities authorized. Authorizes religious institutions to provide permanent housing in sacred communities composed of micro units.

Subd. 3. Sacred community requirements. Sets requirements for sacred communities, including housing designated volunteers, providing residents access to utilities, carrying appropriate insurance, approving plans for how the community will function, receiving municipal approval, and complying with landlord and tenant laws.

Subd. 4. Micro unit requirements. Lays out technical standards for micro units to be eligible for placement in a sacred community, including rules and standards related to size, anchoring, grade of materials, insulation, toilets, electrical systems, framing, and life and safety systems. Requires all units and their anchoring be inspected and certified for compliance with these technical standards by a licensed professional engineer or qualified third-party inspector. Stipulates the need to comply with any rules related to utility connections and setback requirements.

Effective date: This section is effective January 1, 2024.

Section Description – Article 11: Miscellaneous

- 58 **Witnesses; subpoenas; depositions; discovery.**
Allows an arbitrator to issue a protective order to prevent disclosure of data classified as nonpublic or private under chapter 13.
- 59 **Repealer.**
Repeals section 179A.12, subdivision 2, requiring certification upon joint request. Replaced by new subdivision 2a, majority verification procedure.

Article 12: Earned Sick and Safe Time

Section Description – Article 12: Earned Sick and Safe Time

- 1 **[181.032] Required statement of earnings by employer; notice to employee.**
Adds total number of earned sick and safe time hours accrued and the number used in that pay period to the required contents of earnings statements.
- 2 **[181.942, subd. 1] Comparable position.**
Makes conforming change; requires that an employee be allowed to return to their former position after using earned sick and safe time.
- 3 **[181.9436] Posting of law.**
Makes conforming change; directs the agency to add this law to the educational poster of employees' rights.
- 4 **[181.9445] Definitions.**
Provides several definitions used in the act. Defines “employee” as anyone who has worked at least 80 hours in a year for an employer, but not an independent contractor. Defines “employer” as a person with one or more employees. Other terms defined include “domestic abuse,” “earned sick and safe time,” “family member,” “health care professional,” “sexual assault,” and “stalking.”
- 5 **[181.9446] Accrual of earned sick and safe time (ESS).**
Requires employers to allow employees to earn, at a minimum, one hour of paid ESS time for every 30 hours worked, up to a maximum of 48 hours per year, unless an employer agrees to provide more. Accrual begins when a qualified employee begins employment and may be used as it is accrued. Salaried employees, who are exempt from the provisions of federal overtime laws, are deemed to work 40 hours per week for purposes of ESS accrual. Employers must allow employees to carry over accrued but unused ESS time from year to year—not to exceed a maximum of 80 hours unless the employer chooses to provide a more generous policy. In the alternative,

Section Description – Article 12: Earned Sick and Safe Time

employers may either: (1) provide an employee with a bank of 48 hours of ESS available for immediate use in the following year if the employer pays out the employee for their accrued but unused ESS at their regular hourly rate at the end of the year; or (2) provide an employee with a bank of 80 hours of ESS available for immediate use in the following year if the employer does not pay out the employee for their accrued but unused ESS at the end of the year. An employee receiving bankable ESS in lieu of a carryover will not accrue additional ESS for that year under this section, unless the employer provides for a more generous policy.

6 [181.9447] Use of earned sick and safe (ESS) time.

Subd. 1. Eligible use. Provides the conditions under which an employee may use ESS time. These include: (1) the employee’s mental or physical illness, treatment, or preventative care; (2) care of a sick family member or a family member in need of preventative care or treatment; (3) absence related to domestic abuse, sexual assault, or stalking of the employee or a family member; (4) closure of the employee’s workplace due to weather or public emergency or closure of a family member’s school or care facility due to weather or public emergency; (5) inability to telework due to an employer’s policy or while seeking a medical diagnosis or testing for a communicable disease related to a public emergency—as that term is defined under section 12.03 or 12.29—at the employer’s request or after the employee’s exposure; and (6) a determination by a health care provider that the employee or a family member is at risk of infecting others with a communicable disease. Employees receive their regular hourly rate of employment for ESS time.

Subd. 2. Notice. Allows an employer to require reasonable notice of up to seven days when the need for ESS time is foreseeable, or as soon as practicable when the need is unforeseeable. Employers requiring notice must provide a written policy to employees on the procedures for providing notice.

Subd. 3. Documentation. Allows an employer to require an employee to provide reasonable documentation justifying use of three or more consecutive days of ESS time. Provides examples of reasonable documentation depending on the reason for using ESS time.

Subd. 4. Replacement worker. Prohibits employers from making employees find replacement workers as a condition of using ESS time.

Subd. 5. Increment of time used. Allows employees to use ESS time in smaller increments of up to four hours, as tracked by the employer’s payroll.

Subd. 6. Retaliation prohibited. Prohibits an employer from retaliating against an employee for taking ESS time or for exercising another right under this act. Also prohibits penalizing an employee under an employer’s attendance policy for

Section Description – Article 12: Earned Sick and Safe Time

taking ESS time. Makes it unlawful to report or threaten to report a person or a family member's immigration status for exercising a right under this act.

Subd. 7. Pay and benefits after leave. Requires an employer to continue the employee's health care benefits and maintain coverage for the employee and any dependents while ESS time is being used and to provide the same pay or benefits to an employee returning from ESS time, including seniority, accrued preleave benefits, and any automatic pay adjustments. Employees remain responsible for the employee share of benefit costs during the use of ESS.

Subd. 8. Part-time return from leave. Provides that an employee who returns to work part-time during an ESS leave, through an agreement with the employer, receives the same benefits of reinstatement at the end of the ESS time.

Subd. 9. Notice and posting by employer. Requires employers to provide notice to employees of ESS requirements and their rights and remedies under this section at the start of employment or the effective date of this act, whichever is later. Must provide the notice in English and in the employee's identified primary language. Notice may be posted at the work location, provided in a paper or electronic copy to employees, or posted online or in an app. Rights and remedies under this section must also be included in any employee handbook.

Requires the Department of Labor and Industry to prepare a model uniform employee notice for employers to use at the department's expense. The department must prepare the notice in the five most commonly spoken languages, and in any other primary language spoken by an employee, upon the written request of an employer. If the department does not provide a copy of the notice upon an employer's request, the employer cannot be penalized for notice violations occurring after the date of the request.

Subd. 10. Employer records. Requires an employer to keep accurate records about hours worked and the accrual and use of ESS time, and allows an employee to view that employee's records.

Subd. 11. Confidentiality and nondisclosure. Sets requirements for confidential treatment of employee records collected in relation to ESS time.

7 **[181.9448] Effect on other law or policy.**

Subd. 1. No effect on more generous sick and safe time policies. Clarifies that nothing prohibits an employer from providing more generous leave policies than the minimum required by this act. Permits collective bargaining agreements or paid time off policies that provide the same or better leave, and do not otherwise conflict with the minimum requirements and standards of this act. Does not provide a power or duty that otherwise conflicts with federal law. Does not

Section Description – Article 12: Earned Sick and Safe Time

preempt or limit any other law or policy that provides for better or greater leave benefits for employees. Provides a waiver from ESS provisions for a collective bargaining agreement with a bona fide building and construction trades labor organization representing affected building and construction industry employees if done expressly. Allows employers to have ESS donation and advancing time policies.

Subd. 2. Termination; separation; transfer. Provides that employers are not required to pay out any accrued ESS time on separation. An employee transferred within a single employer retains accrued ESS time and an employee hired back by the same employer within 180 days of termination is entitled to reinstatement of accrued ESS time.

Subd. 3. Employer succession. Provides for the rights of accrued but unused ESS time for a retained employee or an employee rehired within 30 days of a transfer when ownership of an employer transfers.

8 Repealer.

Repeals the section of law that allows employees to use employer provided sick days to care for a sick relative or to provide or receive assistance for domestic abuse, sexual assault, or stalking.

9 Effective date.

This article is effective January 1, 2024.

Article 13: Earned Sick and Safe Time Enforcement

Section Description – Article 13: Earned Sick and Safe Time Enforcement

1 [177.27, subd. 2] Submission of records; penalty.

Increases the maximum penalty for employers who fail to submit required records to the Department of Labor and Industry from \$1,000 to \$10,000 per violation. Removes penalty for repeated failure.

2 [177.27, subd. 4] Compliance orders.

Adds earned sick and safe time provisions to the list of laws that the Department of Labor and Industry may enforce through compliance orders.

Effective January 1, 2024.

Section Description – Article 13: Earned Sick and Safe Time Enforcement

3 [177.27, subd. 7] Employer liability.

Increases the maximum civil penalty, from \$1,000 to \$10,000 for employers who violate any of the sections over which the Department of Labor and Industry has enforcement authority under section 177.27, subdivision 4.

4 [177.50] Earned sick and safe time enforcement.

Subd. 1. Definitions. Provides the same definitions from article 1 apply to this article.

Subd. 2. Individual remedies. Requires any action to recover damages under section 181.944 by an employee alleging injury due to an employer's violation of this act to be commenced within three years of the violation.

Subd. 3. Grants to community organizations. Allows the Department of Labor and Industry to make grants to community organizations for outreach and education about the ESS provisions.

Subd. 4. Report to legislature. Requires an annual report to the legislature, from the Department of Labor and Industry, addressing violations of the ESS provisions and trends in violations by employer, industry, or geography.

Subd. 5. Contract for labor or services. Prohibits an employer knowingly contracting with an entity that has violated this section within the last two years and has not cured their noncompliance.

Effective date: This section is effective January 1, 2024, except the grant-making process under subdivision 3 became effective May 25, 2023.

5 [181.1944] Individual remedies.

Allows an affected employee to bring a civil lawsuit for damages for violations of ESS provisions under existing law.

Effective date: This section is effective January 1, 2024, and applies to causes of action accruing on or after that date.

Article 14: Earned Sick and Safe Time Appropriations

Section Description – Article 14: Earned Sick and Safe Time Appropriations

- 1 Earned sick and safe time appropriations.**
Appropriates money to the Department of Labor and Industry for enforcement, grant purposes, and other duties.

Article 15: Employment and Economic Development

Section Description – Article 15: Employment and Economic Development

- 1 [116J.418] Office of Child Care Community Partnerships.**
Establishes the Office of Child Care Community Partnerships within the Department of Employment and Economic Development to coordinate with government and business entities to promote investment in child care businesses and access and to administer child care economic development grants, among other duties. Requires an annual report to the legislature on the office's activities.
- 2 [116J.4231] Office of New Americans.**
Creates the Office of New Americans within the Department of Employment and Economic Development, led by a governor-appointed assistant commissioner, to coordinate and guide access to state programs and services for immigrants and refugees, with particular focus on economic development and workforce programming. Establishes a list of duties, regular reporting to the legislature, and an advisory Interdepartmental Coordinating Council on Immigrant and Refugee Affairs. Allows the office to apply for grants for interested state agencies, community partners, and stakeholders to assist in the duties of the office.
- 3 [116J.545] Getting to work grant program.**
Creates the getting to work grant program in statute to make grants to nonprofits to provide, repair, or maintain motor vehicles for low-income workers to help them get and keep employment. Stipulates an educational or counseling component must be part of each program and sets out the application process and the eligibility criteria. Requires a report to the legislature.
- 4 Meetings.**
Changes the timing of meetings of the Energy Transition Advisory Committee from monthly to quarterly, with annual submission of an updated energy transition plan.

Section Description – Article 15: Employment and Economic Development

- 5 **Expiration.**
Extends the existence of the Energy Transition Advisory Committee from ending the day after the energy transition plan is submitted to the fixed date of June 30, 2027.
- 6 **Definitions.**
Expands the definition of “eligible community” for the community energy transition grant program to also include communities where the power plant had a current operating license that expires within 15 years of the effective date of this section.
- 7 **Grant awards; limitations.**
Allows the commissioner of employment and economic development to award community energy transition grants on a rolling basis rather than a competitive grant process. Increases the maximum grant award from \$500,000 to \$1,000,000.
- 8 **Eligible expenditures.**
Permits the commissioner to transfer part of the department’s allowed administrative funding to the Environmental Quality Board to assist communities with regulatory coordination and provide technical assistance. Expands the nonexclusive list of examples of permissible uses for the community energy transition grants.
- 9 **[116J.682] Small business assistance partnerships program.**
Creates the small business assistance partnerships program to make grants to community-based organizations to provide small business development and technical assistance services to entrepreneurs and small business owners, with a preference for serving underserved populations and areas. Requires grantees make an annual report to the commissioner on program outcomes.
- 10 **[116J.8733] Minnesota expanding opportunity fund program.**
Establishes the Minnesota expanding opportunity fund program to capitalize nonprofits through long-term loans with very low interest rates so as to increase their lending to small businesses. Sets eligibility criteria, creates a revolving loan fund, and establishes loan terms and reporting requirements.
- 11 **Minnesota job creation fund business designation; requirements.**
Lowers the requirements for participation in the job creation fund incentives to only require retention of 100 employees rather than 200 for projects located in the metropolitan area and 50 employees rather than 75 for projects located in greater Minnesota. Also lowers the capital investment requirement from \$25,000,000 to \$10,000,000 for projects located in greater Minnesota.

Section Description – Article 15: Employment and Economic Development

12 Certification; benefits.

Allows the job creation fund to award up to \$1,000,000 in job creation awards to projects with 100 new or retained employees, rather than 200, in the metropolitan area or with 50 new or retained employees, rather than 75, in greater Minnesota. Also lowers the minimum capital investment in greater Minnesota to \$10,000,000. Allows the installation and purchase of machinery and equipment to count towards capital investment. Stipulates that a job creation award of \$2,000 per retained job may be provided if the business meets these new lower standards for at least two years.

13 Job creation award.

Adds higher award amounts for creating jobs paying higher wages: \$3,000 incentives for jobs paying at least \$45,000 but less than \$55,000; and \$4,000 incentives for jobs paying at least \$55,000. Allows a business to receive a onetime \$2,000 award for each job retained and maintained under the conditions set out in section 7 (above) if the retained job pays total compensation, including nonmandated benefits, equal to 150 percent of the federal poverty level for a family of four.

14 Transfer.

Allows the commissioner to transfer up to \$2,000,000 of a fiscal year appropriation between the Minnesota job creation fund program and the redevelopment grant program to meet business demand.

15 [116J.8751] Launch Minnesota.

Codifies the existing Launch Minnesota program that provides support for entrepreneurs and emerging technology-based companies.

16 [116J.9926] Emerging developer fund program.

Creates the emerging developer fund program, with the proposed coding 116J.9926, to make grants partner organizations to make grants and loans to less established developers from targeted groups to pursue development projects that are intended to reduce racial and socioeconomic disparities. Includes minorities, women, people with disabilities, and low-income people as the groups potentially eligible for grants and loans under the program. Allows partner organizations to use up to ten percent of grant funds for administrative costs. Limits predevelopment grants to \$100,000 and all types of loans to \$1,000,000. Sets loan duration as six months to eight years, all at low or zero interest, depending on the use of loan proceeds and analysis of project risk. Mandates flexible collateral requirements and allows both personal guaranty requirements and largely unsecured loans. Anticipates repayment of loans once permanent financing or a conventional loan is secured, with no prepayment penalty. Allows the commissioner to require a recipient to work with a more experienced developer or professional services consultant as the project develops.

Section Description – Article 15: Employment and Economic Development

Directs all loan repayments to the emerging developer fund account in the special revenue fund, also created in this bill, which will fund additional loans. Defines what expenses are eligible uses of the various types of grants and loans. Requires annual reports to the legislature on grants and loans made under the program.

17-20 Youthbuild (multiple sections).

Modifies the Youthbuild program to allow participation of individuals with incomes of up to 80 percent of the area median income, rather than only 50 percent. Expands the facilities that Youthbuild participants can work on to include playhouses for day care centers and tiny houses for transitional housing. Updates a citation to federal law.

21 [116L.43] Targeted populations workforce grants.

Subd. 1. Definitions. Defines terms for the section, including that “community-based organization” means a nonprofit that provides workforce development programming or services, has an annual budget of no more than \$1,000,000, has its primary office in a historically underserved community of color or low-income community, and serves a population that generally reflects the demographics of that local community. Defines “small business” as an independently owned and operated business with either no more than 20 full-time employees, no more than \$1,000,000 in annual gross revenue, or no more than \$2,500,000 in annual gross revenue if it is a technical or professional service business.

Subd. 2. Job and entrepreneurial skills training grants. Creates a competitive grant program for community-based organizations to provide training that leads to employment or business development. Limits grants to \$750,000 per year per organization and requires grants be for two years. Allows partnering with other organizations. Exempts the grants from the requirements of the uniform outcome report cards.

Subd. 3. Diversity and inclusion training for small employers. Creates a competitive grant program for small businesses to obtain diversity and inclusion training, including creating and implementing a plan to actively hire and retain people of color. Limits grants to \$300,000 per year per business, with a maximum of one grant per business per biennium. Requires submission of plans for use of funds and for implementation of a diversity and inclusion plan after training is complete. Exempts the grants from the requirements of the uniform outcome report cards and the laws against subsidies to private businesses.

Subd. 4. Capacity building. Creates a capacity building grant program for community-based organizations to cover the costs of staff, infrastructure, training, and service model development. Limits grants to \$50,000 per organization with a limit of one grant per organization. Exempts the grants from

Section Description – Article 15: Employment and Economic Development

the requirements of the uniform outcome report cards. Requires grant recipients to submit a report to the commissioner on the use of grant funds and the impact of the funding on the organization’s future ability to provide workforce services.

22-23 Minnesota Youth Program (multiple sections).

Raises the maximum participant age for the Minnesota Youth Program from 21 to 24.

24 Definitions.

Updates a federal citation for the Youth-at-Work program.

25 Public infrastructure project.

Expands the definition of “public infrastructure project” for the purposes of the Destination Medical Center to also include design and predesign, compliance services, construction costs, community engagement, and transit costs incurred on or after March 16, 2020.

Effective date: This section became effective May 25, 2023.

26 Definitions.

Expands the definition of “transit costs” for the purposes of the Destination Medical Center to include, but not be limited to, buses and other means of transit, bus charging stations and equipment, and costs permitted under the definition of a public infrastructure project, including transit costs incurred on or after March 16, 2020.

Effective date: This section became effective May 25, 2023.

27 State transit aid.

Modifies the state transit aid formula for the Destination Medical Center, including allowing city or county contributions in excess of the ratio to carry forward and be credited toward subsequent years.

Effective date: This section became effective May 25, 2023.

28 Transit aid; local matching contribution.

Modifies the state transit aid formula for the Destination Medical Center, to clarify that the \$7,500,000 limit applies to the required local matching contribution.

Effective date: This section became effective May 25, 2023.

Section Description – Article 15: Employment and Economic Development

29 Clean energy careers pilot project.

Amends Laws 2021, First Special Session chapter 4 to extend reporting requirements for Northgate Development, LLC’s grant for the clean energy careers pilot project for an additional year.

30 Forgivable loan program for remote recreational businesses.

Amends Laws 2021, First Special Session chapter 10 to extend the business loan program for roughly an additional year.

Effective date: This section became effective May 25, 2023.

31 Minnesota employer reasonable accommodation fund.

Creates a program to reimburse eligible employers for the cost of providing reasonable accommodations to applicants or employees with disabilities. Limits participation to employers with a principal place of business in Minnesota, employing 500 employees or less, with no more than \$5,000,000 in gross annual revenue. Awards reimbursement on a rolling basis for a maximum of \$30,000 per employer per year, for onetime accommodation costs between \$250 and \$15,000 per individual with a disability or for ongoing accommodation costs without limitation. Creates an account in the special revenue fund for the purposes of the program. Allows the commissioner to provide technical assistance to applicants about accommodations requests and for up to 20 percent of the biennial appropriation to the program to be used for administration and marketing expenses. Requires public notification about the availability of funds under the program and annual reports to the legislature. Sets the program to expire June 30, 2025, or when money appropriated for its purpose expires, whichever is later.

32 Canadian border counties economic relief program.

Creates the Canadian border counties economic relief program to assist businesses adversely affected by the 2021 closure of the Boundary Waters Canoe Area Wilderness or the closures of the Canadian border since 2020. Directs the Northland Foundation to design the grant making process for approval by the commissioner of employment and economic development and to establish performance measures for the grants. Allows for a maximum grant of \$50,000 per business and exempts the program from all normal business subsidy requirements, though businesses must still provide for job creation and retention goals and wage and benefit goals. Makes the program effective July 1, 2023, and causes it to expire on June 30, 2024.

Limits eligibility for grants to businesses:

- 1) located within a county that shares a border with Canada;
- 2) able to document a reduction of at least ten percent in gross receipts in 2021 compared to 2019; and

Section Description – Article 15: Employment and Economic Development

- 3) able to explain in writing how the closures in 2020 and 2021 resulted in that reduction in receipts.

Effective date: This section is effective July 1, 2023, and expires June 30, 2024.

33 Community wealth-building grant program pilot project.

Creates the community wealth-building grant program.

Subd. 1. Definitions. Defines terms for the program, including that “community business” means a cooperative, employee-owned business, or commercial land trust that is at least 51 percent owned by people who are Black, Indigenous, People of Color, immigrants, low-income, women, veterans, or people with disabilities. Defines “partner organization” to mean a community development financial institution or nonprofit corporation.

Subd. 2. Establishment. Establishes the community wealth-building grant program to make grants to partner organizations to fund low-interest loans to community businesses. Sets goals for the program.

Subd. 3. Grants to partner organizations. Awards grants to partner organizations through a competitive process that will consider defined criteria relating to the organization’s ability to administer the program in accordance with its goals. Requires the commissioner to ensure that loans are made to businesses statewide and that reasonable attempts are made to balance the amount of funding going inside and outside the metropolitan area. Allows partner organizations to use up to ten percent of their award for specialized technical and legal assistance to the businesses they serve. Sets grants as being for five-year terms.

Subd. 4. Loans to community businesses. Requires grantee partner organizations to establish a plan for making low-interest loans to community businesses and get that plan approved by the commissioner. Sets plan requirements, such as prioritization of loans in the lowest income areas and minimum (\$50,000) and maximum (\$2,500,000) amounts for the state contribution, as well as interest rates and loan origination fee allowances. Stipulates that 50 percent of all repayments on principal of a loan under the program go back into the state account, with all other repayments remaining with the partner organization to fund loan servicing and additional technical assistance.

Subd. 5. Community wealth-building account. Creates the community wealth-building account in the special revenue fund in the state treasury. Appropriates funds in this account for grants under this section.

Section Description – Article 15: Employment and Economic Development

Subd. 6. Reports. Requires annual reports from partner organizations to the commissioner and from the commissioner to the legislature on loans made through the program.

34 **Repealer.**

Repeals the existing uncodified version of the Launch Minnesota program (since the program is being codified by section 15 above).

Article 16: Explore Minnesota

Restructures Explore Minnesota to reflect an expanded mission of promoting not only tourism, but livability and workforce and economic opportunity in Minnesota.

Section Description – Article 16: Explore Minnesota

1 **Explore Minnesota.**

Changes the name from Explore Minnesota Tourism to just Explore Minnesota to reflect the broader mission expansion into promoting the state not just for travel but workforce and economic opportunity. Gives the director of Explore Minnesota oversight over the Explore Minnesota Tourism and Explore Minnesota for Business divisions and requires the director have experience and training in related fields.

2 **[116U.06] Explore Minnesota Tourism.**

Creates Explore Tourism as a division of Explore Minnesota with a mission of promoting travel to and within the state.

3 **[116U.07] Explore Minnesota for Business.**

Creates Explore Minnesota for Business as a division of Explore Minnesota with a mission of promoting the overall livability and workforce and economic opportunity of the state and working in conjunction with the Department of Employment and Economic Development to establish and meet statewide goals in these areas.

4 **Definitions.**

Clarifies that “director” means the executive director and makes a conforming change to the name of the organization.

5 **Mission.**

Expands the mission of Explore Minnesota to include the promotion of not just travel, but overall livability and workforce and economic opportunity in the state.

Section Description – Article 16: Explore Minnesota

- Directs the office to be advised by the Tourism and Business councils to further its mission. Conforming change to the name of the organization.
- 6 **Organization.**
Adds to the duties of the director of Explore Minnesota: overseeing the overall strategy and budgets of the organization; and cochairing and supervising the Tourism and Business councils.
- 7 **[116U.24] Explore Minnesota councils.**
Directs the director of Explore Minnesota to be advised by the Explore Minnesota Tourism Council and the newly created Explore Minnesota for Business Council. Declares the councils' mission of promoting the state. Sets rules for the filling of vacancies, lack of member compensation, and meeting times and procedures, including electronic meetings.
- 8 **[116U.242] Explore Minnesota for Business Council.**
Creates the Explore Minnesota for Business Council of up to 14 voting members appointed by the governor for four-year terms, cochaired by the director of Explore Minnesota and the commissioner of employment and economic development, to advise on livability and workforce and economic opportunity initiatives. Lists the other members of the council, including representatives of large businesses in key industries, regional associations and nonprofits, higher education, start-up entrepreneurs, the Minnesota Indian Affairs Council, Tribal leadership, chambers of commerce, and marketing and economic development professionals.
- 9 **Duties of director.**
Broadens the mission of the director of Explore Minnesota to include the promotion of not just tourism, but travel, workforce and economic development, international trade, and overall livability of the state. Allows contracts to be negotiated without complying with the competitive bidding provisions of chapter 16C.
- 10 **Promotional expenses.**
Expands what the director of Explore Minnesota may spend money on to promote to include not just tourism, but travel, workforce and economic development, and overall livability of the state. Removes the requirement to have policies on promotional expenses approved by the Explore Minnesota Tourism Council.

Article 17: Capitol Area

Creates and funds a Capitol Area Community Vitality Task Force.

Section Description – Article 17: Capitol Area

- 1 Capitol Area Community Vitality Task Force; appropriation.**
Establishes a Capitol Area Community Vitality Task Force. The purpose of the task force is to make recommendations to the Capitol Area Architectural and Planning (CAAP) Board on the administration, program plan, and oversight of the Capitol Area community vitality account, newly established by section 2. The recommendations of the task force must receive approval by the CAAP Board, and the board must submit them to the legislature no later than February 1, 2024. Provides an appropriation to support the work of the task force.
- 2 Capitol Area community vitality account.**
Establishes a Capitol Area community vitality account in the special revenue fund. Money is appropriated to the commissioner of administration to improve the livability, economic health, and safety of communities within the Capitol Area. No funds may be expended until a detailed program and oversight plan, recommended by the Capitol Area Community Vitality Task Force, has been approved by the CAAP Board and further approved by the legislature in the form of a law. Appropriates \$5,000,000 to this account in fiscal year 2024.

Article 18: PROMISE Act

Creates the PROMISE grant and loan programs to make grants and loans to entities affected by structural racial discrimination, civil unrest, lack of access to capital, population decline or aging, or lack of regional economic diversification.

Section Description – Article 18: PROMISE Act

- 1 Title.**
Allows this article to be known as the “Providing Resources and Opportunities and Maximizing Investments in Striving Entrepreneurs (PROMISE) Act.”
- 2 PROMISE grant program.**
Subd. 1. Definitions. Defines terms for this section including that “business” includes both for-profit businesses and nonprofits that earn revenue and that “partner organization” means the Minnesota Initiative Foundations and nonprofits that receive grants.
Subd. 2. Establishment. Establishes the PROMISE grant program to make grants to partner organizations to make grants to businesses that were adversely affected by structural racial discrimination, civil unrest, lack of access to capital, population decline or aging, or lack of regional economic diversification.

Section Description – Article 18: PROMISE Act

Subd. 3. Grants to partner organizations. Directs the commissioner of employment and economic development to set the application and reporting process for partner organizations. Allows the partner organization to use up to five percent of a grant for administration and monitoring and up to three percent for technical assistance to applicant businesses. Directs any money not spent by June 30, 2027, to be canceled back to the state general fund.

Subd. 4. Grants to businesses. Directs the partner organizations to develop their own application and reporting processes, to be approved by the commissioner. Limits eligibility for grants to those businesses that:

- 1) have primary business operations located in Minnesota;
- 2) are located in a community that was adversely affected by structural racial discrimination, civil unrest, lack of access to capital, population decline or aging, or lack of regional economic diversification; and
- 3) have a gross annual revenue of \$750,000 or less based on 2021 taxes.

Gives preference to businesses that received \$10,000 or less cumulatively from specific business grant programs during the COVID-19 pandemic and those that can demonstrate financial hardship. Sets award sizes of \$10,000 to \$50,000, according to the gross revenue of the business, with no more than one grant per individual or business. Allows grant funds to be used for working capital.

Subd. 5. Grant requirements. Subjects all grants to businesses to the grant-making requirements under sections 16B.97, 16B.98, and 16B.991.

Subd. 6. Reports. Requires partner organizations to report to the commissioner by January 31, 2026, on the businesses supported, amount of grants, and administrative expenses. Requires the commissioner to report to the legislature by March 15, 2026, on the information received from the partner organizations.

Subd. 7. Expiration. Sets the section to expire on December 31, 2027.

3 PROMISE loan program.

Subd. 1. Definitions. Defines terms for this section including “eligible project” and “redevelopment.” States that “eligible recipient” includes businesses, nonprofits, and developers that:

- 1) have primary business operations located in Minnesota;
- 2) have a gross annual revenue of \$1,000,000 or less based on 2021 taxes; and

Section Description – Article 18: PROMISE Act

- 3) are located in a community that was adversely affected by structural racial discrimination, civil unrest, lack of access to capital, population decline or aging, or lack of regional economic diversification.

Defines “partner organization” as the Minnesota Initiative Foundations and nonprofits that receive grants.

Subd. 2. Establishment. Establishes the PROMISE loan program to make grants to partner organizations to make loans to eligible recipients that were adversely affected by structural racial discrimination, civil unrest, lack of access to capital, population decline or aging, or lack of regional economic diversification.

Subd. 3. Grants to partner organizations. Directs the commissioner of employment and economic development to make grants partner organizations to make loans to eligible recipients. Allows the partner organization to use up to five percent of a grant for administration and monitoring and up to three percent for technical assistance to borrowers. Directs any money not spent by June 30, 2027, to be canceled back to the state general fund.

Subd. 4. Loans to eligible recipients. Directs the partner organizations to makes loans to eligible recipients for eligible projects. Sets a maximum loan amount of \$1,000,000 and a maximum term of ten years and forbids charging an interest rate of more than three percent. Bars using loans for: working capital or inventory; consolidating, repaying, or refinancing debt; or speculation or investment in rental real estate. Allows the partner organization to keep interest payments for its administration and operating expenses and to charge a loan origination fee of no more than one percent or a monthly fee in lieu of interest.

Subd. 5. Revolving loan fund. Requires partner organizations to create a commissioner-certified revolving loan fund for making eligible loans under the program. Directs all loan payments be deposited in the organization’s revolving loan fund.

Subd. 6. Preference. Gives preference to eligible recipients that received \$10,000 or less cumulatively from specific business grant programs during the COVID-19 pandemic. Allows preference to be given to projects involving developers who are Black, Indigenous, People of Color, veterans, or women.

Subd. 7. Oversight. Subjects all grants and loans to the grant-making requirements under sections 16B.97, 16B.98, and 16B.991.

Subd. 8. Reports. Requires partner organizations to report to the commissioner by January 31, 2026, on the eligible recipients supported, amount of loans, and

Section Description – Article 18: PROMISE Act

administrative expenses. Requires the commissioner to report to the legislature by March 15, 2026, on the information received from the partner organizations.

Subd. 9. Expiration. Sets the section to expire on December 31, 2033.

Article 19: Appropriations; Labor

Appropriates money to the Department of Labor and Industry, Workers' Compensation Court of Appeals, and Bureau of Mediation Services. See fiscal spreadsheet for details.

Article 20: Appropriations; Jobs

Appropriates money to the Department of Employment and Economic Development and Explore Minnesota Tourism. See fiscal spreadsheet for details.

Article 21: Minnesota Forward

Creates two new accounts focused on leveraging federal dollars for a variety of projects and makes changes to an existing account with a similar purpose. Appropriates and transfers large amounts of money for these purposes.

Section Description – Article 21: Minnesota Forward

1 [116J.8752] Minnesota forward fund.

Creates a fund for making grants and loans to businesses, as well as municipalities and institutions of higher education engaged in projects supporting businesses, to enhance the state's economic competitiveness.

Subd. 1. Definitions. Defines terms for the section.

Subd. 2. Purpose. Establishes the Minnesota forward fund account to enhance the state's competitiveness by facilitating private investment, attract businesses to the state, and meet matching requirements for federal funds.

Subd. 3. Minnesota forward fund account. Creates the Minnesota forward fund account in the state treasury. Appropriates money in the account to the commissioner of employment and economic development for the purposes of this section and keeps it available until expended. Directs the commissioner to

Section Description – Article 21: Minnesota Forward

use the money to create, retain, and improve permanent private-sector jobs, stimulate private investment, and increase the local tax base.

Subd. 4. Use of fund. Allows the commissioner to use fund in the account to make grants and loans to businesses that are making large capital investments in the state, as well as to communities and institutions of higher education for making similar investments or for activities that support industry. Allows funds to be spent on a wide range of activities, including working capital, development infrastructure, and administration and monitoring. Limits grants to local units of government to \$7,500,000 or 50 percent of the cost of the project, whichever is less.

Subd. 5. Grant limits. Limits individual business expansion projects to \$15,000,000 in grants or loans combined, of which no more than \$10,000,000 may be grants, though a project may receive additional funding from other state programs. Grants under this subdivision are available until expended.

Subd. 6. Administration. Allows development authorities to apply to the fund as well, as long as the application is approved by the municipality. Allows institutions of higher education to apply for developing and deploying workforce training programs or research and development partnerships related to other projects funded under this section. Directs the commissioner to design the application process and conduct due diligence on applications. Allows grant and loan agreements through the fund to exceed five years, but no more than ten years.

Subd. 7. Requirements for fund disbursements. Bars disbursing loan funds to a project until:

- 1) commitments for the remainder of the project's funding are made and disbursed sufficient to protect the interests of the state in its grant or loan;
- 2) any performance requirements are met; and
- 3) the local government where the project will be located has submitted a resolution in support of the project.

Subd. 8. Report. Requires recipients of funds to report back to the commission on the performance of the business supported.

Subd. 9. Reporting. Requires the commissioner to report annually by February 15 to the Legislative Advisory Commission and the legislature on all projects approved in the previous year until this section is repealed or all funding is expended.

Section Description – Article 21: Minnesota Forward

2 [216C.441] Minnesota Climate Innovation Finance Authority.

Creates an authority for financing clean energy and greenhouse gas reduction projects, particularly in low-income communities, overseen by a board of directors.

Subd. 1. Establishment; purpose. Establishes the Minnesota Climate Innovation Finance Authority to accelerate clean energy, greenhouse gas reduction, and other qualified projects through grants, loans, credit enhancements, and other funding mechanisms, particularly projects in low-income communities or which create jobs for communities where fossil fuel electricity generating plants are retiring, follow the principles of environmental justice, or reduce the energy costs for low-income households.

Subd. 2. Definitions. Defines terms for the section, including “environmental justice” and “environmental justice community.”

Subd. 3. General powers. Allows the authority to hire an executive director and staff and exercise general agency-like powers.

Subd. 4. Authority duties. Directs the agency to fund projects consistent with its purpose in all regions of the state, collaborate with other entities, apply for relevant federal funds, and participate in federal programs.

Subd. 5. Limitations. Sets a minimum loan amount for a single entity at \$250,000.

Subd. 6. Authority lending practices; labor and consumer protection standards. Gives preference to projects that:

- 1) create high-quality employment for local workers, particularly those in environmental justice communities, labor organizations, and communities where an electric generating plant is retiring;
- 2) use energy technology produced domestically that received specific federal tax credits;
- 3) certify the rights of all project workers to unionize; and
- 4) agree to implement a project labor agreement.

Requires the authority to require all financed projects:

- 1) pay at least the prevailing wage rate to all workers and comply with the Minnesota Fair Labor Standards Act and prevailing wage laws;
- 2) meet underwriting criteria; and
- 3) that any loan to a homeowner for a project at their residence comply with the state maximum rates for credit extension (section 47.59) and federal

Section Description – Article 21: Minnesota Forward

Truth in Lending Act, Fair Credit Reporting Act, Equal Credit Opportunity Act, and Fair Debt Collection Practices Act laws.

Makes all activities of the authority subject to state consumer protection laws.

Subd. 7. Strategic plan. Requires the authority to adopt a strategic plan for its activities by December 25, 2024, and to update that plan every two years. Outlines specific plan elements. Requires that the authority design its plan to ensure that at least 40 percent of the direct benefits of authority activities flow to environmental justice communities.

Subd. 8. Investment strategy; content; process. Requires the authority to adopt a long-term investment strategy in line with its goals by December 15, 2024, and to update it every four years. Outlines specific strategy requirements and stipulates that the authority must consult with a variety of outside parties about the strategy, including seeking written comment that must be considered in preparing the strategy.

Subd. 9. Public communications and outreach. Requires the authority to maintain a website, electronic newsletter, and quarterly online meetings to provide up to date info on the authority's projects, programs, and activities to the public.

Subd. 10. Board of directors. Creates a board of directors for the authority consisting of the commissioners of commerce, labor and industry, the Minnesota Pollution Control Agency, employment and economic development, and the Minnesota Housing Finance Agency, the chair of the Minnesota Indian Affairs Council, and seven members appointed by the governor who have specific sorts of relevant expertise. Requires the board to collectively reflect the geographic and ethnic diversity of the state, with at least two members permanently residing in greater Minnesota. Stipulates members serve four-year terms, except for initial appointments, and must provide evidence of commitment to the authority's purpose and not have any personal or professional conflicts of interest. Directs the governor to make his appointments no later than October 1, 2023, and the first meeting to be held no later than November 17, 2023, where a chair and vice-chair shall be elected. Sets rules for compensation, removal, replacement, and reappointment of board members and for establishing a quorum.

Subd. 11. Account established. Creates the Minnesota climate innovation authority account as a separate account in the special revenue fund. Credits money to the account and keeps it available until spent. Appropriates all money

Section Description – Article 21: Minnesota Forward

in the account to the authority for the purposes of this section, including administration.

Subd. 12. Report; audit. Requires an annual report on the authority’s activities to the governor and legislature, beginning February 1, 2024. Specifies the contents of this report, including that it must include a financial audit conducted by an independent third party.

Effective date: This section became effective May 25, 2023.

3 Definitions.

Adds definitions to the Minnesota state competitiveness fund statute, that clarify that “loans” and “tax credits” mean those authorized by the federal Inflation Reduction Act.

4 Establishment of account; eligible expenditures.

Expands the eligible uses of the Minnesota state competitiveness fund account to include grants that reduce the cost of projects awarded federal loans or federal tax credits in disadvantaged communities.

Effective date: This section became effective May 25, 2023.

5 Appropriation.

Amends the appropriations to the Minnesota state competitiveness fund to allow the commissioner of commerce, with the approval of the commissioner of management and budget, to transfer money between the appropriations made in Laws 2023, chapter 24, section 3, paragraph (a), clause (1), and the transfers made in Laws 2023, chapter 53, article 21, section 6, paragraph (c) (below).

Effective date: This section became effective May 25, 2023.

6 Transfers.

Transfers \$400,000,000 for the general fund to the Minnesota forward fund account in the current biennium.

Transfers \$25,000,000 from the general fund to the Minnesota climate innovation authority account in the current biennium.

Transfers \$75,000,000 from the general fund to the state competitiveness fund account in the current biennium, specifically for grants to projects receiving federal loans or tax credits where the benefits are in disadvantaged communities, and allows up to three percent of this transfer to be used for administrative costs.

Section Description – Article 21: Minnesota Forward

Allows the commissioner of management and budget, in consultation with the commissioners of employment and economic development and commerce, to transfer money between these three accounts during the 2026-2027 biennium, though the Legislative Advisory Commission must be notified within 15 days of any such transfers.

7 Appropriations.

Makes a onetime appropriation of \$50,000,000 in fiscal year 2024 from the Minnesota forward fund account for providing businesses with matching funds required by federal programs, retroactively to February 1, 2023, and allows up to two percent to be used for administration, keeping the money available until June 30, 2027.

Makes a onetime appropriation of \$100,000,000 in fiscal year 2024 from the Minnesota forward fund account to match existing federal funds from the Consolidated Appropriations Act, to construct and operate a bioindustrial manufacturing pilot innovation facility, biorefinery, commercial campus utilizing agricultural feedstocks, or aerospace center, and allows up to two percent to be used for administration, keeping the money available until June 30, 2027, and unrestricted by maximum grant amounts.

Makes a onetime appropriation of \$250,000 in fiscal year 2024 from the Minnesota forward fund account to match federal funds from the Chips and Science Act, not subject to the standard maximum grant amounts, allowing up to two percent for administration, and keeping the money available until June 30, 2027. Allows the commissioner to allocate up to 15 percent of the total project cost or a maximum of \$75,000,000 per semiconductor project and also to use this money for grants to institutions of higher education for training or research and development programs meeting industry needs, up to \$5,000,000 per institution or 50 percent of project costs. Allows the commissioner of employment and economic development to transfer money between these appropriations with the approval of the commissioner of management and budget if the Legislative Advisory Commission is notified within 15 days before the change.



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