

HOUSE RESEARCH

Bill Summary

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Article 1: Appropriations

Section

- 1 **Jobs and economic development appropriations.** Summary of appropriations.
- 2 **Jobs and economic development.** Clarifies terms.
- 3 **Department of Employment and Economic Development (DEED).** Provides individual appropriations. See spreadsheet for details.
- 4 **Department of Labor and Industry (DOLI).** Provides individual appropriations. See spreadsheet for details.
- 5 **Bureau of Mediation Services.** Provides individual appropriations. See spreadsheet for details.
- 6 **Board of Accountancy.** Provides individual appropriations. See spreadsheet for details.
- 7 **Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design.** Provides individual appropriations. See spreadsheet for details.
- 8 **Board of Cosmetologist Examiners.** Provides individual appropriations. See spreadsheet for details.

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- 9 Board of Barber Examiners.** Provides individual appropriations. See spreadsheet for details.
- 10 Workers' Compensation Court of Appeals.** Provides individual appropriations. See spreadsheet for details.
- 11 Cancellation.** Cancels \$7 million of the \$15 million disaster appropriation made to DEED for the Minnesota Investment Fund in Laws 2012, First Special Session chapter 1.

Article 2: Labor and Industry

- 1 License; exemptions.** Technical corrections; updating references.
- 2 Compliance orders.** Adds the statute prohibiting misrepresentation of employment relationships to the list of laws for which the commissioner may issue a compliance order.
- 3 Limitation.** Adds elevator contractors to the list of those exempt from laws that regulate engineers, architects, landscape architects, surveyors, geoscientists, and interior designers.
- 4 Applicable law.** Adds a statutory cross reference to combative sports to the list of applicable laws over which the commissioner of labor and industry has jurisdiction.
- 5 Licensing orders; grounds, reapplication.** Authorizes the commissioner to deny, suspend, limit, revoke, or otherwise not approve licensing or permits for persons in violation of a consent order or final order of the commissioner.
- 6 Examination results.** Doubles the amount of time from 90 to 180 days for payment of licenses.
- 7 Policy and purpose.** Adds use of buildings and structures to items covered by the building code.
- 8 Public building.** Clarifies that public building includes a charter school building project.
- 9 Application.** Updates to reference use of buildings.
- 10 Directs supervision.** Provides definition.
- 11 Elevator contractors.** Provides definition.
- 12 Limited elevator contractor.** Provides definition.
- 13 Limited elevator work.** Provides definition.
- 14 Elevator work.** Provides definition.
- 15 Master elevator constructor.** Provides definition.
- 16 Limited master elevator constructor.** Provides definition.

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- 17 **Limited journeyman elevator constructor.** Provides definition.
- 18 **Journeyman elevator constructor.** Provides definition.
- 19 **Registered unlicensed elevator constructor.** Provides definition.
- 20 **Residential dwelling.** Provides definition.
- 21 **Responsible licensed individual.** Provides definition.
- 22 **Licenses.** Sets out the requirements for the licensing and registration of elevator constructors and contractors; requires bond and insurance; provides for designation of a responsible master or limited elevator constructor; requires a written and oral examination to determine competence prior to licensure; sets out exemptions from licensing and provides for reciprocity for licensure in other states.
- 23 **Permits.** Adds elevator repairs to items needing a permit. Provides that a permit is valid for work that begins within 12 months of application and completed within two years of application. If no work is started within 12 months of application, the applicant may cancel a permit and request a refund of inspections fees.
- 24 **Department permit and inspection fees.** Specifies elevator permit and inspection fees.
- 25 **Operating permits and fees; periodic inspections.** Adds vertical reciprocating conveyors to items not requiring an operating permit fee subsequent to initial permit fees.
- 26 **Rules.** Removes reference to electrician's license in elevator constructor rule authority.
- 27 **Request for inspection.** Provides definition.
- 28 **License, registration, and renewal fees; expiration.** Makes necessary changes in the Minnesota Electrical Act to reflect new language for elevator constructors and contractors.
- 29 **Exemptions from licensing.** Makes necessary changes in the Minnesota Electrical Act to reflect the new provisions for elevator constructors and contractors.
- 30 **Exemptions from inspections.** Makes necessary changes in the Minnesota Electrical Act to reflect the new provisions for elevator constructors and contractors.
- 31 **Utility interconnected wind generation installations.** Provides for calculation of fees.
- 32 **Agreement with municipality.** Updates statutory cross reference.
- 33 **Fees for plan reviews and audits.** Eliminates special fees for accelerated reviews.
- 34 **Permits; fees.** Sets out plumbing fees.
- 35 **Definition.** Updates references.

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- 36 License prerequisites.** Provides that an applicant for a manufactured home dealers license does not have to satisfy the two year prior experience requirement if the applicant sells or brokers used manufactured homes or has met all other licensing conditions, is the owner of a manufactured home park, and is selling new homes installed in the park.
- 37 Commissioner.** Expands definition of commissioner for purposes of combative sports to be the commissioner of labor and industry and also to include a designee from within or outside of the department.
- 38 Advisory council.** Updates combative sports references to reflect that it is under the jurisdiction of DOLI.
- 39 Commissioner duties.** Clarifies duties of the commissioner with regard to combative sports. Authorizes the commissioner to suspend an individual combatant license for a mandatory rest period.
- 40 Jurisdiction of commissioner.** Authorizes the commissioner to suspend or revoke a combative sports license using the enforcement provisions generally available to the commissioner under construction codes and licensing authority.
- 41 Prelicensure requirements.** Requires promoter bonds of at least \$10,000. Requires a mixed martial arts combatant national identification number or a federal boxing identification number unique to each applicant.
- 42 Expiration and renewal.** Provides that combative sports licenses expire each year on December 31.
- 43 Fee schedule.** Makes changes in combative sports license fees.
- 44 Job-based education and apprenticeship program (JEAP).**

Subd. 1. Creation. Directs the commissioner of the DOLI in collaboration with MnSCU and employers to develop JEAP for manufacturing industries that integrate academic instruction and job-related learning in the workplace. Directs the commissioner to actively recruit participants in JEAP from targeted groups including: secondary and postsecondary school systems; individuals with disabilities, dislocated workers; veterans; MFIP enrollees, previously incarcerated persons; and individuals residing in labor surplus areas (defined by the U.S. Department of Labor) and other disadvantaged groups.

Subd. 2. Definitions. Provides definitions. An eligible employer is defined as a skilled manufacturing employer within the state who enters into an agreement with MnSCU and DOLI.

Subd. 3. Job-seekers hub. Creates a Web-based skilled manufacturing job-seekers hub to match employer needs with job seekers. Provides conditions that an employer must satisfy in order to advertise an apprenticeship or job opportunity on the hub.

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Subd. 4. JEAP employer agreement. Directs the commissioner, MnSCU, and eligible employers to enter into agreements specific to the identified manufacturing training needs of an employer. Specifies information required to be included in the agreements.

Subd. 5. JEAP participation agreement. Directs the commissioner, prospective participant, and employer to enter into participation agreements specific to the manufacturing training to be provided to the participant. Specifies information required to be included in the agreements.

Subd. 6. Minnesota State Colleges and Universities (MnSCU) instruction. Directs MnSCU to collaborate with employers to provide instruction that the employer thinks is necessary to instruct JEAP participants; instruction must be career-level as negotiated by the commissioner and the MnSCU institution.

Before entering into a JEAP participation agreement, a prospective participant must enroll in the MnSCU institution at which the required instruction will occur.

Instruction may be non-credit or for credit and may be transferred to a degree seeking program. A completion certificate shall be issued to participants that successfully complete the program.

Subd. 7. Expiration. Provides that JEAP does not expire unless jointly agreed to by the commissioner and the MnSCU board.

- 45 Implementation; report.** Directs the commissioner to implement JEAP at Century College, Alexandria Technical and Community College, Hennepin Technical College, and Central Lakes College. The commissioner and MnSCU board must report to the legislature by January 15, 2015.
- 46 Repealer.** Repeals obsolete continuing education requirements that are dealt with elsewhere in statute and statutory language and rules that are in conflict or not applicable under the new elevator constructor/contractor licensing structure.

Article 3: Employment, Economic Development, and Workforce Development

- 1 Cost of living study; annual report.** Requires the commissioner of DEED to conduct a yearly cost of living study, adjusted for family size, by county. The study must also include an analysis of statewide and county employment and job vacancy data and recommendations to assist in the assessment of employment and economic development planning in the state. The report must be given to the governor and chairs of the appropriate legislative committees by February 1 each year.

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- 2 Labor market information data production requirement.** Requires the commissioner of employment and economic development to work with the Office of Higher Education and local workforce center boards to publish labor market analysis supply and demand reports. The reports must include: information on state and regional industry sectors and occupations with high current and projected job growth; identification of top job vacancies; information on educational attainment; the expected number of graduates in industry-recognized credential and degree programs; completion rates and average debt; identification of higher education institutions offering industry recognized credential and degree programs in high job growth fields; projections of job growth; use of employer surveys to identify needed skills and credentials; comparison information between education and job growth and employment openings; and job vacancies and postsecondary education requirements.
- 3 Administration.** Authorizes the commissioner to provide forgivable loans directly to private business without passing through a local government entity under the Minnesota Investment Fund (MIF) and expands MIF to include development authorities as entities eligible for the state funded portion of the fund if the governing body of the municipality approves, by resolution, the application of the development authority.
- 4 Eligible expenditures.** Authorizes loans as well as grants for infrastructure under the Minnesota Investment Fund (MIF).
- 5 Disaster contingency account; repayments.** Specifies that repayment of MIF loans by a development authority is deposited in the disaster contingency account.
- 6 Requirements for assistance.** Technical changes as well as addition of a specific reference to development authority for the purposes of recovery loans under MIF.
- 7 Minnesota job creation fund.** Establishes the Minnesota job creations fund; sets forth requirements for designation and certification and outlines benefits available under program. Provides for different thresholds and benefits in the 11-county metropolitan area and the nonmetro area.
- 8 Trade policy advisory group.** Establishes a trade policy advisory group to advise and assist the governor and the legislature regarding government procurement agreements of United States trade agreements. The 11-member advisory group consists of representatives of organized labor, environmental interests, family farmers, business and industry, nonprofit organizations focused on international trade and development, and members of the house and senate. Advisory group members serve two-year terms. Others representing state agencies, industry, trade and labor organizations, nongovernmental organizations, and local governments may join as nonvoting members. The advisory group is charged with advising the governor and other lawmakers, assessing trade agreement impacts on the state's economy, and requesting and receiving information from the United States trade representative. The advisory group must report to the legislature at least once per fiscal year.
- 9 Minnesota trade office in foreign markets.** Directs the commissioner to establish three new trade offices in key foreign markets.

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- 10 Minnesota STEP grants.** Directs the creation of a State Trade and Export Promotion (STEP) grant program to provide assistance to small businesses interested in exports. Makes grants of up to \$7,500 available on a reimbursement basis for approved activities.
- 11 Invest Minnesota.** Establishes a marketing initiative to brand Minnesota's economic development initiatives and promote business opportunities.
- 12 Workforce center; credential assistance.** Directs the commissioner to provide services through workforce centers to assist in identifying and obtaining needed credentials for jobs.
- 13 Film production jobs program.** Moves oversight of the program from the Department of Administration to the Department of Employment and Economic Development. Specifies that no more than five percent of the amount appropriated for the program may be used for administrative costs, including the costs of independent audits or financial review of projects.
- Specifies that production costs include above-the-line talent fees for nonresident talent and costs incurred during post-production. Film includes internet pilots, programs, or series.
- Increases the reimbursement allowed under the program to 25 percent of production costs for films that locate production outside of the metro area, or that incur production costs in excess of \$5 million in a 12-month period; or up to 20 percent of production costs for films that incur production costs that do not exceed \$5 million in the metro area within a 12-month period.
- 14 Job placement impact on program review; information to students.** Directs MNSCU to use the compiled labor market information when making course and program offering decisions.
- 15 Availability of community support services.** Restates the required design of the community supports services programs for adults with serious and persistent mental illness to improve their ability to find and maintain competitive employment. Encourages counties to fund evidence-based practices.
- 16 Employment support services for persons with mental illness.** Makes technical and policy changes that emphasize efforts for those with mental illness who wish to work and focuses on competitive employment. Directs that projects funded should ensure that services are integrated with mental health treatment, provide benefits counseling, and conduct rapid job search.
- 17 Employment support services and programs.** Makes changes conforming with sections 15 and 16.
- 18 Dakota County community development agency: Minnesota Investment Fund.** Allows the Dakota County community development agency to be treated as a general purpose local government unit for the purposes of MIF under certain prescribed conditions.

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19 Employment supports and independent living services for individuals with high functioning autism, Asperger’s syndrome, nonverbal learning disorders, and pervasive developmental disorders not otherwise specified; pilot program.

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

Subd. 2. Employment support plan and outcomes. Specifies that an employment support plan must include employment goals, ongoing support services, program outcomes that focus on competitive employment, and independent living services.

Article 4: Unemployment Insurance

- 1 Use of funds.** Authorizes the use of dislocated worker funds for the training and assistance under the CLIMB program.
- 2 Converting layoffs into Minnesota businesses (CLIMB).** Creates a state program similar to a federal initiative utilized in Minnesota in the past to assist dislocated workers in starting or expanding a business. CLIMB is to offer entrepreneurial training, business consulting, and technical assistance to dislocated workers trying to start or expand a business.
- 3 Tax rate for new employers.** Modifies the standard for assigning a “new employer” tax rate to an employer who had previously registered for a tax account but who had no taxable wages during the experience rating period. The previous standard required that the employer file a “no wages paid” report in order to qualify. Many employers who cease operations fail to file the report required under current law.
- 4 Limitations on applications and benefit accounts.** Makes a technical change that clarifies that backdating of a benefit application is available to an applicant who was unemployed. Current law refers to an applicant having no employment which creates unintended consequences for applicants who have more than one job.
- 5 Additional unemployment benefits; when available.** Authorizes the payment of additional unemployment benefits to an applicant who has stopped working because of a lockout.
- 6 Eligibility conditions.** Specifies that an applicant who is unemployed due to a lockout is eligible for additional benefits if the applicant meets current law eligibility requirements, has exhausted regular benefits, is not eligible for extended benefits, and the lockout is in active progress.
- 7 Weekly benefit amount.** Sets the additional benefit amount equal to the weekly amount for regular benefits.
- 8 Maximum amount of unemployment benefits.** Removes duration limits as long as a lockout is in active progress.

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- 9 Unemployment benefits while in entrepreneurial training.** Makes unemployment benefits available to workers participating in the CLIMB program.
- 10 Shared work plan requirements.** Makes technical and conforming changes in the shared work program operating in Minnesota. Conforming changes are to federal modifications of the program.
- 11 Approval by commissioner.** Technical and conforming changes.
- 12 Notice to participating employee.** Requires employers to provide a written notice that includes the proposed terms of the plan and that the employee may apply for unemployment benefits, to each participating employee that the employer has submitted a shared work plan.
- 13 Applicant requirements.** Clarifies work availability requirements.
- 14 Amount of unemployment benefits available.** Technical and conforming changes and clarifying language about the reduction of unemployment benefits in proportion to hours worked.
- 15 Cancellation; modification.** Technical and conforming changes and clarifying language about employer requests for modifications of the shared work plan.
- 16 Contingent account.** Directs the transfer of money deposited in the contingent account to the general fund.
- 17 Severable.** Technical and clarifying changes.
- 18 Administrative penalties.** Makes a technical change to the law requiring the deposit of penalties to the unemployment insurance trust fund to apply to penalties credited after July 1, 2013. Current law refers to penalties imposed after July 1, 2013.
- 19 Unemployment insurance employer tax reduction.** Fixes the unemployment tax rate at .1 percent in calendar 2014 and 2015 if the state's unemployment insurance trust fund exceeds threshold amounts of \$800,000,000 for 2014 and \$900,000,000 for 2015.
- 20 Commissioner authorized to request shared work funds.** Authorizes the state to request federal funding for the shared work program.

Article 5: Miscellaneous

- 1 Comprehensive examination.** Provides definition of comprehensive examination for barbering.
- 2 Fees.** Adds new barber fees: retake of written examinations: \$10; renewal of student permits: \$25; letter of license verification: \$25; and reinspection: \$100.

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- 3 **What constitutes barbering.** Specifies that shaving the face or neck and applying lotion to hair is barbering.
- 4 **Who may receive certificates of registration as a registered barber.** Specifies that an apprentice who does not pass a comprehensive exam and who fails to pass a onetime retake of the written exam may continue to practice as an apprentice for an additional 300 hours before eligible to retake the comprehensive exam until passed.
- 5 **Who may receive certificates of registration as a registered apprentice.** Specifies requirements including recent graduation from barber school, further study requirements for those who graduated more than four years prior to application, testing requirements and registration for incarcerated individuals.
- 6 **Qualifications.** Provides requirements for instructors including successful completion of vocational instructor training, high school graduation, and status as a currently registered barber.
- 7 **Admission requirements; course of instruction.** Adds chemical waving to required subjects.
- 8 **Application; fee.** Requires photo ID.
- 9 **Examinations, conduct, and scope.** Authorizes the board to schedule additional written examinations. Requires barber school to post the hours completed by students applying to take the apprentice exam.
- 10 **Application.** Requires proof of identity.
- 11 **Examination of nonresidents.** Strikes language requiring reciprocity from other states or countries.
- 12 **Examination of nonresident apprentices.** Strikes language requiring reciprocity from other states or countries.
- 13 **Certificates of registration and temporary permits to be displayed.** Requires photos that meet passport standards for displaying certificates or permits.
- 14 **Effect of failure to renew.** Allows reinstatement within four years of a lapsed certificate.
- 15 **Administrative penalties.** Allows the additional imposition of the following penalties and fees: missing or lapsed shop registration discovered upon inspection: \$500; unlicensed or unregistered apprentice or registered barber, first occurrence discovered upon inspection: \$500; and unlicensed or unregistered apprentice or registered barber, subsequent offense, discovered upon inspection: \$1,000.
- 16 **Municipalities; regulation authorized.** Cities may regulate barber shop hours in addition to all other applicable local regulations.
- 17 **Misrepresentation.** Prohibits anyone from posing as a barber unless they are a barber.

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- 18** **Symbols; barber pole.** Prohibits anyone who isn't a registered barber or barber shop to display a red or white, or red, white, and blue cylindrical pole.
- 19** **Cosmetology.** Adds services performed on the trunk of the body to the list of cosmetology services.
- 20** **Manager.** Provides that a school manager must maintain an active salon license.
- 21** **Instructor.** Provides that an instructor must maintain an active operator or manager's license in the area in which the instructor license is held.
- 22** **Schedule.** Includes nail technician in the three-year license fee schedule. Provides penalties for lapsed licenses discovered upon inspection, failure to dispose of onetime use equipment, implements or materials, use of prohibited items, performing manicure or cosmetology services in salons where those services are not authorized, operators working as independent contractors, and refusal to cooperate with inspections.
- 23** **License expiration dates.** Clarifies license expiration dates for salons and schools.
- 24** **Testing.** Requires testing to be done by a board-approved provider.
- 25** **Nonresident licenses.** Sets out requirements for nonresident licenses.
- 26** **Requirements.** Strikes licensing and inspection requirement prior to commencement of business.
- 27** **Instruction requirements.** Specifies that instruction may not be for more than ten hours per day per student and that instruction must be given in a licensed school building. Online instruction is allowed for board-approved theory-based classes. Practice-based classes may not be given online.
- 28** **Prohibited uses.** Lists prohibited items, equipment, implements, and materials.
- 29** **Office of Collaboration and Dispute Resolution.** Requires the commissioner of mediation services to establish an Office of Collaboration and Dispute Resolution. States the duties of the office, which include promoting use of mediation, assisting government units in improving collaboration and dispute resolution, providing technical assistance and information on best practices, and establishing dispute resolution projects.
- 30** **Grants.** Requires the commissioner of mediation services to make grants to nonprofit entities certified by the state court administrator that assist in resolution of disputes. Directs the commissioner to establish a grant review committee. Provides eligibility requirements. Requires grant recipients to agree to comply with guidelines adopted by the state court administrator and current law under chapter 16B. States that the general laws and policies applicable to state grants also apply to grants under this section.

Section

- 31** **Timing.** Fixes the length of time certificates are valid to one year. Currently, the certificate renewal is done on a three-year cycle, while continuing education reporting requirements are done on an annual basis.
- 32** **Residents of other states.** Removes obsolete language related to applications depending on whether they were made prior to or on or after July 1, 2006.
- 33** **Fees.** Establishes a fee structure for initial and renewal certificates.
- 34** **Certificates issued by foreign countries.** Removes obsolete language related to applications depending on whether they were made prior to or on or after July 1, 2006.
- 35** **Unlawful acts.** Clarifies that it is not “misleading” if a CPA firm uses a common brand name or network name part—including initials—if the firm is a network as defined by the American Institute of Certified Public Accountants’ Code of Professional Conduct. The firm must, however, comply with the code’s standard of independence if they offer or render services requiring independence under the code’s standards.
- 36** **St. Paul Rivercentre Arena.** Provides that the city of St. Paul does not have to remit payments to the state in fiscal year 2014 and 2015.
- 37** **Revisor instruction.** Directs the revisor to change the term “manicurist” to “nail technician” wherever it appears; and to change the terms “licensed” to “registered” and “license” to “registration” wherever they appear in the barber statutes. Barbers are registered, they are not licensed in Minnesota.
- 38** **Repealer.** Repeals:
- obsolete statutory language applicable to activities prior to July 1, 2006 (Minnesota Statutes, section 326A.03, subdivisions 2, 5, and 8);
 - the Science and Technology Authority (Chapter 116W);
 - Rule 1105.0600 regarding fees;
 - Rule 1105.2550 regarding renewal of certificates after 2009; and
 - Rule 1105.2700 regarding requirements prior to July 1, 2006.

Article 6: Commerce and Consumer Protection Appropriations

- 1** **Summary of appropriations.** Summarizes the direct appropriations, by fund, made in this article. See spreadsheet for details.
- 2** **Commerce and consumer protection appropriations.** Provides information helpful in understanding the other sections in this article.

Section

3 Department of Commerce.

Subd. 1. Total appropriation. Shows total appropriations by fund and fiscal year. Amounts available for each purpose are shown in the following subdivisions.

Subd. 2. Financial institutions. Shows appropriations for regulation of banks and other financial institutions including mortgage originators and servicers.

Subd. 3. Petroleum Tank Release Compensation Board. Shows appropriation from petroleum tank fund.

Subd. 4. Administrative services. Includes funding for additional efforts to return unclaimed property to its owners. Increases fees for the Weights and Measures Unit.

Subd. 5. Telecommunications. Includes funding for Broadband Development Office. Transfers funds to Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans.

Subd. 6. Enforcement. Includes general fund provision for regulation of bullion coin dealers.

Subd. 7. Energy resources. See spreadsheet for details.

Subd. 8. Insurance. Shows appropriations by fund.

4 Public Utilities Commission. See spreadsheet for details.

5 Gambling control. Appropriations are from the lawful gambling regulation account in the special revenue fund. See spreadsheet for details.

6 Racing Commission. Appropriations are from the racing and card playing regulation accounts in the special revenue fund.

7 State lottery. Provides limits on its operating budgets.

8 Explore Minnesota Tourism. Provides a grant each year to the Upper Minnesota Film Office. Requires a match from nonstate sources for portions of the state appropriations. See bill and spreadsheet for details.

9 Problem gambling appropriation. Appropriates money from the lottery prize fund to the commissioner of human services for a grant for the purpose of reducing problem gambling. See bill language for details.

Article 7: Commerce and Consumer Protection Policy

1 Fees other than examination fees. Increases from \$10 to \$30 the fee charged by the Department of Commerce for filing a document in which an insurance company appoints an insurance agent.

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- 2** **Registration.** Specifies the registration fees that bullion coin dealers and coin dealer representatives may be charged by the Department of Commerce. Permits the department to adjust the fee on an annual basis based on cost.
- 3** **[161.462] Fiber collaboration database.** Requires the Department of Transportation to post on its Web site the list of upcoming construction projects in its statewide transportation improvement program, so that broadband providers may notify the department of their interest in installing broadband infrastructure along the right-of-way.
- 4** **[237.012] Annual reports.** Specifies that the annual report to the legislature by the commissioner of commerce on the achievement of the state's broadband goals also include recommended policies, incentives, and legislation to hasten the achievement of the goals.
- 5** **[237.85] Office of Broadband Development.** Establishes the Office of Broadband Development in the Department of Commerce, and lists its purpose, organization, and duties, which include:
- serving as the state's central planning body for broadband;
 - developing and implementing a state plan to encourage cost-effective broadband access;
 - developing and implementing the state's broadband infrastructure development program, described in section 6; and
 - encouraging public-private partnerships to expand deployment and adoption of broadband services, including recommending funding options and incentives to encourage investment.
- 6** **[237.90] Coordination of broadband infrastructure development.** Directs the Office of Broadband Development to coordinate, with the Department of Transportation, "dig once" efforts to facilitate the cost-effective deployment of broadband infrastructure. The office is also to facilitate the efficient deployment of broadband facilities on state-owned land and buildings, and to encourage local units of government to adopt policies similar to those in this section.
- 7** **Petroleum inspection fee; appropriation, uses.** Increases the inspection fee on petroleum products, which is collected by the commissioner of revenue and appropriated by the commissioner of commerce for the Division of Weights and Measures, petroleum supply monitoring, and grants for weatherization.
- 8 - 11** **Contracts for deed.** Amends existing laws and enacts new laws that govern purchase and sale of real estate by use of a contract for deed. The new provisions provide greater protections to purchasers.
- 12** **Administrative services.** Amends a 2011 law that involves the fiscal 2014 and 2015 budgets for the unclaimed property program operated by the Department of Commerce.

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- 13 State broadband strategy; report.** Directs the Office of Broadband Development to produce a report recommending state strategies for expanding broadband services in ways that will maximize the economic development impact of the expansion. The report must examine state roles in addition to that of providing financial assistance, focus on impacts on subgroups of broadband users, including mobile broadband users, and analyze strategies that leverage additional private capital. The report is due to the legislature by January 15, 2014.
- 14 Repealer.** Repeals a law that permits criminal penalties on a purchaser for failure to record a contract for deed in the office of the county recorder or county registrar of titles.

Article 8: Housing Finance

Overview

This is the budget bill for Minnesota housing programs and the base budget for the Minnesota Housing Finance Agency.

1 Housing Finance Agency. Provides general appropriation language.

2 Appropriations.

Subd. 1. Total Appropriation. Provides for a transfer to the housing development fund of \$50,048,000 in fiscal year 2014 and \$48,048,000 in fiscal year 2015.

Subd. 2. Challenge program. Provides funding for the Challenge Program (section 462A.33), \$10,227,000 in 2014 and \$10,227,000 in 2015, which provides grants or loans for construction, rehab, and financing to support economic development and job growth in a community and are made to cities, Indian tribes, subdivision, nonprofits, and individuals and must serve households that are low and moderate-income. \$1,208,000 is allocated to be used first for housing projects for American Indians, and after 11 months, whatever is left to other projects. Priority given to programs aimed at closing the disparity gap in affordable homeownership and rental housing for indigenous American Indians and communities of color. Priority is given for programs that focus on (1) homeless youth, (2) trafficked women and children, (3) land trust programs, and (4) programs that provide for housing in communities with job growth and job expansion.

Subd. 3. Housing trust fund. Provides funding for the housing trust fund (section 462A.201), \$11,605,000 in 2014 and \$10,605,000 in 2015, to provide loans and grants for projects to develop, construct, acquire, preserve, and rehab low-income rental housing units (including cooperative, temporary, and transitional housing), assist with the cost of operating low-income rental housing, and provide rental assistant to low-income tenants. Trust fund money for these purposes is to be matched by federal, local, or private money.

Priority is given to programs aimed at closing the disparity gap in rental housing for indigenous American Indians and communities of color and culturally specific groups

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who are providing services to members of their community. This includes a onetime \$1 million appropriation for temporary rental assistance for families with school age children who have changed schools, who are homeless or at risk of being homeless.

Subd. 4. Rental assistance for mentally ill. Provides funding for the rental housing assistance (section 462A.2097), \$2,638,000 in each year, for programs for low-income tenants or for persons with mental illness which includes direct rental subsidies and coordinated services for tenants.

Subd. 5. Family homeless prevention. Provides funding to the family homeless prevention and assistance program (section 462A.204), \$8,043,000 in each year, for grants to counties for projects to stabilize families in existing homes, assist with transitional housing and shortening shelter stays, and to decrease a period of homelessness. Includes a school stability program which can allow rental assistance.

Subd. 6. Home ownership assistance fund. Provides funding for the homeownership assistance fund (section 462A.21, subdivision 8), \$845,000 each year, which can assist low- and moderate-income individuals and families with the purchase of affordable residential housing including providing loans. Priority is given to funding programs that are aimed at closing the disparities gap in homeownership for indigenous American Indians and communities of color.

Subd. 7. Affordable rental investment fund. Provides funding for the affordable rental investment fund program (section 462A.21, subdivision 8b), \$4,200,000 each year, also called "PARIF." This funding is to be used to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental properties. This appropriation can also be used for equity takeout loans under section 462A.05, subdivision 39, which would require the owner to agree to participate in the federal assistance program and extend low-income affordability restrictions on the housing for the maximum term of the federal assistance contract and allow local government, housing authorities, and nonprofits the right of first refusal if the property is offered for sale. Priority is given to federal assistance rental properties with the longest remaining term under the agreement for federal assistance. Priority is also given to housing developments owned by local government units, a housing authority, or a nonprofit housing organization. Allows this appropriation to be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and provides the base funding for PARIF.

Subd. 8. Housing rehabilitation. Provides funding for the housing rehabilitation program (section 462A.05, subdivision 14), \$6,094,000 each year, which provides loans to low and moderate income homeowners and to owners of residential housing for low and moderate-income residents for rehabilitation of the properties. Of the appropriation \$3,664,000 is for rehabilitation to rental properties and \$2,750,000 is for rehabilitation to owner occupied homes. Priority is given to programs aimed at closing the disparity gap in rental housing for communities of color.

Subd. 9. Homeownership education, counseling, and training. Provides funding for the homeownership education, training, and counseling (section 462A.209), \$809,000 each year, which provides money to a community-based nonprofit

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organization and political subdivision to assist in providing full cycle homeownership services to low- and moderate-income home buyers and homeowners and foreclosure prevention assistance. Priority may be given to funding programs that are aimed at culturally specific groups who are providing services to members of their community.

Subd. 10. Capacity-building grants. Provides funding for nonprofit capacity building grants (section 462A.21, subdivision 3b), \$242,000 each year, which allows grants to nonprofits, local governments, Indian tribes, and organizations to expand their capacity to provide affordable housing and housing services. The grants can be used to assess housing needs, develop strategies to meet those needs, include creating or preserving affordable housing, purchase counseling and administrative costs, and linking supportive services to the housing.

Subd. 11. Grants. Provides a specific appropriation to either a specific organization or for a grant to be made to an organization that provides a specific type of service.

- \$70,000 each year to Open Access Connection to provide voicemail services to homeless and low-income individuals who are trying to get housing or jobs.
- \$200,000 each year to HOME line for tenant advocacy and services.
- \$175,000 each year to an East African Women's organization to provide shelter, health services, and education to promote safety, human rights, and prevent abuse and trafficking.

Subd. 12. Transfers. Provides for transfers to the commissioner of human services to provide housing related services for the following programs:

- \$900,000 each year is for the long-term homeless supportive services under section 256K.26
- \$250,000 each year is for the transitional housing programs under section 256E.33
- \$250,000 each year is for emergency services grants under section 256E.36
- \$1,500,000 each year is to provide housing and services to homeless youth under section 256K.45
- \$1,000,000 each year is for housing and shelter for trafficked women and children
- \$500,000 in the first year for a onetime appropriation for a grant for housing subsidies to the nonprofit organizations selected to administer the demonstration project for high-risk adults
- \$250,000 in the first year for a onetime appropriation for a transfer to the commissioner of health for education and training grants to address housing-

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based health threats and healthy homes implementation grants to local boards of health to mitigate housing-based health threats

- \$250,000 in the first year is a onetime appropriation for a transfer to the commissioner of health for a grant for lead poisoning prevention activities under sections 144.9501 to 144.9512