

# HOUSE RESEARCH

## Bill Summary

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**Authors:** Garofalo

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**Analyst:** Anita Neumann – Articles 1, 2, & 4  
Bob Eleff – Articles 7 to 12  
Ben Weeks – Article 6  
Mary Mullen – Article 3  
Larie Pampuch – Article 5

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### Article 1: Appropriations

#### Section

- 1**      **Jobs and Economic Development Appropriations.** Provides fund summary for appropriations in act.
- 2**      **Jobs and Economic Development.** Specifies definitions of fiscal years.
- 3**      **Department of Employment and Economic Development.** Provides appropriations for the Department of Employment and Economic Development. See spreadsheet for details.
- 4**      **Housing Finance Agency.** Provides appropriations for the Housing Finance Agency. See spreadsheet for details.
- 5**      **Explore Minnesota Tourism.** Provides appropriations for Explore Minnesota Tourism. See spreadsheet for details.
- 6**      **Department of Labor and Industry.** Provides appropriations for the Department of Labor and Industry. See spreadsheet for details.

## Section

- 7 **Bureau of Mediation Services.** Provides appropriations for the Bureau of Mediation Services. See spreadsheet for details.
- 8 **Workers' Compensation Court of Appeals.** Provides appropriations for the Workers' Compensation Court of Appeals. See spreadsheet for details.
- 9 **Department of Commerce.** Provides appropriations for the Department of Commerce. See spreadsheet for details.
- 10 **Public Utilities Commission.** Provides appropriations for the Public Utilities Commission. See spreadsheet for details.
- 11 **Pollution Control Agency.** Provides appropriations for the Pollution Control Agency. See spreadsheet for details.
- 12 **Department of Administration.** Provides appropriations for the Department of Administration. See spreadsheet for details.

## Article 2:

### Jobs and Economic Development

- 1 **Grant program established.** Modifies the Greater Minnesota Business Development Public Infrastructure Grant Program (Greater MN BDPI) to require that grants be made equal to 50 percent of the capital costs of public infrastructure unless an applicant requests a lesser amount. Under current law, grants may provide up to 50 percent of the costs.
- 2 **Maximum grant amount.** Increases the maximum Greater MN BDPI grant from \$1,000,000 to \$2,000,000.
- 3 **Workforce housing development program.** Creates a workforce housing development grant program administered by DEED for grants to cities and communities to build market-rate housing in low-vacancy areas outside the seven-county metro that have an employer who believes there is a need for greater rental housing. This section also provides that there is a priority for grants in communities with less than 18,000 people; that the grants cannot exceed the greater of 25% of the project cost or \$1,000,000; and that the grantees must report back to the legislature on the projects funded through the program. This section is effective July 1, 2015.
- 4 **Certification of qualified business.** Clarifies that applications fees related to the Greater Minnesota Business Expansion program are to be deposited in the administration account in the special revenue fund.
- 5 **Funds.** Appropriates money in the greater Minnesota business expansion administration account to the commissioner of DEED for application processing costs and other administrative expenses. Appropriation is retroactive to August 1, 2014.
- 6 **Grant allowed.** Increases the maximum job training grant amounts from \$9,000 to \$11,000 for placement grants and retention grants.

## Section

- 7**      **Qualified job training program.** Modifies requirements for job training program grantees to require that the grantee's program must spend on average \$15,000 or more per graduate of the program. The requirement in current law is that the grantee spend at least \$15,000 per graduate. Also makes income supplements a discretionary component rather than a mandatory component of the program and increases from \$11,000 to \$12,000 per year the annual income limit for participants and increases from \$7,000 to \$10,000 the amount of assets a participant may have, excluding a homestead.
- 8**      **Use of funds.** Authorizes the expenditure of dislocated worker funds for incumbent worker training.
- 9**      **Determination and collection of special assessment.** Reduces the rate of the workforce special assessment used to finance the workforce development fund from .10 percent of taxable wages, to .08 percent of taxable wages.
- 10**     **Dual training competency grants.** Establishes a grant program within DEED. Employers may apply for grants to provide their employees with additional training at a MNSCU school in the competency standards established by the Department of Labor and Industry.
- Subd. 1. Program created.** Establishes a grant program to train employees in the competency standards established by DLI.
- Subd. 2. Eligible grantees.** Establishes which employers and employees are eligible for the grant program established in subdivision 1. Employers may apply for grants to train employees who work or are to be trained to work in an occupation for which a competency standard has been identified. Employees may only participate in the program once, and must apply for Pell and state grants to participate.
- Subd. 3. Training institution.** Mandates that training under the grant program be provided by MnSCU.
- Subd. 4. Contract required.** Requires employers and employees to enter into a contract defining the terms of employment during and after the training program.
- Subd. 5. Application.** Establishes the process for applying for a grant.
- Subd. 6. Grant criteria.** Establishes the criteria the commissioner must use to award grants. To the extent feasible, the commissioner must award equal dollar amounts to metro and nonmetro businesses.
- Subd. 7. Employer match.** Sets the percentage an employer must pay towards an employee's training, depending on the employer's annual revenue. Employers must pay between 20 percent and 66 percent of the costs of training.
- Subd. 8. Payment of grant.** Allows the commissioner to establish the manner in which grant payments are made to training institutions.
- Subd. 9. Grant amounts.** Grants the commissioner the authority to set the maximum grant amount allowed under the program and the maximum grant amount per employee trained. The maximum grant amounts must be set at a level to allow multiple employees to participate. The maximum grant per employee must not exceed the cost of tuition up to 60 credits. Requires grant amounts be reduced by the employer's match and an employee's state and federal Pell grants.
- Subd. 10. Reporting.** Requires the commissioner to annually report to the legislature on the activity of the grant program.
- 11**     **Definitions.** Provides definitions of terms used in bill.

## Section

A “new job” is defined as one that is provided by a new or expanding business located outside of the seven-county metropolitan area and that provides 32 hours of work per week for at least nine months during the year and that has no planned termination date. The job must be certified by the commissioner as a qualifying job before any employees may be hired to fill the job. The job cannot be one for which an employee hired was formerly employed by the employer in the state or was a replacement worker.

“Program costs” includes all necessary and incidental costs of providing program services, but does not include the purchase price of equipment that will be owned or used by the training or educational institution or service.

“Program services” means training and education for new jobs and includes in-house training and services provided by higher education institutions, local, state, or federal agencies, or private entities.

**12 Commissioner’s duties and powers; agreements.** Directs the commissioner of DEED to coordinate job training program services. Directs the commissioner to enter into agreements with participating employers that:

- identify total program costs and the amount to be paid by the employer;
- limit the costs that may be paid for by grant funds to no more than 50 percent of the annual gross wages of the new jobs during the first year;
- specifies wage requirements of at least the median hourly wage in the county, plus benefits; and
- provides for the job training to be provided and the duration of the training.

Before entering into an agreement, the commissioner must determine that sufficient funds are available to finance the training specified in the agreement and investigate whether other training programs would be a more suitable option.

Grants funds must be allocated on a first come, first served basis. A grant application fee may be charged by the commissioner.

**13 Job training grants.** Allows employers to recover job training costs and requires reporting by the commissioner to the legislature and governor on program performance.

**14 Customized training for skilled manufacturing industries.**

**Subd. 1.** Directs the commissioner of the Department of Employment and Economic Development (DEED) in collaboration with the Minnesota State Colleges and Universities (MNSCU) to develop and administer a customized training program for skilled manufacturing industries. The program must integrate academic instruction with job-related learning. The commissioner is directed to recruit participants from among:

- individuals with disabilities;
- dislocated workers;
- retired and disabled veterans;
- MFIP participants;
- minorities;
- previously incarcerated persons;
- persons in labor surplus areas (under designation by the U.S. Dept. of Labor); and
- other disadvantaged group the commissioner identifies.

**Section**

**Subd. 2. Definitions.** Provides definitions of terms used in the bill. The program would be open to Minnesota employers in skilled manufacturing industries with no more than 50 employees. Employers must enter into an agreement with the commissioner and MNSCU institutions to participate. Related instruction is defined as classroom instruction or technical/vocational training necessary to perform the duties of the skilled manufacturing job.

**Subd. 3. Skilled manufacturing customized training program employer agreement.** Requires an agreement between the employer, commissioner, and MNSCU institution that specifically identifies the training needs of the employer. The agreement must include the name of the employer, a statement indicating the hours of work, and the hours of supplementary instruction in related subjects. Limits the hours of work per week of participants to no more than that provided for under law, or the customary regular hours of work per week of the employer. Overtime is allowed as long as it does not conflict with supplementary instruction course attendance. The agreement must also specify the wage rate, how the agreement may be terminated, a schedule of the processes of the occupation in which the participant is being trained and the length of time spent at each process; a statement by the MNSCU institution and the employer describing how the related instruction will be offered; and any other provision deemed necessary by the commissioner. The commissioner shall periodically review compliance with the agreement and may terminate an agreement if it is determined that the agreement has been breached.

**Subd. 4. Skilled manufacturing customized training program participation agreement.** Requires an agreement between the commissioner, employer, and participant that includes the name of the employer and the name of the participant, a statement of the processes of the occupation in which the participant will be trained, a description of any related instruction, a statement showing the number of hours to be spent by the participant in work activities and then number in supplementary instruction, the hourly wage, an explanation of how the agreement may be terminated and the maximum number of hours per week. Overtime work is allowed as long as it does not conflict with supplementary course attendance.

**Subd. 5. MNSCU instruction.** Requires MNSCU institutions to collaborate with employers in the provision of related instruction. Related instruction must be career-level, as negotiated by the commissioner and institution. The instruction may be for credit or non-credit and may be transferable to a degree program. MNSCU must provide a summary of the related instruction to the commissioner prior to the disbursement of funds by the commissioner. A certificate of completion shall be issued to a participant by the commissioner and MNSCU upon successful completion of the components of the agreement.

**15 Requirements.** Extends workforce and training outcome reporting requirements to all education and training programs that are funded by any state funds and administered by the commissioner of DEED. Also extends requirements to education and training programs administered by the commissioner and provided to individuals enrolled in adult basic education program (ABE) or the Minnesota Family Investment Program (MFIP).

**16 Uniform outcome report care; reporting by commissioner.** Adds to the information on each program that must be reported to the legislature to include total program costs, program cost per

## Section

participant, the cost per credential received by a participant, and the administrative costs of the programs.

- 17 **Information.** Requires analysis by the department of specific program information collected and reported on by DEED. The analysis must include an executive summary of program outcomes, including but not limited to enrollment, training, credentials, pre-and post-program employment and wages, and a comparison of program outcomes by participant characteristics.
- 18 **Workforce program net impact analysis.** Adds the career pathways program to the net impact analysis.
- 19 **Business loan criteria.** Eliminates language that a loan or guarantee under the Urban Initiative Program be used for a project designed to benefit persons in low income areas through the creation of job or business opportunities.
- 20 **Reporting requirements.** Changes reference from low income areas to low income persons.
- 21 **Community rehabilitation provider governing boards.** Changes references from rehabilitation facility to community rehabilitation provider and replaces reference to rehabilitation facility to reference to extended employment program.
- 22 **Establishment characteristics.** Specifies that the Port Authority of St. Paul may also be known as the Saint Paul Port Authority.
- 23 **Term, vacancies.** Specifies six year terms for St. Paul Port Authority commissioners.
- 24 **Consent for city land.** Prohibits the port authority from taking land owned, controlled, or used by Ramsey County without the consent of the county board.
- 25 **Port jurisdiction.** Clarifying language.
- 26 **Relation to industrial development provisions.** Specifies that the port authority may work with any federal, state, or local agency with the written consent of the agency.
- 27 **May join in supplying small business capital.** Technical.
- 28 **Recreation facilities on the Mississippi River.** Adds reference to Ramsey County.
- 29 **Bond for treasurer and assistance treasurer.** Technical.
- 30 **Skilled manufacturing report.** Requires report by DEED commissioner in conjunction with participating MNSCU institutions regarding the skilled manufacturing training program.
- 31 **Direction to commissioner; long-term care workforce development.** Requires the commissioner of DEED, in conjunction with the Commissioner of Health, to review workforce development programs to advance long term care careers.
- 32 **Repealer.** Repeals the Snobate program and obsolete sections related to the St. Paul Port Authority.

## Section

### Article 3: Housing

#### Overview

This article amends statutes related to manufactured home parks, the housing finance agency, economic development districts and tax increment financing, and the Metropolitan Council Development Guide and Metropolitan Livable Communities Act.

- 1 **Rules (for manufactured home parks).** Amends Chapter 327 removing a requirement that vehicles in manufactured home parks must park ten feet away from the nearest adjacent home.
- 2 **Created (economic development and housing challenge program).** Amends the Housing Challenge fund statute to require the housing finance agency to equally divide all challenge appropriations so that one-half goes to the seven county metro area and one-half goes to Greater Minnesota. This section takes effect on August 1, 2017.
- 3 **Economic development district.** Modifies the definition of economic development district to authorize municipalities to make the alternative findings for workforce housing projects created in section 2.
- 4 **Municipality approval (tax increment financing).** Provides the findings a city must make to approve an economic development tax increment financing district for workforce housing.
- 5 **Economic development districts.** Allows the spending of increments for an economic development district for workforce housing projects for up to nine years.
- 6 **Income limits (tax increment financing).** Allows TIF districts that collect 26 years of increment to operate without income limits for the occupants of the housing when a housing finance agency grant or loan or DEED grant has also been obtained for the project.
- 7 **Development guide (Metropolitan council).** Requires the legislature to approve the portions of the Metropolitan Council's Development Guide that related to housing. This section applies to the plan adopted by the council last year and future plans.
- 8 **Affordable, life-cycle goals (Metropolitan Council).** Requires the negotiated life-cycle housing goals for each municipality in the seven county metro area to be submitted to the legislature and requires that legislature to either approve the goals or adjourn from the regular session without taking action. This section would require submission of new goals by January 15, 2016.
- 9 **Affordable, life cycle housing opportunities amount (Metropolitan Council).** Allows the legislature to approve, modify, or reject the amount of money distributed to each municipality that is used to meet that municipalities affordable, life-cycle housing goals. This section would require a report by March 15, 2016.

#### Article 4:

#### Labor and Industry

- 1 **Assigned risk plan surplus.** Provides that the excess surplus in the workers' compensation assigned risk plan must be transferred to the assigned risk safety account in the special compensation fund. Current law provides that the surplus be transferred to the budget reserve account in the general fund.

## Section

- 2**     **Competency standards for dual training.** Requires the commissioner of DLI to identify competency standards for dual training.
- Subd. 1. Duties; goal.** Requires the commissioner of DLI to identify competency standards for occupations in advanced manufacturing, health care services, information technology, and agriculture. Exempts competency standards development from the rulemaking process.
- Subd. 2. Definition; competency standard.** Defines competency standards.
- Subd. 3. Competency standards identification process.** Establishes a process for identifying competency standards. Requires the commissioner to consult with the commissioner of DEED, industry experts, representative employers, higher education institutions, and representatives of labor.
- Subd. 4. Duties.** Requires the commissioner to take a number of steps to establish competency standards. The commissioner must: (1) establish competency standards for both entry-level and high-skill jobs; (2) verify the transferability of competency standards with industry representatives; (3) create and execute an outreach plan; (4) develop models for Minnesota educational institutions to offer training that meets the competency standards; (5) encourage participation by employers in the competency standard identification process; and (6) align competency standards with other workforce initiatives.
- Subd. 5. Notification.** Requires the commissioner of DLI to communicate the competency standards identified to the commissioner of DEED for the purposes of the grant program established in section 1. Requires the commissioner of DLI to post the competency standards on the department's Web site.
- 3**     **Creation of minimum-wage category for certain tipped employees.** Provides that an employer must pay an employee, who regularly receive tips of at least \$30 per month, one of two alternative minimum wages, depending on the amount of tips the employee receives during a pay period. (1) During a pay period in which an employee's tips average at least \$4 per hour, the employer must pay a minimum wage of \$8 per hour, for total compensation to the employee of at least \$12 per hour including tips. (2) During a pay period in which an employee's tips average less than \$4 per hour, the employer must pay the higher of the Minnesota or federal minimum wage.
- 4**     **Tips on credit or debit cards.** Requires employers to pay the full amount to an employee of any tip included on a credit or debit card purchase. This section also provides that any such tip be counted in the pay period in which the tip appears on an employee's tip statement.
- 5**     **No local unit of government minimum wages.** Prohibits local units of government from creating a locally applicable minimum wage that is different from the state's minimum wage. The prohibition does not apply to (1) wages paid to local government employees, (2) services of an individual contracted for by a local unit of government, or (3) payments to an individual independent contractor funded by a local unit of government.
- 6**     **No local unit of government requirement for private employer benefits.** Prohibits local units of government from creating locally applicable requirements that private employers provide certain employment benefits. The prohibition includes any local government requirements for benefits, terms of employment, scheduling policy, or other forms of compensation. The prohibition does not apply to (1) wages paid to local government employees, (2) services of an individual contracted for by a local unit of government, or (3) payments to an individual independent contractor funded by a local unit of government.



## Section

- 7 **License fees and renewal fees.** Strikes redundant language and changes fee structure, including elimination of three year license.
- 8 **Reinstatement of license.** Lowers fees for reinstatement of licenses.
- 9 **Adoption of code.** Moves to a six year building code update cycle beginning with the 2018 edition of the model building codes. The commissioner is directed to review the new codes and adopt model codes as amended for use in the state within two years of the published edition date. The commissioner may adopt code amendments prior to the adoption of the new codes to advance construction methods, technology or materials or when necessary to protect public health and safety or to improve efficiency.
- 10 **Energy code.** Requires that the commissioner of DLI must provide an energy rating index performance path for compliance with the 2012 energy code.
- 11 **Building code rules.** Provides a rule adopting or amending a state building code is effective 270 days after publication of the rule's notice of adoption. Requires the commissioner of DLI to publish electronic versions of such rules on the DLI's Web site within ten days of receipt from the revisor of statutes.
- 12 **Boiler inspector licensing.** Changes terminology regarding boiler inspector licensing.
- 13 **Boiler inspector license fees.** Eliminates obsolete language regarding boiler inspector licensing fees.
- 14 **Fee schedule.** Specifies and streamlines the fee schedule that applies to professional and amateur combative sports licenses. Reduces fees for professional combatants to \$70 and for amateurs to \$50. Sets combative sports contest fees at \$500 at the time the contest is scheduled and \$1000 at the time of weigh in. Allows the commissioner to limit the number of complimentary tickets to each event.
- 15 **Assigned risk transfer.** Cancels transfers from the assigned risk fund to the Minnesota minerals 21st century fund after fiscal year 2015 and cancels further transfers from the assigned risk fund for workers compensation system reform activities.
- 16 **Repealer.** Repeals (1) the provision of statute prohibiting tip credits; (2) the 2014 session law allowing funds transferred from the assigned risk fund to be used for workers' compensation payment system changes; and (3) the rule requiring hand-powered man lifts to have two safety cables.

## Article 5:

### Commerce

- 1 **Insurance fraud prevention account.** Deposits funds into the insurance fraud prevention account from the automobile theft prevention account.
- 2 **Insurance fraud.** Allows the commissioner of commerce to impose an administrative penalty of up to \$20,000 for insurance fraud. Penalties must be deposited in the insurance fraud prevention account, and the imposition of penalties can be contested through an administrative hearing.
- 3 **[59D.01] Application.** Clarifies that the guaranteed asset protection ("GAP") waiver chapter does not apply to insurance policies, or debt cancellation/suspension contracts, including

## Section

GAP waivers, offered by a bank or credit union. Provides the commissioner of commerce with investigatory authority under chapter 45.

4 **[59D.02] Definitions.** Provides definitions for chapter 59D.

5 **[59D.03] Commercial exemption.** Exempts commercial GAP waivers from the disclosure and contract term requirements in section 59D.04, subdivision 3 and 59D.06.

6 **[59D.04] GAP waivers.** Allows GAP waivers to be sold in Minnesota. Requires retail motor vehicle sellers to insure their GAP waiver obligations. Provides requirements for the use and contract terms of GAP waivers.

7 **[59D.05] GAP waiver insurance.** Provides requirements for the use and contract terms of insurance policies insuring GAP waivers.

8 **[59D.06] Disclosures.** Requires creditors to provide written disclosures about the GAP waiver to the borrower.

9 **[59D.07] Cancellation; refunds.** Provides that, if a GAP waiver is cancelled after the free look period, then the borrower could be entitled to a refund of a portion of the purchase price of the GAP waiver. Requires the borrower, if the finance agreement was terminated, to give notice to the appropriate party within 90 days in order to be eligible to receive a refund.

10 **Insurance fraud; supplemental penalty.** Provides that persons convicted of insurance fraud or the use of runners cannot enforce a contract for the payment of certain medical services.

11 **Insurance fraud prevention account.** Deposits \$1,300,000 annually into the insurance fraud prevention account, instead of the general fund, from the automobile theft prevention account.

12 **[80A.461] MNvest registration exemption.**

**Subd. 1. Definitions.** Provides definitions.

**Subd. 2. Exemption.** Exempts the MNvest program from registration and other state regulations regarding securities.

**Subd. 3. Offering.** Provides the requirements a MNvest offering must meet, including the amount and use of funds raised through an offering and sale, and administrative duties. Allows for advertisement and solicitation of a MNvest offering if certain disclosures and information about the MNvest issuer are provided.

**Subd. 4. Disclosures.** Requires MNvest issuers to disclose certain information to prospective purchasers, including information about the issuing business and the terms and conditions of the offering.

**Subd. 5. Purchaser certification.** Requires prospective purchasers to certify that they understand the nature of the purchase, and that they are a Minnesota resident.

**Subd. 6. MNvest portal.** Provides requirements for MNvest portals.

**Subd. 7. Portal operator.** Provides the requirements for portal operators.

**Section**

**Subd. 8. Privacy of purchaser information.** Provides that personal information given to a portal operator by a purchaser can only be disclosed if the purchaser consents. However, personal information can be provided without consent to the commissioner of commerce, or to the MNvest issuer as it relates to the MNvest offering.

**Subd. 9. Disqualification.** Provides that certain bad-actors cannot participate in the MNvest program.

13 [237.01] **Subd. 9. Voice-over-Internet protocol.** Provides definitions.

14 [237.01] **Subd. 10. Internet protocol-enabled service.** Provides definitions.

15 [237.037] **Voice-over-Internet protocol service and Internet protocol-enabled service.**

**Subd. 1. Regulation prohibited.** Prohibits any regulation by a state agency of any aspect of VoIP or IP-enabled service, except as provided in this section.

**Subd. 2. VoIP regulation.** Specifies that, to the extent allowed under federal law, VoIP service is subject to Minnesota's surcharges for 911 emergency service, telecommunications access Minnesota (TAM, which provides devices to persons with communication disabilities to enable them to use a telecommunications service), and the telephone assistance plan (TAP, which subsidizes the phone bills of low-income persons). Requires VoIP providers to comply with federal requirements to provide access to 911 service and to report annually to the commission how that is accomplished.

**Subd. 3. Relation to other law.** Specifies that nothing in this section affects provisions of federal law that allow state Public Utilities Commissions jurisdiction over intrastate access rates and terms, dispute resolutions with respect to intercarrier compensation or wholesale telecommunications services.

**Subd. 4. Exemption.** Exempts video services provided by a cable communications system, cable service, and any other IP-enabled video service, from regulation under this section as IP-enabled services.

16 **Insurance fraud prevention account.** Deposits \$1,300,000 annually into the insurance fraud prevention account, instead of the general fund, from the automobile theft prevention account.

17 **Unclaimed property; commissioner's duties.** Requires the commissioner of commerce to report annually to the legislature regarding how the commissioner spends the funds allocated to providing public notice of unclaimed property.

18 **Unclaimed property; public notice.** Requires the commissioner of commerce to provide public notice of unclaimed property through a variety of means, including newspapers, Web sites, and other media. Requires the commissioner to provide each member of the legislature with a list of unclaimed property owners within the member's legislative district.

19 **Insurance fraud; accident victim solicitation.** Prohibits those soliciting motor vehicle accident victims from providing false information, or inducements to use the solicitor's services. Clarifies that contingency fee based legal representation is not an inducement to use such services.

20 **Unclaimed property; vendor.** Requires the commissioner of commerce to enter into a contract with a vendor who will facilitate the return of abandoned property to its owners.

## Section

Vendors can receive up to 7% of the value of the unclaimed property, not to exceed \$500,000, as payment.

- 21 **Unclaimed property; report.** Require the commissioner of commerce to report to the legislature regarding: (1) the documentation required for a person to claim property from the unclaimed property division; and (2) the effectiveness of the vendor program.
- 22 **Repealer; bullion coin dealer.** Repeals chapter 80G, the regulation of bullion coin dealers.

## Article 6:

### Unemployment Insurance

- 1 **Past dates.** Deletes expired provisions.
- 2 **Preponderance of the evidence.** Clarifies the meaning of “preponderance of the evidence” for use in UI appeals.
- 3 **Unemployed.** Stylistic change.
- 4 **Wages paid.** Stylistic change.
- 5 **Unemployment tax reduction.** In effect, caps the amount in the UI trust fund. Any money in the fund above that cap on December 31 of a given year must be returned the following year to eligible UI taxpayers as credits against future UI tax obligations. Neither UI taxpayers with the maximum possible experience rating nor new employers deemed to be in a high-experience-rating industry would be eligible to receive the tax credits.
- 6 **Past dates.** Deletes expired provisions.
- 7 **Benefits accounts.** Clarifies standards for establishing a benefit account and conforms to federal requirements.
- 8 **Out of state benefit account.** Clarifies the rule that a person may only have one benefit account each 52 weeks. This section adds language that makes clear this rule applies to out-of-state benefit accounts as well as Minnesota accounts.
- 9 **Eligibility criteria.** Stylistic revision to requirement that an applicant must follow a work search plan, if required, in order to be eligible for benefits.
- 10 **Out of state benefit account.** Clarifies the rule that a person may only have one benefit account each 52 weeks. This section adds language that makes clear this rule applies to out-of-state benefit accounts as well as Minnesota accounts.
- 11 **Benefit eligibility for employees who quit.** Restricts eligibility for UI benefits for employees who quit to only spouses of those serving in the military, if the monetary benefits of the military career outweigh the monetary benefits of the job the spouse quit, taking into account cost of living differences.
- 12 **Back pay.** Clarifies that an award of back pay from a former employer may not be used to satisfy the requirement of a period of ineligibility for a misconduct discharge.
- 13 **Appeals.** Clarifies standard for withdrawing and reinstating appeals.
- 14 **Time period for appeal.** Clarifies that the time period in which an applicant can appeal an adverse decision to the Court of Appeals is 33, not 30, days.

## Section

- 15**      **Shared work plan.** Lowers the maximum number of hours an employee may work per week under a shared work plan. This brings MN into conformity with federal requirements.
- 16**      **UI trust fund.** Disallows use of 5% of recovered, overpaid UI benefits for UI administration. Provides that all recovered funds go into the UI trust fund.
- 17**      **Onetime Unemployment tax reduction.** Provides a onetime UI tax cut of \$200,000,000 on December 31, 2015. That amount would be returned to UI taxpayers by the same mechanism described in section 5.

### **Article 7:**

#### **Delivered Fuels**

- 1**      **[216B.02] Subd. 3a. Propane.** Definition.
- 2**      **[216B.02] Subd. 3b. Propane storage facility.** Definition.
- 3**      **[216B.02] Subd. 6b. Synthetic gas.** Definition. By excluding propane from the definition of synthetic gas, exempts a propane storage facility of 100,000 gallons or more from the requirement to: (1) prepare a mandatory Environmental Assessment Worksheet; and (2) obtain a Certificate of Need from the Public Utilities Commission.
- 4**      **[216B.2421] Subd. 2. Large energy facility.** Excludes propane storage facilities from the requirement to obtain a Certificate of Need from the Public Utilities Commission before construction.
- 5**      **[297A.67] Subd. 34. Propane tanks.** Exempts propane tanks with a capacity of 100 gallons or greater, and necessary valves and regulators, from state sales tax when purchased by the tank user. This subdivision expires at the end of 2017.
- 6**      **[453A.02] Subd. 5. Gas.** Definition.
- 7**      **Prepurchasing propane; report.** Requires the commissioner of commerce to submit a report to the legislature by January 1 of 2016 and 2017 summarizing the operations of the propane prepurchase program.

### **Article 8:**

#### **Energy Conservation**

- 1**      **[216B.16] Subd. 6b. Energy conservation improvement.** Sunsets this subdivision, which governs the recovery of costs connected with energy conservation improvements by a public utility, at the end of 2016.
- 2**      **[216B.16] Subd. 6c. Incentive plan for energy conservation improvement.** Sunsets this subdivision, which allows the commission to order public utilities to submit for commission approval an incentive plan describing the method of recovery of utility conservation expenditures, at the end of 2016.

## Section

- 3** [216B.2401] **Energy savings policy goal.** Sunsets this section, which sets a state goal of saving 1.5 percent of annual retail sales of electricity and natural gas through conservation programs and rate design, at the end of 2016.
- 4** [216B.241] **Expiration.** Sunsets this section, which governs the energy-savings goals and activities of public utilities, cooperative, and municipal utilities under the Conservation Improvement Program (CIP) at the end of 2016.
- 5** [216C.418] **Energy storage, solar thermal, wind, and geothermal heat pump rebate program.** Directs the commissioner of commerce to develop and implement rebate programs for the installation of energy storage technologies, solar thermal systems, wind facilities, and geothermal heat pumps in residential, commercial, and industrial buildings. Annually appropriates money from the energy fund account (established in art. 9, sec. 2) to the commissioner to fund these rebates.
- 6** [216C.435] **Subd. 5. Energy improvement.** Expands the definition of “energy improvement” under the PACE statute (Property Assessed Clean Energy) to include the installation of infrastructure and appliances necessary to allow natural gas or propane to be used as a heating fuel in a building that previously was not connected to these energy sources. Under PACE, a property owner located in an area within the jurisdiction of a local unit of government that has established the program may repay loans for energy improvements over time via an assessment on property taxes.
- 7** **Energy conservation service delivery; advisory task force.** Directs the commissioner of commerce to convene a task force to evaluate ways to reorganize the delivery of energy conservation services to increase energy savings, reduce energy rates, and curb pollution from energy generation. The task force is to report to the legislature by February 1, 2016.
- 8** [216B.16] **Subd. 6b. Energy conservation improvement.** Sunsets this subdivision, which governs the recovery of costs connected with energy conservation improvements by a public utility, at the end of 2016.

## **Article 9:**

### **Overview**

- 1** [16B.323] **Solar energy in state buildings.** Strikes the definition of “Made in Minnesota” and the option for “Made in Minnesota” solar energy systems to be included in the construction or major renovation of a state building.
- 2** [116C.779] **Subd. 1. Energy fund account.** Establishes the energy fund account in the special revenue fund. Requires Xcel Energy to transfer, on July 1, 2015, all funds in the renewable development account previously established in this subdivision to the new account, less any unexpended funds obligated to grantees in previous grant cycles and unencumbered funds historically paid from this account, including renewable energy production incentives (REPI), and Xcel Energy’s Solar Rewards program. Strikes language describing the operations of the RDF grant program.

**Section**

**3** [116C.7792] **Solar energy incentive program.** Specifies that incentives under this program will be paid from the energy fund account, and that no applications received after the effective date of this act may be funded.

**4** [216B.164] **Purchases; small facilities.** Allows a cooperative association or municipal utility to charge an additional fee to net metering customers with a capacity below 40 kilowatts to cover the fixed costs required to serve the customer, and for such customers to be compensated for net input to the grid in the form of a kilowatt-hour credit on the customer's future energy bills. These credits expire each year in December.

A qualifying facility having less than 1,000-kilowatt capacity is compensated for net input to the grid at the utility's avoided cost. Only a qualifying facility having less than 40-kilowatt capacity that elected a rate of compensation before the effective date of this act may elect a rate of compensation for net input to the grid at the average retail utility energy rate.

**5** [216B.1641] **Community solar garden.** Strikes language allowing the rate of compensation for net input to the grid by a community solar garden to be at the value of solar rate (Value of solar tariff language is repealed in sec. 18, paragraph (b)).

**6** [216B.1691] **Advanced energy standards.** Strikes language defining hydrogen as an eligible energy technology that may contribute to a utility's standard obligation. Removes the capacity cap from the definition of hydroelectric power as an eligible energy technology, so that projects with a capacity of 100 megawatts or more first placed into service after January 1, 2015 qualify.

Strikes language placing restrictions on the components of Xcel Energy's 2030 standard.

Directs that if a utility reports to the commission that complying with this section has raised energy rates by more than 2 percent annually, the commission shall delay the achievement of the utility's next scheduled standard by three additional years.

Allows the 1.5 percent solar energy standard required by 2020 to be met by solar or any more affordable eligible energy technology. Strikes language:

- requiring that 10 percent of the solar energy standard be met by projects with a capacity of 20 kilowatts or less;
- setting a non-mandatory goal that by 2030, ten percent of the state's electric sales be generated from solar energy; and
- exempting certain industries from being charged for any costs of satisfying the solar energy standard.

**7** [216B.243] **Subd. 8. Exemptions.** Exempts a large wind energy conversion system or large solar energy facility (50 MW capacity or greater) engaging in a repowering project from the requirement to obtain a certificate of need from the Public Utilities Commission before construction, Defines "repowering" as modifying, replacing, or expanding the capacity of an existing wind or solar energy system. If the wind system's capacity is to increase, the project must have a signed interconnection agreement reflecting the increase from the Midcontinent Independent System Operator in order to receive an exemption.

## Section

- 8 **[216C.417] Program administration; “Made in Minnesota” solar energy production incentives.** Provides that payment of a “Made in Minnesota” solar energy production incentive approved by the commissioner of commerce prior to the effective date of this act continues to be governed by the statutes applicable at that time. Payment of incentives for such projects shall continue until the end of 2025. Appropriates unspent money in the account as of June 30, 2015 to the energy fund account.
- 9 **[216C.419] Energy fund account solar incentive payment.** Provides for incentive payments to solar energy systems with a capacity no greater than 10 kilowatts that elect compensation under net metering after the effective date of this act.
- 10 **[216E.022] Setback for solar energy generating systems.** Establishes a setback distance of 400 feet from any dwelling for solar panels that are part of a solar energy generating system. Allows a greater setback under a local ordinance. Allows a property owner and solar generating system owner to agree to a smaller setback, provided that a variance from the local ordinance is obtained for agreements that are more restrictive than the ordinance.
- 11 **[216E.023] Surety bonds; large solar energy generating facilities.** Prohibits the Public Utilities Commission from issuing a certificate of need for a solar energy generating system with a capacity of 50 megawatts or greater unless the project applicant maintains a valid surety bond large enough to pay the cost of disassembling and removing the solar energy system and reclaiming the land.
- 12 **[216E.03] Subd. 5. Environmental review.** Requires an environmental impact statement prepared for a large electric generating plant proposed to be constructed on agricultural land to analyze the impact of construction on agricultural drainage systems, as defined here. If the electric generating plant is a solar energy system, the EIS must also analyze reflected solar irradiance impacts on nearby airports, air traffic, highways, and residences.
- 13 **[216E.03] Subd. 7. Consideration in designating sites and routes.** Requires the commissioner of commerce, in making site permit determinations for electric energy generating plants, to evaluate the impact on local land use, including whether the proposed site conflicts with the county or local comprehensive plan or official controls.
- 14 **[216E.04] Subd. 5. Environmental review.** Imposes identical requirements as in section 12 under the streamlined review process that a project proposer may elect under this subdivision.
- 15 **[216E.19] Requirement for local approval.** Prohibits the commissioner of commerce from issuing a site permit for a solar energy generating system until all required local permits have been granted and the local government adopts a resolution approving the project, provided that the local government intervened as a formal party and fully participated in the public hearing process administered by the Public Utilities Commission.
- 16 **[Laws 2008, ch. 296, art. 1, sec. 25, the effective date, as amended by Laws 2010, ch.333, art. 1, sec. 33, and Laws 2012, ch. 244, art. 1, sec. 76].** Accelerates by one year (to June 1, 2016) the effective date of the expiration of a provision limiting the term of a wind easement to seven years, if commercial operation has not yet begun.
- 17 **Program administration; “Made in Minnesota” solar thermal rebates.** Prohibits the paying of solar thermal rebates to applicants whose application is approved by the



**Section**

commissioner of commerce after the effective date of this act. Provides that unspent monies in this account are returned to the energy fund account.

**18 Repealer.**

- (a) Repeals statutes dealing with hydrogen energy.
- (b) Repeals the “value of solar” tariff public utilities may offer for commission approval.
- (c) Repeals obsolete language appropriating money to the University of Minnesota’s Institute for Energy and the Environment that ended in 2011.
- (d) Repeals provisions governing the payment of incentives for the installation of solar modules “Made in Minnesota” and requirements that only such modules be installed in state buildings.
- (e) Repeals requirements that only solar modules “Made in Minnesota” be installed in state buildings.
- (f) Repeals provision of the Renewable Energy Standard governing the obsolete “good faith” objectives rather than the now-mandatory standards.
- (g) Repeals the Community Based Energy Development (C-BED) statute and the Rural Wind Energy Development Revolving Loan Fund, which has not been used for that purpose since its creation in 2007.

**Article 10:**

**Greenhouse Gas Emissions**

- 1 [216H.01] Subd. 1a. Cogeneration facility or combined heat and power facility.**  
Definition.
- 2 [216H.02] Subd. 1. Greenhouse gas emissions-reduction goal.** Deletes the quantitative state goals for reducing greenhouse gas emissions. Sets a goal of reducing emissions to the level in the plan approved under section 7.
- 3 [216H.03] Subd. 1. Definition; new large energy facility.** Exempts cogeneration and combined heat and power facilities from the definition, thereby exempting them from the prohibition on construction of such facilities in the state without corresponding greenhouse gas emissions offsets.
- 4 [216H.03] Subd. 3. Long-term increased emissions from power plants prohibited.** Strikes language prohibiting an increase in greenhouse gas emissions resulting from the importation of electricity from large energy facilities located outside the state or via long-term power purchase agreements.
- 5 [216H.03] Subd. 7. Other exemptions.** Conforming language to changes made in section 4.

## Section

- 6 **[216H.07] Emissions-reduction attainment; policy development process.** Conforming language to changes made in section 2.
- 7 **[216H.077] Requirement for legislative approval.** Requires legislative approval for any plan the Pollution Control Agency submits to the federal Environmental Protection Agency to comply with the federal Clean Power Plan regulating state greenhouse gas emissions from powerplants.
- 8 **Repealer.** Repeals obsolete provisions regarding the state's climate change action plan, which was completed in 2008.

## Article 11:

### Miscellaneous Energy Policy

- 1 **[3.8851] Subd. 7. Assessment; appropriation.** Reduces the maximum annual assessment authority of the Legislative Energy Commission with respect to utilities and other energy suppliers from \$250,000 to \$150,000.
- 2 **[12A.15] Subd. 1. State cost-share for federal assistance.** Allows state appropriations to be used to pay the 25 percent share of disaster relief that is not paid by the federal government.
- 3 **[216B.16] Subd. 8. Advertising expense.** Allows utilities to recover the cost of advertising to promote electric and compressed natural gas vehicles, ground or air-source heat pumps that displace propane or fuel oil, and electric waters heaters controlled by a utility to operate at off-peak hours.
- 4 **[216B.16] Subd. 12. Exemption for small gas utility franchise.** Increases from 2,000 to 5,000 the number of customers a natural gas utility may serve without its rates being regulated by the Public Utilities Commission.
- 5 **[216B.16] Subd. 6. Factors considered, generally.** Directs that if the Public Utilities Commission, as a result of state or federal energy policy, orders the closure of a generating facility before the end of its physical life the public utility that owns the facility may recover its positive net book value.
- 6 **[216B.16] Subd. 7b. Transmission cost adjustment.** Allows a utility to recover costs associated with distribution planning required under section 8, and costs associated with investments in distribution facilities to modernize the grid that the commission has approved under that section.
- 7 **[216B.16] Subd. 19. Multiyear rate plan.** Describes the required contents of a petition to the commission requiring approval of a utility's multiyear rate plan, which is extended from three to a maximum five years.
- 8 **[216B.2425] State transmission and distribution plan.** Requires a utility operating under an approved multiyear rate plan to include in its biennial transmission plan information regarding investments it considers necessary to modernize its transmission and distribution

## Section

systems. Requires the commission to certify, modify, or reject these projects. Requires entities subject to this section to conduct a study that identifies interconnection points for distributed generation on its distribution system and upgrades needed to support continued development of distributed resources.

- 9** [216B.1616] **Electric vehicle rebates.** Requires the department of commerce to implement a five-year program funded at \$5 million per year from the energy fund account to provider rebates to its customers who purchase new electric vehicles.
- 10** [216B.1638] **Recovery of natural gas extension project costs.** Allows a natural gas utility extending service to an unserved area to petition the commission to allow it to recover up to one-third of the revenue deficiency resulting from the extension of service from customers.
- 11** [216B.1647] **Property tax adjustment; cooperative association.** Allows a cooperative association that has elected to be price-regulated by the commission to file for the commission's approval an adjustment for real personal property taxes, fees, and permits.
- 12** [216B.1696] **Competitive rate for energy-intensive trade-exposed electric utility customer.** Allows a public utility to propose to the commission a special rate for customers whose energy costs are a significant proportion of their total cost of production and who are exposed to foreign competition. Specifies industries that qualify for this special rate. The commission is to approve a special rate if it finds it provides net benefits to the utility and its customers. Allows recovery of lost revenues from the utility's other customers.
- 13** [216B.243] **Subd. 3b. Additional storage of spent nuclear fuel.** Strikes the prohibition against the issuance of a certificate of need by the Public Utilities Commission for construction of a nuclear power plant.
- 14** [216C.391] **Propane and compressed natural gas vehicles; rebate program.** Directs the commissioner of commerce to develop and administer a program to provide rebates to owners of buses, trucks, and vans that run on propane or compressed natural gas, including vehicles that have been converted to do so. Establishes eligibility criteria for rebates and maximum amounts that may be awarded to a single business in a single year. Rebates range from \$5,000 to \$20,000 for new vehicles, depending on weight. Rebates for converted vehicles are half the conversion cost, up to \$5,000. Rebates are funded from the Minnesota energy investment account.
- 15** [275.70] **Subd. 6. Levy aid base.** Specifies that production taxes from wind and solar energy production are excluded from a local governmental unit's levy aid base.
- 16** [275.71] **Subd. 5. Property tax levy limit.** Specifies that production taxes from wind and solar energy production are not reductions to the property tax levy limit.
- 17** [297A.992] **Subd. 2a. Tax base.** Specifies that sales and purchases of electricity and natural gas that occur in the metropolitan transit area are exempt from sales tax.
- 18** **Transfer of functions; study.** Directs the Management Analysis and Development division of Minnesota Management and Budget to conduct a study of the potential cost savings and efficiencies that may result from transferring certain energy-related functions under the Department of Commerce to the Public Utilities Commission. The study is to be submitted to the legislature by January 1, 2016.

## Section

- 19**      **Transfer of duties; advisory task force.** Establishes a task force to examine transferring the provision of low-income heating assistance and weatherization programs from community action agencies to other organizations. A report containing findings and recommendations must be submitted to the legislature by January 15, 2016.
- 20**      **Public power authority; study.** Requires the commissioner of employment and economic development to contract with an independent consultant to examine the feasibility and costs and benefits of establishing a state public power authority that constructs, owns and operates electric generation and transmission facilities, allocates low-cost power to customers, and finances energy efficiency in public buildings. A report containing findings and recommendations must be submitted to the legislature by February 15, 2016.
- 21**      **Utility price increases; report.** Requires each utility selling electricity at retail to submit a report to the legislature describing specific statutes, rules, and agency decisions that increase electricity rates without providing significant value to Minnesota ratepayers.
- 22**      **Repealer.** Repeals a directive to the Legislative Energy Commission to plan for a transition to an all-renewable energy economy.

## **Article 12: Conforming Changes**

- 1, 9, 15, & 16**      Amending language to conform with the elimination of the quantitative greenhouse gas emissions reductions goals in art. 10, sec. 2.
- 2, 13, & 14**      Amending language to conform with the establishment of the energy fund account in art. 9, sec. 2.
- 3, 5-8, & 10-12**      Amending language to conform with renaming the renewable energy standard the advanced energy standard, in art. 9, sec. 6.
- 4**              **[216B.164] Subd. 3a. Net metered facility.** Amending language to conform with the repeal of the value of solar tariff in art. 9, sec. 18, par. (b).
- 17**              **[373.48] Subd. 3. Joint purchase of energy and acquisition of generation projects.** Amending language to conform with the repeal of the C-BED program in art. 3, sec. 118, par. (g).