

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3931

DATE: April 25, 2016

Version: Second engrossment

Authors: Garofalo

Subject: Omnibus agriculture, environment and natural resources, employment and economic development, and energy policy and finance bill

Analyst: Colbey Sullivan – Article 1
Janelle Taylor – Articles 2 & 3
Anita Neumann – Articles 4 to 5
Mary Mullen – Article 7
Ben Weeks – Articles 6 & 8 to 13
Bob Eleff – Articles 14 to 16

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Article 1: Agriculture Appropriations

Section

- 1 Appropriations.** Provides boilerplate appropriations language.
- 2 Department of Agriculture.** Appropriates supplemental general fund dollars to the Minnesota Department of Agriculture (MDA) for specified purposes.
 - Subdivision 1. Total appropriation.** Denotes the total supplemental appropriation to MDA.
 - Subd. 2. Animal health.** Appropriates onetime general fund dollars to MDA for grants to the University of Minnesota for specified projects involving the Veterinary Diagnostic Laboratory.
 - Subd. 3. Farm safety.** Appropriates onetime general fund dollars for the Tractor Rollover Protection Pilot Program established in a subsequent section.
 - Subd. 4. Agriculture laboratory and emergency response.** Appropriates onetime general fund dollars for MDA laboratory equipment. Transfers money from the general fund to the new Agricultural Emergency Account established below.
- 3 Agricultural emergency account; appropriation.** Establishes a dedicated account in the agricultural fund. Money in the account is appropriated to MDA for emergency response

Section

and preparedness pertaining to agricultural emergencies. Authorizes MDA to transfer account dollars to other agencies and the University of Minnesota. Requires an annual report.

- 4 **Definitions.** Expands the definition of loan-eligible best management practices under the Agriculture Best Management Practices (AgBMP) Loan Program to include practices, techniques, and measures that achieve federal and state safe drinking water standards.
- 5 **Eligible projects.** Provides that drinking water projects funded through the AgBMP Loan Program must 1) remediate the adverse environmental impacts or presence of contaminants in private drinking well water, 2) implement BMPs to achieve state and federal drinking water standards, and 3) satisfy all other AgBMP loan requirements.
- 6 **Tractor rollover protection pilot grant program.** Creates a pilot program to subsidize at least 70 percent of a farmer's documented cost to purchase, ship, and install an eligible rollover protective structure (ROPS) on a tractor built prior to 1987. This pilot program statute would expire on June 30, 2019. MDA would administer the ROPS program and minimize administrative costs by cooperating with the multi-state ROPS program coordinated by the New York Center for Agricultural Medicine and Health. Requires MDA to solicit nonstate funds for this new program.
- 7 **Registration application and gross sales fee.** Requires persons and companies that register nonagricultural pesticides with MDA to pay the gross sales fee only on that portion of their sales that exceeds \$70,000. (The registration fee of \$350 would cover sales up to \$70,000 - \$70k x .005 = \$350).
- 8 **Activities authorized.** Technical. Eliminates a reference to the NextGen Energy Board, which expired in 2015.
- 9 **Agriculture research, education, extension, and technology transfer grant program.** Provides that MDA is to award any AGREET dollars allocated for agriculture research, extension, and technology transfer to the University of Minnesota for use by any of the listed university units. Requires MDA and a representative of the University of Minnesota's College of Food, Agricultural and Natural Resource Sciences (CFANS) to consult the advisory panel when awarding grants and removes the CFANS representative from the panel. Provides that advisory panel members representing specific named organizations are to be appointed by their organization, not MDA.
- Effective date: This section is effective the day following final enactment.
- 10 **Advanced biofuel.** Expands eligibility for the Advanced Biofuel Production Incentive Program to include producers of biobutanol (as defined below), regardless of whether the biobutanol satisfies the federal and state definitions of an "advanced biofuel" by achieving 50 percent lifecycle greenhouse gas emissions relative to conventional fuels.
- 11 **Biobased content.** Technical. Defines the term for purposes of MDA's three bioeconomy grant programs (i.e., the Advanced Biofuel Production Incentive Program, the Renewable Chemical Production Incentive, and the Biomass Thermal Production Incentive). The identical, prior statutory definition for "biobased content" expired with the NextGen Energy Board statute in 2015.

Section

- 12** **Biobased formulated product.** Technical. Same situation as the “biobased content” section above.
- 13** **Biobutanol.** Technical. Same situation as the “biobased content” and “biobased formulated product” sections above.
- 14** **Biobutanol facility.** Technical. Same situation as the “biobased content,” “biobased formulated product,” and “biobutanol” sections above.
- 15** **Quarterly.** Defines the term for purposes of the grant cycles in MDA’s bioeconomy grant programs.
- 16** **Renewable chemical.** Technical. Eliminates a reference to an expired statute.
- 17** **Eligibility.** Converts annual production minimums and maximums that determine eligibility for MDA’s Advanced Biofuel Production Incentive Program to the corresponding quarterly values.
- 18** **Eligibility.** Eliminates a reference to an expired statute. Converts annual production minimums and maximums that determine eligibility for MDA’s Renewable Chemical Incentive Program to the corresponding quarterly values.
- 19** **Payment amounts; bonus; limits.** Technical. Fixes an error in the Biomass Thermal Production Incentive Program statute.
- 20** **Eligibility.** Converts annual production minimums and maximums that determine eligibility for MDA’s Biomass Thermal Production Incentive Program to the corresponding quarterly values.
- 21** **When prepared.** Technical. Updates the reference to the statutory definition of “biobutanol facility” in a statute that grants exemptions to the environmental assessment worksheet and environmental impact statement requirements for certain proposed projects.
- 22** **Agriculture, bioenergy, and bioproduct advancement.** Requires MDA to transfer dollars appropriated last session for agricultural rapid response under the AGREET program to the University of Minnesota’s Agricultural Experiment Station. Requires MDA to transfer any remaining grant funds each year to the University of Minnesota for agricultural research, extension, and technology transfer. Extends into fiscal year 2017 the availability of dollars appropriated for AGREET in fiscal year 2016. Extends the availability of agricultural growth, research, and innovation grants by two years, to June 30, 2021. Extends into fiscal year 2017 the availability of dollars appropriated to MDA for food hub grants.
Effective date: This section is effective the day following final enactment.
- 23** **Avian influenza emergency response activities.** Reduces MDA’s 2015 appropriation for avian influenza emergency response. Expands the Board of Animal Health’s eligible uses of money appropriated in 2015 for avian influenza response to include any animal disease emergency and provides examples of eligible BAH activities.
Effective date: This section is effective the day following final enactment.
- 24** **Transfer required.** Transfers a specific portion of a 2015 general fund appropriation for Rural Finance Authority disaster recovery loans back to the general fund.

Section

Article 2: Environment and Natural Resources Appropriations

- 1 **Appropriations.** Technical.
- 2 **Natural Resources.** Appropriates \$2,462,000 in fiscal year 2016 and \$6,183,000 in fiscal year 2017 to the Department of Natural Resources (DNR) for various purposes.
- 3 **Legislature.** Appropriates \$25,000 in fiscal year 2016 to the Legislative Coordinating Commission for the Aggregate Resources Task Force established in the bill.
- 4 **Administration.** Appropriates \$250,000 in fiscal year 2016 to the commissioner of administration for the school trust lands director to initiate real estate development projects on school trust lands.
- 5 **Land and Mineral Resources management.** Amends a prior appropriation to remove match requirements for certain mineral research appropriations.

Article 3: Environment and Natural Resources Statutory Changes

- 1 **Nonindigenous species.** Amends § 17.4982, subd. 18a. Technical.
- 2 **Game and fish rules.** Amends § 84.027, subd. 13. Technical.
- 3 **Game and fish expedited permanent rules.** Amends § 84.027, subd. 13a. Technical.
- 4 **License required.** Amends § 84.091, subd. 2. States that Minnesota tribal band members possessing a valid tribal identification card are deemed to have a permit from the DNR to harvest wild rice.
- 5 **Aquatic macrophyte.** Amends § 84D.01, subd. 2. Clarifies the definition of “aquatic macrophyte” to include macro algae (for example, starry stonewort recently discovered in Minnesota).
- 6 **Prohibited activities.** Amends § 84D.05, subd. 1. Removes an exception from the ban on possessing prohibited invasive species for those who had lawfully acquired them dead.
- 7 **Nonnative species, aquatic plants, and aquatic macrophytes; parts and life stage.** Adds § 84D.075. Clarifies that laws relating to nonnative species, aquatic plants, and aquatic macrophytes apply to all parts of the organism whether dead or alive.
- 8 **Exceptions.** Amends § 84D.09, subd. 2. Allows a person driving a commercial garbage vehicle to transport aquatic macrophytes (aquatic plants) from riparian property to a legal disposal site provided the site is at least 100 feet from any surface water, ditch, or land that seasonally floods.
- 9 **Persons transporting water-related equipment.** Amends § 84D.10, subd. 4. Clarifies that requirements to drain water from boats and related equipment prior to transporting do not apply to transporting the boat within the immediate area required for loading and preparing the boat for transport.
- 10 **Lake Minnetonka pilot study.** Allows the DNR to issue a permit to certain service providers (dock installers, boat rental providers, etc.) to allow the return of water-related

Section

equipment with zebra mussels attached back to Lake Minnetonka after being stored for the season. Requires the service providers to have a corporate surety bond in favor of the state for \$50,000 payable upon violation of chapter 84D (the state's invasive species laws). The provision expires December 1, 2018.

- 11 Prohibited invasive species.** Amends § 84D.11, subd. 1. Corresponding change related to the previous section.
- 12 Warnings; civil citations.** Amends § 84D.13, subd. 4. Allows civil citations to be issued to a person who fails to comply with an aquatic invasive species (AIS) decontamination order (when a unit is onsite or when required to do so by a certain date) or failing to complete the AIS offender training course.
- 13 Civil penalties.** Amends § 84D.13, subd. 5. Establishes civil penalties for failing to comply with a decontamination order when the decontamination unit is onsite (\$250); for failing to complete decontamination or remove invasive species by the date required (\$250); and for failing to complete AIS offender training (\$25).
- 14 Enclosed accommodation compartment.** Adds § 86B.005, subd. 4a. Defines “enclosed accommodation compartment” for purposes of the new carbon monoxide detector requirement for boats established in this bill to include a boat with a space that contains designated sleeping accommodations, a galley area with sink and a head compartment.
- 15 Enclosed occupancy compartment.** Adds § 86B.005. Defines “enclosed occupancy compartment” for purposes of the new carbon monoxide detector requirement for boats established in this bill.
- 16 Marine carbon monoxide detection system.** Adds § 86B.005, subd. 8a. Defines “marine carbon monoxide detection system” for purposes of the new carbon monoxide detector requirement for boats established in this bill.
- 17 Carbon monoxide detection device requirements.** Adds § 86B.532.

Subd. 1. Requirements. Prohibits, after May 1, 2017, a boat with an enclosed accommodation compartment from being operated on state waters or sold in the state unless the boat has a functioning marine carbon monoxide detection system installed

Subd. 2. Boating safety course. Requires state sponsored or approved boating safety courses to incorporate information about the dangers of carbon monoxide poisoning while boating and how to prevent it.

Subd. 3. Carbon monoxide poisoning warning labels. Requires boats with enclosed accommodation compartments to have carbon monoxide poisoning warning labels affixed to certain areas of the boat.

Subd. 4. License agents; distribution. Requires all gasoline powered motorboats operated on state waters with an enclosed occupancy compartment to have warning labels affixed to them after May 1, 2017, and requires the DNR to send out informational brochures and warning labels to all motorboat owners with a boat 21 feet or greater, no later than May 1, 2017, and provide the same to licensing agents. License agents are required to make the brochures and labels available and make an effort to inform new owners of the requirements. Requires the DNR to highlight the

Section

new requirements in watercraft renewal notices and in the department's Minnesota Boating Guide.

Subd. 5. Safety warning. States that a first violation of the section results only in a safety warning and subsequent violations are petty misdemeanors.

- 18 Prescribed burn.** Adds § 88.01, subd. 28. Provides a definition of “prescribed burn” for purposes of provisions dealing with fire permits.
- 19 Imposition of restrictions.** Amends § 88.22, subd. 1. Clarifies that prescribed burns are also subject to suspension of permits when the DNR determines, by written order, that certain fire restrictions are necessary.
- 20 Expirations.** Amends § 93.5536, subd. 3. Extends the expiration date of the Mineral Coordinating Committee by ten years (to June 30, 2026). The Mineral Coordinating Committee is a committee made up of the following members: commissioner of natural resources; commissioner of the Pollution Control Agency; commissioner of Iron Range Resources and Rehabilitation board; director of the Minnesota Geological Survey; dean of the University of Minnesota Institute of Technology; director of the Natural Resources Research Institute; and four members appointed by the governor. The committee's purpose is to “plan for diversified mineral development.”
- 21 Minerals management account.** Amends § 93.2236. Requires the balance in the minerals management account above \$3,000,000 to be transferred to the permanent school fund quarterly rather than annually. The minerals management account receives revenues from state mineral leases and the amount above \$3,000,000 is distributed to the permanent school fund (for school trust lands), the permanent university fund (for university lands), and to other taxing districts in proportion to the revenues raised by the respective lands in the last biennium.
- 22 Classes of land; definitions.** Amends § 94.3495, subd. 2. Modifies the definition of “class 1 land” and defines “school trust land” and “university land” in order to remove the prohibition on exchanging school trust lands and university lands using the expedited land exchange process.
- 23 Valuation of land.** Amends § 94.3495. Requires the county to approve the value determined by the DNR for purposes of exchanging DNR lands for tax-forfeited lands, and the “governmental subdivision” to approve the value when exchanging DNR lands for lands administered by other government subdivisions of the state (ex. other state agencies) for purposes of the expedited exchange process. Modifies the methods that can be used for valuing lands. Requires school trust lands and university lands exchanged under the expedited exchange process to be exchanged only for lands of equal or greater value unlike lands currently eligible for the expedited exchange process that must be exchanged for “substantially equal value” (the lands do not differ in value by more than 10 percent when the lands are both over 100 acres and 20 percent in other circumstances).
- 24 Mineral and water power rights and other reservations.** Amends § 94.3495, subd. 7. Removes a requirement that deeds conveying land under the expedited land exchange process include a reverter that would require the land to revert back to the conveying government unit if the receiving government unit sells, exchanges, or otherwise transfers title

Section

of the land within 40 years without prior written approval from the conveying government unit.

- 25 Surplus state land sales.** Amends Laws 2015, first special session, ch. 4, art. 4, sec. 131. Modifies a law passed last year requiring the school trust lands director and DNR to identify and sell at least \$3,000,000 of state lands by expanding the provision to include lands that are suitable to exchange with school trust lands for purposes of compensating the permanent school fund. Allows the DNR to sell lands bordering public water for the purposes of this section and allows 10 percent of the proceeds from the sale of lands to be used for work associated with the Boundary Waters Canoe Area Wilderness land exchange and sale projects.
- 26 Aggregate Resources Task Force.** Establishes an Aggregate Resources Task Force consisting of eight legislative members. Specifies the appointment process, structure, and duties of the task force. Requires the task force to submit a report to the legislature by January 15, 2018 and sunsets the task force 45 days after the report is submitted or June 30, 2018, whichever is earlier.
- 27 Marie carbon monoxide detectors; report.** Requires the DNR to submit a report to the legislature by November 1, 2018 regarding issues encountered with implementation of the new carbon monoxide detector requirements for boats established in this bill, changes to industry standards, and best practices for preventing carbon monoxide poisoning.
- 28 Prescribed burn requirements.** Requires the DNR, in cooperation with prescribed burning professionals and others, to develop criteria for certifying entities to conduct a prescribed burn under a general permit. Requires the DNR to submit a report back to the legislature with recommendations on any legislative changes necessary by January 15, 2017.
- 29 Sand Dunes State Forest; report.** Prohibits the DNR from logging or otherwise removing trees for the purposes of creating oak savanna in the Sand Dunes State Forest until July 1, 2017 and requires the commissioner to submit a report to the legislature on the progress made on collaborating with local citizens and other stakeholders over the past year when making certain decisions.
- 30 Cold Spring water appropriation permits; report.** Requires the DNR to modify the permit for the city of Cold Spring to allow the city to take an additional 100 million gallons of water from certain wells provided the city and any area brewery permit holders reduce other water appropriations by 10 million gallons. The changes would be on an interim basis not to exceed five years. Requires the city and any other affected permit holders to comply with all existing reporting requirements and demonstrate that the increased pumping does not cause violations of the Safe Drinking Water Act. Requires the DNR to conduct necessary monitoring, submit annual reports, and submit a final report by January 15, 2022.
- 31 Water level control permit for Big Lake; Grant County.** Requires the DNR to issue a permit to the Bois De Sioux Watershed District to allow Big Lake in Grant County to be maintained at an elevation of 1,073 feet from May 1 to October 1 and drawn down to 1,072 feet prior to the lake freezing.
- 32 Lake service provider feasibility report.** Requires the DNR to submit a report to the legislature on the feasibility of expanding the pilot program for service providers on Lake Minnetonka (established in section 10) to other lakes by January 15, 2019.

Section

33 Citation. States that sections 14, 15, 16, 17 and 27 (sections establishing the new carbon monoxide requirements for boats) may be known as “Sophia’s Law.”

34 Repealer. Repeals § 116P.13 (the Minnesota future resources fund) on July 1, 2018 and cancels money remaining in the account to the general fund.

Article 4: Appropriations

1 Appropriations. Specifies definitions of fiscal years.

2 Department of Employment and Economic Development. Provides appropriations for the Department of Employment and Economic Development. See spreadsheet for details.

3 Housing Finance Agency. Provides appropriations for the Housing Finance Agency. See spreadsheet for details.

4 Explore Minnesota Tourism. Provides appropriations for Explore Minnesota Tourism. See spreadsheet for details.

5 Department of Labor and Industry. Provides appropriations for the Department of Labor and Industry. See spreadsheet for details.

6 Bureau of Mediation Services. Provides appropriations for the Bureau of Mediation Services. See spreadsheet for details.

7 Department of Commerce. Provides appropriations for the Department of Commerce. See spreadsheet for details.

8 Public Utilities Commission. Provides appropriations for the Public Utilities Commission. See spreadsheet for details.

9 Public Facilities Authority. Provides appropriations for the Lewis and Clark Regional Water System. See spreadsheet for details.

10 St. Cloud Somali Youth. Amends 2015 session law to reallocate appropriation to St. Cloud Somali Youth Organization.

11 Insurance. Amends 2015 session law to earmark \$125,000 fiscal year 2017 appropriation for insurance fraud enforcement.

Article 5: Jobs and Economic Development

1 Authorization to issue appropriation bonds. Along with section 2, makes technical, clarifying changes to the statute enacted in the 2015 special session that authorized state appropriation bonds for the Lewis and Clark Regional Water System. Does not authorize a new bond issue. Effective the day after enactment.

2 Appropriation of proceeds. Along with section 1, makes technical, clarifying changes to the statute enacted in the 2015 special session that authorized state appropriation bonds for the Lewis and Clark Regional Water System. Does not appropriate new money. Among the changes, specifies that the appropriation of the proceeds is to the Public Facilities Authority

Section

to make the grant to the Lewis and Clark Joint Powers Board. Effective the day after enactment.

3 **Definitions.** Modifies the definition of the following terms related to the Host Community Economic Development Program.

1. Provides clarification to the current definition of “capital costs” to specify that it means expenditures for public acquisition of land and buildings in addition to: betterment of public lands and buildings, for other publicly owned capital improvements, and expenditures for predesign, design, engineering, and similar activities for identified eligible projects.
2. Specifies that an “eligible project” is one that will generate economic development within five years or facilitate the preparation of long term economic development within a host community.
3. Specifies that “economic development” means assistance in preparation of a redevelopment or development area that results in at least one of the following:
 - (a) job creation, including jobs related to construction or temporary jobs;
 - (b) an increase in the tax base;
 - (c) the ability of a project to attract private investment;
 - (d) long term economic development;
 - (e) needed public infrastructure or transportation-related improvements to facilitate long-term redevelopment or development; or
 - (f) other objective criteria established by the commissioner.
4. Provides a definition of “long-term economic development” to mean the capital costs associated with economic development projects identified by a host community comprehensive plan or redevelopment plan that will generate eligible economic development.

4 **Application.** Removes language that when awarding grants, required the commissioner to give priority to projects that had the highest return on investment based on a cost-benefit analysis.

5 **Certification of qualified investors.** Modifies Minnesota angel investment tax credit. Under present law, the credit is allowed to “accredited investors” (defined under federal SEC rules) that invest in qualifying securities. These individuals must have either substantial incomes or high net worths under SEC rules. Other investors (i.e., non-accredited investors) can also qualify for the credit if they invest via offerings that are exempt from securities registration under Minnesota law (35 or fewer investors and meet other requirements) or that qualify under the small corporate offering registration provisions.

This section expands the securities for which non-accredited investor can claim an angel investment tax credit to include securities registered under the MNVEST registration exemption that was enacted by the 2015 Legislature. This exemption allows certain small offerings typically marketed over the Internet (often referred to as crowdfunding). The offerings are subject to dollar limits (typically \$1 million or \$2 million amounts).

Section

- 6 Grant allowed.** Increases, from \$9,000 to \$11,000, the maximum amount of pay-for-performance grants for certain job training programs.
- 7 Qualified job training program.** Changes requirements for a job training program to be eligible for pay-for-performance grants under section 116J.8747.
- 8 Creation; membership.** Adds the commissioner of human rights to the Urban Initiatives Board.
- 9 Procedure.** Cross-references to section 10.
- 10 Job order contracting.** Gives Hennepin County substantially the same authority as the state has for capital improvement contracts with an estimated cost of no more than \$250,000. The state law was enacted in 2005.

Subd. 1. Definitions. Defines “job order contracting,” “project,” and “request for qualifications.” A “project” is an undertaking to construct, alter, maintain, repair, or enlarge a building, structure, road, or bridge, or make other improvements.

Subd. 2. Authority. Gives Hennepin County authority to use job order contracting for projects that do not exceed \$250,000.

Subd. 3. Job order contracting request for qualifications. Authorizes the county to issue a request for qualifications that includes criteria that will be used for projects. Prohibits criteria from unduly restricting competition or relating to collective bargaining status of the contractor. Specifies notice requirements.

Subd. 4. Qualified contractors. Requires the county to review responses and establish a list of responders who have the ability to enter into the master contract for the project. Permits the county to limit the number of contractors on the list. Permits the county to reserve up to 75 percent of the registry for certified small business enterprises that may include minority-owned businesses, women-owned businesses, and veteran-owned businesses. Requires the county to allow contractors to submit qualifications at least every 24 months.

Subd. 5. Construction services bidding. Provides that when using job order contracting: (1) for projects up to \$50,000 the county must request at least two bids; (2) for projects over \$50,000 and not exceeding \$100,000, the county must request at least three bids; (3) for projects over \$100,000 and less than \$250,00, the county must request at least four bids.

Subd. 6. Qualified contractor selection. Requires the county to select the contractor who submits the lowest price bid. Permits the county to reject any or all bids if in the best interests of the county.

Subd. 7. Reasonable distribution of bid requests among qualified contractors. Requires the county to develop a system to ensure a reasonable opportunity for all qualified contractors to bid on construction services.

Subd. 8. Expiration. Section expires December 31, 2019.

Subd. 9. Reporting. Requires reports to the legislature in January of even-numbered years.

Section

- 11** **Lake Mille Lacs economic relief program.** Requires Mille Lacs County to create an economic relief program for businesses affected by declines in walleye fishing on Lake Mille Lacs. The program may include provision of grants, loans, and forgivable loans. The program is restricted to areas around Lake Mille Lacs and to businesses in certain industries. Mille Lacs County must create performance measures, which will be monitored by the commissioner of employment and economic development.
- 12** **Repealer.** Repeals the Film Production Jobs Program, commonly known as Snowbate. [116U.26].

Article 6: Labor and Industry

- 1** **Standard industrial classification list [182.653, subd. 9].** The AWAIR (A Workplace Accident and Injury Reduction program) under Minnesota OSHA (Occupational Safety and Health Administration) requires certain employers to establish accident and injury reduction programs for employees in certain industry types. Employers are required to create such programs within six months of the time their operations are included in the “North American Industry classification”. That list is reflected in Minn. Rule 5208.1500. Under current law, the list must be updated every two years, this section changes that to every five years.
- The section also deletes an expired provision.
- 2** **Repealer.** Repeals the Family Child Care Providers Representation Act. [179A.50 to 179A.53].

Article 7: Housing

- 1** **Establishment (family homeless prevention and assistance program).** Changes the eligibility requirements for a family or person that is eligible to receive assistance through this state program to include individuals who are 24 years of age or younger. The current law allows individuals up to age 22 to use the program if they are single persons who do not have dependent children.
- 2** **Set aside (family homeless prevention and assistance program).** Amends the requirement that provides that a grant must go to an area outside the Twin Cities metropolitan area to allow that grant to go to a single tribe or a group of tribes applying for a grant under the family homeless prevention and assistance program.

Article 8: Workers’ Compensation Court of Appeals Proposals

- 1** **Limitation of fees [176.081, subd. 1].** Clarifies the process for attorneys claiming legal fees in workers’ compensation cases.
- 2** **Review [176.081, subd. 3].** Clarifies the procedure in the Workers’ Compensation Court of Appeals for attorneys appealing their fee awards.

Section

- 3 Service of writ and bond; filing fee [176.471, subd. 3].** Eliminates the requirement of paying a bond for parties appealing a decision of Workers' Compensation Court of Appeals to the Minnesota Supreme Court. Makes changes to conform to appellate court rules.
- 4 Bond [176.471, subd. 5].** Deletes language related to the bonds at issue in Section 3. Provides that the Workers' Compensation Court of Appeals may require a bond in extraordinary circumstances.
- 5 Disbursements; taxation [176.511, subd. 2].** Extends the time limit, from five to ten days, for seeking costs from the losing party in a workers' compensation case. Current law provides that the prevailing party in such a case is entitled to costs incurred during the litigation.
- 6 Attorney fee allowance [176.511, subd. 3].** Makes stylistic changes and conforming changes based on other provisions in the bill.
- 7 Effective date.** Sets effective date for all sections in Article 5.

Article 9: Workers' Compensation Department Proposals

- 1 Electronic transactions [176.135, subd. 7a].** Extends the deadline for compliance to January 1, 2017, the requirement that health care providers and insurers submit and receive certain medical records and reports along with a medical bill. Lack of a consistent standard for attaching the documents has caused problems with submitting such documents to insurers. In addition to extending the time limit for compliance by six months, the bill provides more specificity about the attachment standard to be followed.
- 2 Limitation of liability [176.136, subd. 1b].** Extends limitation of liability for employers under this subdivision to include liability for outpatients treated at hospitals with 100 or fewer beds.
- 3 Preliminary investigation [176.571, subd. 1].** Replaces "management and budget" with "administration" to accurately reflect the state agency workers' compensation claims of injured state employees.
- 4 Effective date.** Provides effective date for all sections in Article 6.

Article 10: Workers' Compensation Litigation-Related Proposals

- 1 Compensation judge [176.011, subd. 7a].** Deletes out-of-date language.
- 2 to 4 Remodeling of residence; disabled employees [176.137].** Clarify the process by which a disabled employee may apply for money for home remodeling to accommodate the disability.
- 5 Proceedings when answer not filed [176.331].** Allows a compensation judge to consider whether good cause exists to grant a continuance of a hearing when a party has failed to timely file an answer to a petition.
- 6 to 12 Intervention in workers' compensation disputes [176.361].** Make changes to the section governing intervention in workers' compensation disputes in response to *Sumner v. Jim*

Section

Lupient Infiniti, a 2015 Minnesota Supreme Court decision. In *Sumner* the court held that intervenors must attend all prehearing conferences and hearings. A variety of intervenors, have found this very burdensome. The changes in these sections eliminate the requirement that intervenors attend all prehearing conferences and modify various other intervention requirements and procedures.

- 13 **Effective date.** Provides effective date for all sections in Article 7.

Article 11: Unemployment Insurance Advisory Council Policy

- 1 **Tax rate for new employers [268.051, subd. 5].** Modifies the mechanism for determining experience tax rates for new employers. New employers are assigned the average rate for the industry into which they are assigned. Under the bill, industries are broken down into very specific categories using the North American Industry Classification System. The change should provide a more accurate estimate of what a new employer's experience rating is likely to be. The provision would take effect in 2018.
- 2 **Limitation on applications and benefit accounts [268.07, subd. 3b].** Allows an applicant seven days after applying for benefits to request backdating of benefits. Current law allows backdating to the Sunday of the week before the application for benefits is filed but only if the applicant requests so on the application. Some applicants do not realize backdating is available, and this change would provide for some flexibility.
- 3 **Quit [268.095, subd. 1].** Makes several changes to the subdivision allowing exceptions to denial of benefits for applicants who quit previous employment.
- ▶ Removes some subjectivity to a provision that allows benefits for those who quit a job for a better job but do not stay at the new job long enough to satisfy the ineligibility period required under section 268.095, subd. 10.
 - ▶ Eliminates the causal connection required for the exception to denial of benefits for an applicant who quit a new job within 30 days of starting employment. Under the change an applicant is entitled to the exception if the new employment is "unsuitable."
 - ▶ Restricts the exception for denial of benefits for those who quit a job because a spouse takes a new job. Current law allows the exception whenever a spouse takes a different job. Under the proposed change, an applicant would only be allowed the exception (1) if the spouse is in the military or (2) if the spouse's employer transferred the spouse to a new location, making it impractical for the applicant to commute.
- 4 **Determination [268.101, subd. 2].** Changes the period in which a determination of ineligibility for benefits due to fraud may be made from four years to 48 months. The change simply brings consistency of time periods used; all other periods for determining eligibility are in months not years.
- 5 **Administrative penalties [268.182, subd. 2].** Conforms to change made in section four above.

Section

Article 12: Unemployment Insurance Advisory Council Housekeeping

- 1 **Covered employment [268.035, subd. 12].** Modifies what constitutes “covered employment” when applying section 268.095. Under current law, because of the definition, any federal or railroad employment cannot be “better work”. Thus, if an applicant quits employment to work for the federal government or a railroad, and the job does not work out, the applicant is denied benefits. This proposal would correct that.
- 2 **Wages [268.035, subd. 29].** Conforms to MN Supreme Court decision that held one aspect of current definition of “wages” preempted by the federal ERISA law. Uses the analogous Wisconsin statute as a model.
- 3 **Not eligible [268.085, subd. 2].** Makes technical change related to timing of ineligibility for fraud.
- 4 **Continued request for unemployment benefits by electronic transmission [268.0865, subd. 3].** Changes deadline for sending electronic request for continued benefits from three weeks to four. Makes technical and stylistic changes.
- 5 **Continued request for unemployment benefits by mail [268.0865, subd. 4].** Changes deadline for sending mail request for continued benefits from three weeks to four. Makes technical and stylistic changes.
- 6 **Quit defined [268.095, subd. 2].** Clarifies that the concept of “constructive voluntary quit” does not apply in the context of unemployment insurance.
- 7 **Discharge defined [268.095, subd. 5].** Clarifies that the concept of “constructive discharge” does not apply in the context of unemployment insurance.
- 8 **Unemployment benefit overpayments [268.18].** Rewrites the section regarding repayment of benefit overpayments. Does not change substantive law or department practice.
- 9 **Effective date.** Provides effective date of Article 2 as July 31, 2016, unless specified otherwise.

Article 13: Unemployment Insurance Advisory Council Technical

- 1 **Earnings [268.035, subd. 12e].** Defines “earnings.”
- 2 **Noncovered employment [268.035, subd. 20].** Makes stylistic changes, and deletes unnecessary clauses.
- 3 **Nonprofit Organization [268.035, subd. 20b].** Defines “nonprofit organization.”
- 4 **Suitable employment [268.035, subd. 23a].** Makes stylistic changes, and deletes redundant clause.
- 5 **Social Security old age insurance benefits [268.085, subd. 4].** Makes stylistic changes.
- 6 **Deductible earnings [268.085, subd. 5].** Deletes unnecessary language.

Section

- 7 **Revisor’s instruction.** Provides Revisor’s instruction.
- 8 **Effective date.** Provides effective date of Article 3 as July 31, 2016.

Article 14: Telephone Regulation

- 1 **[222.37] Public road; use; restriction.**
Subd. 1. Use requirements. Adds wireless telecommunications service providers to a list of utilities and other entities that may use public roads to construct infrastructure, provided that safety and convenience are not adversely affected.
- 2 **[237.01] Subd. 9. Voice-over-Internet protocol.** Definition.
- 3 **[237.01] Subd. 10. Internet protocol-enabled service.** Definition.
- 4 **[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 cable video service or any other IP-enabled video service from regulation under this chapter.
- 5 **Task force on deployment of small wireless telecommunications facilities.** Establishes a task force on deployment of small wireless technology facilities to conduct a study and submit a report to the legislature by January 15, 2017 that contains recommendations for developing a robust statewide wireless telecommunications network.

Article 15: Broadband Development

- 1 **[116J.394] Definitions.** Amends definitions of “unserved areas” and “underserved areas.”
- 2 **[116J.395] Subd. 4. Application process.** Requires the commissioner of DEED to publish the criteria and weighting scheme that will be used to evaluate or rank applications at least 30 days before applications may be submitted for the current grant cycle.
- 3 **Subd. 5a. Incumbent right of first refusal.** Adds a subdivision requiring an applicant to send a copy of the grant application to all incumbent broadband providers serving the

Section

proposed project area. Authorizes the commissioner to cease processing an application if an incumbent provider provides the commissioner written notice of its intent to begin construction of a broadband project that meets or exceeds the state broadband goals within 12 months of the date grant awards are to be made, and to complete construction within 24 months.

- 4 **Subd. 6. Awarding grants.** Requires the commissioner to notify unsuccessful applicants in writing the reasons the grant was unsuccessful within 90 days of the grant awards.
- 5 **Subd. 7. Limitation.** Limits grant awards to 50 percent of total project cost in unserved areas, and to 25 percent in underserved areas.
- 6 **Subd. 8. Application evaluation report.** Requires the Office of Broadband Development to submit an annual report to the legislature listing all grant applications received during the previous year, the grant amounts requested and awarded, and the results of any quantitative scoring system used to rank applications.
- 7 **[116J.397] Updated broadband deployment data and maps.** Requires annual updating of deployment data and maps by the Office of Broadband Development. Provides that data provided by broadband service providers is non-public, but that maps are public data.
- 8 **[116J.398] Broadband prevailing wage exemption.** Exempts last-mile infrastructure from prevailing wage requirements.
- 9 **[237.012] Broadband goals.**
Subd. 1. Universal access and high-speed goal. Updates target dates for state broadband goal of universal access to minimum speeds of 25 megabits download and three megabits upload from 2015 to 2022. Adds the goal that by 2026 all households have access to broadband speeds of 100 megabits download and 20 megabits upload.
- 10 **Subd. 2. State broadband leadership position.** Updates to 2020 the target date for Minnesota's goal to be among the top five states for broadband speed and access.

Article 16: Energy Policy

- 1 **[115C.09] Subd. 1. Reimbursable costs.** Allows the cost of tank removal to be reimbursable if it is part of a corrective action and is approved by the commissioner.
- 2 **Subd. 3. Reimbursements; subrogation; appropriation.** Increases the maximum reimbursement for costs associated with a single tank from \$1 million to \$2 million.
- 3 **[116C.779] Funding for renewable development.**
Subd. 1. Renewable development account. Provides for exceptions in new subdivision 1a (section 2 below) to the existing requirements for transfers of funds from Xcel Energy to the renewable development account for each nuclear waste storage cask at the company's Prairie Island and Monticello nuclear plants.
- 4 **[116C.779] Subd. 1a. Payment termination.** Provides that transfers to the renewable development account for a specific nuclear waste storage cask end when the cumulative transfers made for a cask reach \$10 million.

Section

5 [216A.03] Public utilities commission.

Subd. 1. Members. Increases the number of PUC commissioners from five to nine, eight of whom represent one of the state's congressional districts.

6 **Subd. 2c. Transition.** Establishes a schedule of congressional district-based appointments to the PUC between 2016 and 2021.

7 [216B.1641] Community solar garden. Requires that a community solar garden plan approved by the commission include: certification that all marketing materials will be sent to the commission; a mechanism to transfer subscriptions; and a requirement to forward all complaints to the commission. The commission must determine that the plan is financially viable and that a contract between a subscriber and garden owner is fair, reasonable, and not discriminatory.

8 [216B.241] Energy conservation improvement.

Subd. 1. Definitions. Amends the definition of "gross annual retail energy sales" to exclude gas or electric sales to a pipeline facility. Defines "pipeline facility."

9 **Subd. 1a. Investment, expenditure, and contribution; public utility.** Excludes revenues from pipeline facilities from the definition of "gross operating revenues," on which the conservation spending requirement of the utility serving the pipeline is based, and prohibits a pipeline facility from participating in a utility conservation program.

10 **Subd. 1c. Energy-saving goals.** Requires the commissioner of commerce to automatically approve a request by a municipal utility or cooperative electric association to reduce the utility's annual energy-savings goal of 1.5. The commissioner may approve a similar request from a public utility, but not for a reduction below one percent.

Allows municipal utilities and electric coops to count energy savings from utility infrastructure projects toward a utility's energy-savings goal; public utilities may also do so, but only after achieving a savings of one percent through other conservation investments.

11 [216B.243] Certificate of need for large energy facility.

Subd. 8. Exemptions. Exempts an interstate pipeline with termini outside the state from the requirement to obtain a certificate of need from the public utilities commission.

12 [216.20] **Subd. 3. Parking ramp.** Authorizes the commissioner of commerce to grant an exemption to allow a commercial parking facility to be heated under certain conditions.

13 [216E.023] **Prohibition; siting solar systems; tree cutting.** Prohibits the issuance of a local or state site permit for a solar energy generating system if more than 75 percent of the trees in an area greater than three acres must be cut in order to construct the solar system.

14 [216E.03] **Subd. 5. Environmental review.** Requires a finding in an environmental impact statement done for a cogeneration facility regarding the net impact of carbon dioxide emissions, taking into account both the cogeneration facility and the utility serving it.

15 [216H.01] **Subd. 1a. Cogeneration facility on combined heat and power facility.** Definition.

Section

- 16** **[216H.03] Subd.1. Definition; new large energy facility.** Amends the definition of “new large energy facility” to exclude a cogeneration facility served by a public utility.
- 17** **Laws 2001, chapter 130, section 3. Assessment.** Allows the state propane education and research council to assess propane producers and marketers up to the maximum assessment allowed under federal law for the national council, currently capped at one-half cent per gallon, unless a majority referendum vote approves a higher level.
- 18** **Prohibition on expenditure of state funds; clean power plan.** Prohibits the use of state funds to produce a state plan for reduced carbon dioxide emissions from coal plants, as required by the federal Clean Power Plan, unless and until a final decision is reached in the existing court challenge finding that the federal EPA has legal authority to require such plans.