

# HOUSE RESEARCH

## Bill Summary

**File Number:** S.F. 1937 **Date:** April 4, 2017  
**Version:** First unofficial engrossment  
**Authors:** Garofalo  
**Subject:** Job growth and energy affordability omnibus  
**Analyst:** Anna Scholin, Ben Weeks, Bob Eleff, Larie Pampuch

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/](http://www.house.mn/hrd/).

---

Article 1: Appropriations .....	2
Article 2: Department of Labor and Industry Policy .....	2
Article 3: Employment and Economic Development Policy .....	5
Article 4: Iron Range Resource and Rehabilitation Policy .....	7
Article 5: UIAC Policy .....	11
Article 6: UIAC Housekeeping.....	12
Article 7: UIAC Technical.....	13
Article 8: Commerce Policy.....	14
Article 9: Telecommunications Policy.....	15
Article 10: Energy Policy.....	16
Article 11: Miscellaneous .....	20

## Section

### **Article 1: Appropriations**

- 1**      **Jobs and economic development.** Specifies definitions of fiscal years. Provides for treatment of duplicate appropriations in separate bills.
- 2**      **Department of Employment and Economic Development.** Provides appropriations for the Department of Employment and Economic Development. (See spreadsheet for details.) Restricts transfers and use of funds. Limits number of full-time-equivalent positions.
- 3**      **Housing Finance Agency.** Provides appropriations for the Housing Finance Agency. (See spreadsheet for details.)
- 4**      **Department of Labor and Industry.** Provides appropriations for the Department of Labor and Industry. (See spreadsheet for details.) Restricts transfers and use of funds. Limits number of full-time-equivalent positions.
- 5**      **Bureau of Mediation Services.** Provides appropriations for the Bureau of Mediation Services. (See spreadsheet for details.) Restricts transfers and use of funds. Limits number of full-time-equivalent positions.
- 6**      **Workers' Compensation Court of Appeals.** Provides appropriations for the Workers' Compensation Court of Appeals. (See spreadsheet for details.) Limits number of full-time-equivalent positions.
- 7**      **Department of Commerce.** Provides appropriations for the Department of Commerce. (See spreadsheet for details.) Restricts transfers and use of funds. Limits number of full-time-equivalent positions.
- 8**      **Public Utilities Commission.** Provides appropriations for the Public Utilities Commission. (See spreadsheet for details.) Restricts transfers and use of funds. Limits number of full-time-equivalent positions.
- 9**      **Public Facilities Authority.** Provides appropriations for the Public Facilities Authority. (See spreadsheet for details.)
- 10**     **Iron Range Resources and Rehabilitation Board.** Provides appropriations for the IRRRB. (See attached spreadsheet for details.)
- 11**     **General fund transfer to energy fund account.** Transfers money.
- 12**     **Minnesota Film and TV Board appropriation cancellation.** Cancels unspent funds from 2016 appropriation.  
Effective: This section is effective the day following final enactment.

### **Article 2: Department of Labor and Industry Policy**

- 1**      **Standards for dual training.** Modifies the pipeline dual-training program, which supports on-the-job training of employees, by requiring the commissioner of labor and industry to

## Section

convene industry representatives to help develop the standards for such training. Requires the commissioner to also provide technical assistance to dual-training programs.

### **2 Youth skills training program.**

**Subd. 1. Program established and grants authorized.** Establishes the youth skills training program. Requires the programs to provide work-based skills training opportunities for students who are at least 16 years of age.

**Subd. 2. Definitions.** Defines “school district” to include school districts and charter schools. Defines “local partnership” to mean any combination of school districts, nonpublic schools, postsecondary institutions, workforce development authorities, economic development authorities, and nonprofit organizations who enter into an agreement with one or more local employers for a local youth skills training program.

**Subd. 3. Duties.** Authorizes the commissioner to approve local partnership programs. Requires the local partnership plan to address hours of participation, wage rates, student workplace, and safety concerns. Requires the local partnership plan to address what type of high school and college credits that a participating student will receive.

Requires the commissioner to develop model program guides and provide other support for the local partnerships. Requires the commissioner to collaborate with other stakeholders.

**Subd. 4. Training agreement.** Requires the participating student (or student’s parent) to sign a written training agreement.

**Subd. 5. Program approval.** Requires the commissioner to approve and review youth skills training programs.

**Subd. 6. Interactions with education finance.** Makes clear that hours enrolled in an approved youth skills training program continue to count as hours of instruction under Minnesota’s school finance formulas.

**Subd. 7. Academic credit.** Authorizes a school district to grant academic credit for students participating in youth skills programs under this section.

**Subd. 8. Postsecondary credit.** Authorizes a postsecondary institution to grant postsecondary credit for a student’s participation in a youth skills program.

**Subd. 9. Work based learning program.** Qualifies the youth skills program as a work based learning program if the youth skills program meets the requirements for a career and technical program and is supervised by a qualified teacher.

**Subd. 10. School coordinator.** Authorizes a school administrator or a qualified teacher to oversee a youth skills training program.

**Subd. 11. Other apprenticeship program.** Clarifies that this program doesn’t interfere with the comprehensive youth apprenticeship program under Minnesota Statutes, section 124D.47.

**Subd. 12. Outcomes.** Lists the expected program outcomes including that at least 80 percent of program participants receive a high school diploma, and that at least 60

## Section

percent of participating students receive a recognized credential upon completion of the program.

**Subd. 13. Reporting.** Requires the commissioner of labor and industry to report to the legislature on program activities and outcomes.

- 3 **License fees and renewal fees.** Reduces license fees for construction contractors, electricians, plumbers, high pressure pipefitters, and boiler operators.
- 4 **Places of public accommodation subject to building code.** Defines “places of public accommodation” and requires places of public accommodation to comply with the state building code.
- 5 **Building permits.** Reduces construction plan review and inspection permit fees for construction projects under the jurisdiction of the Department of Labor and Industry, including state owned and state licensed facilities, hospitals, and schools.
- 6 **Wind electric systems.** Reduces fees for electrical inspection of wind turbines.
- 7 **Solar voltaic systems.** Creates an electrical inspection fee schedule specifically for solar voltaic installations.
- 8 **Powers; duties; administrative support.** Empowers the Plumbing Board to regulate continuing education for “registered unlicensed individuals.” As written, this could be interpreted to include both those doing plumbing work and those doing water conditioning work. Currently, registered unlicensed plumbers do not have a continuing education requirement. Corrects references to types of water conditioning businesses with the titles of water conditioning professionals.
- 9 **Water conditioning installation.** Expands the scope of work a water conditioning installer can do from single family homes only, to include multifamily and nonresidential buildings when certain conditions are met. Namely, a licensed plumber must have installed both (1) the building’s plumbing system and (2) a valve allowing for isolation of the water conditioning system from the plumbing system, and (3) the piping in the system must be smaller than two inches (i.e. not a large industrial system).
- 10 **Direct supervision.** Defines the requirements for “direct supervision” of water conditioning installation work.
- 11 **Direct supervisor.** Defines who may be a “direct supervisor” for water conditioning installation work.
- 12 **Qualifications for licensing.** Adds installation of water conditioning systems to the list of skills that must be demonstrated to earn a water conditioning master license.
- 13 **Plumber’s apprentices.** Adds restricted master plumbers and restricted journeymen plumbers to the list of people who may provide direct supervision of a plumber’s apprentice.
- 14 **Registered unlicensed individuals.** Creates a registration requirement for people who perform water conditioning installation work without a license, essentially as apprentices. Requires that a registered unlicensed individual only do water conditioning work under the direct supervision of a licensed individual who can make sure all work is done properly and that records of this work be kept. Allows registered unlicensed individuals who have

## Section

accumulated 875 hours of practical experience in the trade to take the water conditioning journeyman examination. Provides for applications and fees to become a registered unlicensed individual.

- 15 Prohibition.** Establishes a gross misdemeanor for building activities performed by unlicensed residential contractors, remodelers, or roofers.
- Under current law, it is a misdemeanor for non-exempt, unlicensed individuals to hold themselves out as residential contractors, remodelers, or roofers (section 326B.082, subdivision 16). The current statute does not address activities by those unlicensed individuals. This bill would maintain the current misdemeanor and create a separate crime, punishable as a gross misdemeanor, for building activities performed by unlicensed individuals regardless of whether they also held themselves out as residential contractors, remodelers, or roofers.
- 16 Definitions.** Refines definition of “detached garages” for purposes of the contractor recovery fund.
- 17 Payment limitations.** Increases total payment allowed to owners and lessees, under the contractor recovery fund, from \$150,000 to \$300,000.
- 18 Rulemaking.** Requires the commissioner of labor and industry to amend the state building code rules so that new two-unit townhouses are not required to install automatic fire sprinkler systems. Allows the commissioner to make this rule change outside the normal rulemaking process, without the rule expiring in two years.
- 19 Workers’ compensation.** Allows amounts appropriated for system upgrades in fiscal years 2016 and 2017 to remain available until June 30, 2021.
- 20 Repealer.** Repeals the subdivision of the contractor recovery fund statute related to accelerated compensation.

### **Article 3: Employment and Economic Development Policy**

- 1 Departmental organization.** Reduces the number of deputy commissioners authorized by statute to serve in the Department of Employment and Economic Development. Current law permits four deputy commissioners, this section reduces that allowance to one deputy commissioner. Section 13, below, permits existing deputy commissioners to remain on the job until January 1, 2019.
- 2 Cost-of-living study; annual report.** Requires that reasonable retirement and long-term care savings be included in the commissioner’s annual cost-of-living study.
- 3 Rural policy and development center fund.** Establishes the rural policy and development center fund as an account in the special revenue fund of the state treasury to fund the center for rural policy and development.
- 4 Central Minnesota opportunity grant program.** Creates a program of competitive grants to nonprofit organizations to provide economic development, education, and housing services to communities of color in central and west central Minnesota. Establishes the

## Section

Central Minnesota Community Foundation as the administrator of the program and outlines application requirements, evaluation criteria, and allowed expenses. Requires reports to the legislature.

- 5** **Definitions.** Modifies the dislocated worker program to exclude employees of political entities, such as political committees, funds, campaigns, party units, and organizations required to file with the federal elections commission. Also strikes obsolete language.
- 6** **Assigned risk transfer.** Transfers money to the rural policy and development center fund (created in section 2 above) if there is an excess surplus in the assigned risk plan. This transfer takes place before any similar transfer to the Minnesota minerals 21st century fund. This section expires once a total of \$2,000,000 has been transferred to the rural policy and development center fund.
- 7** **Vocational rehabilitation.** Amends the 2015 appropriations rider for Assistive Technology of Minnesota, allowing funds to be used for low-interest loans to purchase assistive technology and employment-related equipment.
- 8 & 9** Extends the 2016 Mille Lacs relief program until June 30, 2018, and lowers the required reduction in gross receipts from ten percent to five percent.
- 10** **Greater Minnesota community design pilot project.** Creates the greater Minnesota community design pilot project, which forms a partnership between the Minnesota Design Center at the University of Minnesota and up to ten small communities in southeastern Minnesota to design and pursue rural development projects.
- 11** **Department of Employment and Economic Development mandated report holiday.** Suspends report to the legislature requirements in state law for the Department of Employment and Economic Development for fiscal years 2018 and 2019, except for the workforce programs outcome report cards, which are still required. Reports may still be made if required by federal law or at the election of the commissioner.
- 12** **Onetime exception to restrictions on use of Minnesota Investment Fund local government loan repayment funds.** Provides a onetime opportunity to local governments holding uncommitted money in local revolving loan funds seeded by Minnesota investment fund (MIF) loan repayments to send 20 percent of the balance of the local fund back to the state in exchange for being able to use the remaining 80 percent without the usual restrictions. Normally, local revolving loan funds seeded by MIF repayments must meet the same requirements as the MIF program, limiting the types of projects these funds can be used for. Under this section, if a local government made the 20 percent repayment to the state, it could then use the remaining 80 percent of the fund for any purpose not forbidden by laws other than the MIF statute, though it must report what the money was used for to the legislative committees with jurisdiction. Because this is a onetime exception, any new repayments entering the local revolving loan fund after the date of the transfer to the state would be subject to the normal restrictions.
- 13** **Existing deputy commissioners may serve until January 1, 2019.** Permits existing deputy commissioners to remain on the job until January 1, 2019.

## Section

- 14**      **Repealer.** Repeals the workforce housing development program with the Department of Employment and Economic Development. Note that a very similar program is created within the Minnesota Housing Finance Authority in article 11, section 5, of this bill.

### **Article 4: Iron Range Resource and Rehabilitation Policy**

#### **Overview**

This bill responds to issues and potential constitutional problems identified by the Office of the Legislative Auditor’s 2016 report on the Iron Range Resources and Rehabilitation Board. Primarily, this bill replaces the current board—consisting of legislators working in the executive branch and holding approval authority—with a legislative branch advisory commission made up of legislators representing the Iron Range (Section 26). All Iron Range resources and rehabilitation spending is also standardized into a single annual budget process where the commissioner must consult with the commission and get the governor’s approval before spending the funds authorized by the budget (Sections 25 and 34). Supplemental budgets following this same process are allowed whenever necessary to respond to unanticipated needs. Additionally, annual spending reports must be made to the legislative committees with primary jurisdiction (Section 37). Finally, long-term strategic planning, careful tracking of grants and loans, and consistent evaluation of projects against set criteria are required (Sections 27, 28, and 35).

- 1**      **Definitions.** Conforming change, “board” becomes “department.”
- 2**      **Exclusions.** Conforming changes, “board” becomes “department” and “commissioner.”
- 3**      **Departments of the State.** Adds the Department of Iron Range Resources and Rehabilitation to the list of state agencies.
- 4**      **Department of Iron Range Resources and Rehabilitation.** Allows the commissioner, after consulting the commission, to purchase insurance for facilities.
- 5**      **Group II salary limits.** Conforming change, “board” removed from title of commissioner.
- 6**      **Executive branch.** Conforming change, “board” becomes “department.”
- 7**      **Advisory council created.** Conforming change, “board” becomes “commissioner.”
- 8**      **Definitions.** Conforming change, “department” added to name of agency.
- 9**      **Use of fund.** Technical change to correct the name of the tax relief area.
- 10**     **Iron Range Resources and Rehabilitation Board contribution.** Applies the standard budget process (proposal by commissioner, consultation with commission, approval by governor) to matching loans or investments from the Minnesota 21st century fund.
- 11**     **Subsidy agreement.** Conforming change, “board” becomes “department.”
- 12**     **Public notice and hearing.** Conforming changes, “board” becomes “commissioner.”

**Section**

- 13 Reports by recipients to grantors.** Conforming changes, “board” becomes “commissioner.”
- 14 Definitions.** Conforming change, “board” becomes “commissioner.”
- 15 Definition.** Conforming change, “board” removed from title of commissioner.
- 16 Municipality.** Requires the commissioner to consult the commission before jointly determining with the commissioner of revenue which municipalities can participate in the tax base sharing program.
- 17 School fund allocation.** Requires the commissioner to consult the commission before certifying the areawide levy or that there are insufficient funds to make payments.
- 18 Certification of values; payment.** Conforming change, “board” becomes “commissioner.”
- 19 Development.** Requires the commissioner to consult the commission before assisting a county in development of forest resources.
- 20 Not to affect commissioner of Iron Range resources and rehabilitation.** Technical change to correct the name of the department.
- 21 Commissioner.** Defines “commissioner” as the commissioner of Iron Range resources and rehabilitation for the relevant statutory sections.
- 22 Commission.** Defines “commission” as the new Legislative Commission on Iron Range Resources and Rehabilitation for the relevant statutory sections.
- 23 Within taconite assistance area.** Conforming change, “board” becomes “commissioner.”
- 24 Occupation taxes to be apportioned.** Conforming changes, “board” becomes “commissioner” and is removed from the name of the account.
- 25 Department of Iron Range Resources and Rehabilitation.** Requires the standard budget process for all transfers and expenditures from the following funds and accounts:
- ▶ the taconite area environmental protection fund;
  - ▶ the Douglas J. Johnson economic protection trust fund;
  - ▶ the Iron Range resources and rehabilitation account in the special revenue fund;
  - ▶ the Iron Range schools consolidation and cooperatively operated schools account;
  - ▶ the Minnesota 21st century fund (match purposes); and
  - ▶ the Iron Range higher education account.
- Provides a list of items exempted from the standard budget process, including issues related to bond and debt obligations, expenses related to binding contracts, and formula driven allocations of taxes certified by the commissioner of revenue to cities, counties, school districts, towns, the taconite economic development fund, and for property tax relief. Deletes obsolete language about arbitrator awards.
- 26 Legislative Commission on Iron Range Resources and Rehabilitation.** Replaces the current board with a new legislative commission consisting of the same nine legislator members as the current board. The members of the commission will elect a chair who will convene meetings as often as necessary to conduct the business of the commission, but at least quarterly.



## Section

- 27**      **Evaluation of proposed budgets and projects.** Sets forth factors the commission must use in evaluating budget proposals.
- 28**      **Strategic plan required.** Directs the commissioner, in consultation with the commission, to adopt a six-year strategic plan. Requires the plan to be reviewed every two years.
- 29**      **Administrative and staff assistance.** Specifies that the Legislative Coordinating Commission will provide administrative and staff support to the commission, but that the commissioner will provide additional information and research assistance when requested.
- 30**      **Expenses of the commission.** Requires that all expenses of the commission be paid from Iron Range resources and rehabilitation funds or money otherwise made available by law to the commissioner.
- 31**      **Forest trust.** Authorizes the commissioner, after consulting the commission, to buy and sell forest lands if any required funds are approved through the standard budget process. Money from such sales goes into a special account also subject to the standard budget process.
- 32**      **Private entity participation.** Authorizes the commissioner, after consultation with the commission, to decide whether the fund will take an equity interest in exchange for money approved through the standard budget process and can set up and manage entities associated with the project.
- 33**      **Sale or privatization of functions.** Forbids the commissioner to sell or privatize the Ironworld Discovery Center or Giants Ridge without first consulting the commission.
- 34**      **Budgeting.** Codifies the standard budget process (proposal by commissioner, consultation with commission, approval by governor), both for the required annual budget and any supplemental budgets necessary to respond to unanticipated needs.
- 35**      **Grants and loans; requirements.** Sets forth criteria the commissioner must consider in evaluating potential grants and loans, recommends including job creation incentives in agreements with recipients, and requires tracking awards and outcomes more closely.
- 36**      **Expenditures; taconite assistance area.** Requires all Iron Range resources and rehabilitation funds to be spent to benefit the taconite assistance area.
- 37**      **Reports to the legislature.** Requires submission of annual expenditure reports to the legislative committees with jurisdiction.
- 38**      **Receipts from contracts; appropriation.** Conforming changes, “board” removed from name of account, in other places becomes “commissioner” or “commission,” requirement of board approval deleted.
- 39**      **Project approval.** Applies the standard budget process to spending by the commissioner generally.
- 40**      **Fee setting.** Conforming change, “board” becomes “commissioner.”
- 41**      **Investment of Funds.** Conforming change, “board” removed from name of account.
- 42**      **Iron Range Higher Education Committee; membership.** Conforming change, “board” becomes “commission.”

## Section

- 43 Taconite Area Environmental Protection Fund.** Applies the standard budget process to spending from the taconite area environmental protection fund. Deletes the requirement that half of the funds be spent on public works projects.
- 44 Taconite Economic Development Fund.** Applies the standard budget process to spending from the taconite economic development fund. Deletes language that will become obsolete on May 26, 2017. Removes language about special funding allowances tied to production in 2007.
- 45 Collection and payment of tax.** Conforming changes, “board” becomes “commissioner,” ambiguity about which commissioner resolved.
- 46 Iron Range resources and rehabilitation account.** Applies the standard budget process to spending from the Iron Range resources and rehabilitation account.
- 47 Iron Range school consolidation and cooperatively operated school account.** Applies the standard budget process to spending from the Iron Range school consolidation and cooperatively operated school account. Note, however, that under section 25, expenditures required to pay bonds entered into prior to the effective date for this bill are specifically exempt from the standard budget process.
- 48 Distribution; city of Eveleth.** Conforming change, “board” becomes “commissioner.”
- 49 Iron Range higher education account.** Allocates funds directly to the Iron Range higher education account. Applies the standard budget process to spending from the Iron Range higher education account. Approval from the Iron Range Higher Education committee is also still required.
- 50 Remainder.** Technical changes to correct statutory references and conforming change of “board” to “account.”
- 51 Use of money.** Requires consultation with the commission in order to buy or sell forest land, as in section 31 above.
- 52 Operation of fund.** Applies the standard budget process to spending from the Douglas J. Johnson economic protection trust fund.
- 53 Producer grants.** Applies the standard budget process to spending from the special producer grant account.
- 54 Advisory committees.** Conforming changes, “board” becomes “commission,” and board’s action replaced with commission’s recommendation.
- 55 Unmined iron ore; valuation petition.** Requires consultation with commission before commissioner grants authority to petition.
- 56 Payment of costs; reimbursement.** Conforming changes, “board” becomes “commissioner.”
- 57 Refusal to reimburse; reduction of other payments.** Conforming change, “board” becomes “commissioner.”
- 58 Water access sites.** Conforming change, “board” becomes “commissioner.”

**Section**

- 59**      **Local government unit.** Technical change to correct the name of the department.
- 60**      **Preliminary resolution.** Technical change, rewritten for clarity, “board” removed from title.
- 61**      **Giants Ridge Recreation Area Taxing Authority.** Conforming changes, for future decisions about the tax only (current language describing the process in the past remains in place), the commissioner acts after consultation with the commission rather than approval by the board.
- 62**      **Revisor’s instruction.** Instructs the revisor to prepare legislation that makes conforming changes in accordance with this act.
- 63**      **Repealer.** Repeals sections that:
- (1) gave special funding priority to areas affected by the LTV Steel Mining Company closure in 2000 and 2001;
  - (2) created the Northeast Minnesota economic development fund in 1987; this fund has been empty and unused for many years; and
  - (3) required a long-range plan for the board to be presented to the legislature by 2006.

**Article 5: UIAC Policy**

- 1**      **Penalties; application.** Employee leasing companies, essentially businesses that stand in as the “employer” for another entity, generally pay unemployment insurance taxes as the employer. Under current law, this general rule does not apply to businesses that receive a certain exemption under MN Workers’ Compensation law as businesses that provides only temporary and supplemental workers. Under the bill, receiving that exemption no longer guarantees the general rule will not apply.
- 2**      **Employee leasing company, professional employer organization, or similar person.** Under current law, businesses whose work force consists of 50 percent or more workers provided by an employee leasing company, or similar organization, are jointly liable for any unpaid unemployment insurance taxes. Similar to section 1, above, under current law, businesses that receive a certain exemption under MN Workers’ Compensation law as businesses that provide only temporary and supplemental workers are not counted as employee leasing companies for the purposes of joint liability. Under the bill, receiving that exemption no longer guarantees an entity will not be considered an employee leasing company.
- 3**      **Suspension from employment.** Clarifies when a suspension without pay is considered a discharge from employment for the purposes of eligibility for unemployment insurance benefits.
- 4**      **Discharge defined.** Provides that a suspension without pay of more than 30 days or of indefinite duration is considered a discharge at the time the suspension began, for the purposes of eligibility for unemployment benefits.

## Section

- 5 **Determination.** Provides that the unemployment insurance department may take up to 48 months to determine ineligibility for unemployment insurance benefits when the department has intervened in pending workers' compensation matter. Current law allows for 24 months, but contested workers' compensation dispute can take longer. When workers' compensation claims are pending, some workers can collect both unemployment insurance benefits and workers' compensation benefits at the same time. The unemployment insurance department is required to intervene in those cases to recoup any unemployment benefits paid when a worker was also receiving workers' compensation benefits representing lost wages.

The section also makes stylistic changes.

### **Article 6: UIAC Housekeeping**

- 1 **Noncovered employment.** Clarifies that employment with a school affiliated with a church is not covered employment for the purposes of unemployment insurance. This means that the school does not pay unemployment insurance tax and the employees are not entitled to unemployment insurance benefits based on their employment with the school. This is already the law for employment with churches. These schools can, however, opt to be covered.
- 2 **Staffing service.** Clarifies the definition of a staffing service for the purposes of the unemployment insurance statutes as a business that supplies workers to support or supplement the workforce of a client business. Special rules apply for interpreting whether an employee quit employment and would thus be ineligible for unemployment insurance benefits.
- 3 **Assessments, fees, and surcharges; treatment.** Deletes the provision that any assessment, fee, or surcharge is considered a tax for unemployment insurance purposes. 2016 legislation created an unemployment insurance tax credit program, and under current law, late fees are considered "taxes" and are counted towards the credit.
- 4 **Limitations on applications and benefits accounts.** Provides that an applicant for unemployment insurance benefits can withdraw a benefit account after a year. And, if the applicant received no unemployment benefits in that year, the application would not have to satisfy the requirement of having worked before opening a new benefit account, which is a prerequisite for applying for unemployment benefits. This change would likely only effect workers who received a severance equivalent to at least a year's pay and applied for benefits. Under current law they are ineligible for benefits if they are still unemployed and the severance has run out.
- 5 **Eligibility conditions.** Incorporates expressly in statute the definition of "good cause" from a 2015 Minnesota Court of Appeals decision.
- 6 **Leave of absence.** Clarifies the definition of "leave of absence".
- 7 **Actively seeking suitable employment defined.** Corrects an earlier drafting error that has led to confusion about the meaning of "seeking suitable work from a staffing service".
- 8 **Request for reconsideration.** Incorporates expressly in statute the definition of "good cause" from a 2016 Minnesota Court of Appeals decision.

**Section**

**Article 7: UIAC Technical**

- 1 **Standard of proof.** Makes stylistic change.
- 2 **Employment.** Deletes unnecessary language and adds clarifying language.
- 3 **State’s average annual and average weekly wage.** Adds clarifying language and a cross reference.
- 4 **Wages paid.** Makes stylistic changes.
- 5 **Employer registration.** Makes stylistic changes.
- 6 **Payments.** Deletes unnecessary language.
- 7 **Benefit account requirements.** Deletes unnecessary language.
- 8 **Right of appeal.** Deletes unnecessary language.
- 9 **Receipt of back pay.** Deletes unnecessary language.
- 10 **School employees; between terms denial.** Makes clarifying and stylistic changes.
- 11 **Aliens.** Makes stylistic changes.
- 12 **Good cause defined.** Deletes unnecessary language.
- 13 **Quit.** Makes clarifying change.
- 14 **Quit defined.** Makes clarifying change.
- 15 **Combined wage arrangements for work in multiple states.** Makes clarifying and stylistic changes.
- 16 **Overpayment because of misrepresentation.** Replaces the term “fraud” with “misrepresentation”. Deletes one of two elements of civil fraud in the context of unemployment insurance. Makes stylistic changes.
- 17 **Interest.** Replaces the term “fraud” with “misrepresentation”
- 18 **Remedies.** Makes stylistic changes.
- 19 **Fraud; criminal penalty.** Restructures and makes stylistic changes to the criminal fraud section of unemployment insurance statute.
- 20 **Employer misrepresentation and misreporting; administrative penalties.** Restructures and makes stylistic changes to the employer misconduct and misrepresentation section of unemployment insurance statute.
- 21 **Establishment.** Makes a clarifying change reflecting existing practice.
- 22 **Reimbursements.** Makes stylistic changes.
- 23 **Revisor’s instruction.** Instructs the Revisor of Statutes to delete the term “considered” in certain sections of statute.
- 24 **Revisor’s instruction.** Instructs the Revisor of Statutes to change certain terms, renumber sections, and make cross reference changes.

**Section**

**25**      **Repealer.** Repeals session law language that was required by federal law and which has already been complied with.

**Article 8: Commerce Policy**

**1**      **Power to appoint staff.** Reduces the number of deputy commissioners authorized by statute to serve in the Department of Commerce from four to one.

Existing deputy commissioners at each agency would be permitted to remain on the job until January 1, 2019.

**2**      **Insurance fraud prevention account.** Corrects cross-reference.

Effective: This section is effective July 1, 2018.

**3**      **Program described; commissioner’s duties; appropriation.** Provides that \$1.3 million in funding from the automobile theft prevention account, which currently is deposited in the general fund, is to be deposited in the insurance fraud prevention account.

Effective: This section is effective July 1, 2018.

**4**      **[239.7511] Gas tax sign on petroleum dispenser.** Requires the Director of the Weights and Measures Division of the Department of Commerce to ensure signs are attached to all retail petroleum dispensers in Minnesota. The sign displays the current state and federal gas tax rates per gallon, along with a statement that “[r]evenue from the state fuel tax may be used only for roads and bridges, according to the Minnesota Constitution. The Director must provide updated signs within 12 months of a change to the rate.

**5**      **Automobile theft prevention account.** Provides that \$1.3 million in funding from the automobile theft prevention account, which currently is deposited in the general fund, is to be deposited in the insurance fraud prevention account.

Effective: This section is effective July 1, 2018.

**6**      **Effect of nonredemption.** Provides that if pawned goods are not redeemed within 60 days of the original pawn transaction, the pawned goods are automatically forfeited to the pawnbroker.

**7**      **Commissioner’s duty.** Requires the commissioner of commerce to meet certain public notice requirements for abandoned property and report to the legislature annually regarding the expenditure of funds under this section. Requires that the commissioner of commerce meet the public notice requirements through use of newspapers and mass media, but that costs cannot include costs to develop, maintain, or improve the Department of Commerce’s website.

Effective: This section is effective the day following final enactment.

**8**      **Public notice.** Provides that the commissioner of commerce must issue public notices of unclaimed property in several specific ways, including: posting a list on the Department of Commerce’s website, publishing a list of owners whose abandoned property is valued at \$500 or more in qualified newspapers of general circulation in each county and on qualified

## Section

newspapers' websites, and using other types of media to issue the notice. Also requires the commissioner to annually provide to each legislator a list of the owners of abandoned property who live in the legislator's district.

Effective: This section is effective the day following final enactment.

- 9** **Claim for abandoned property paid or delivered.** Allows a person claiming an interest in property evidenced by a will or trust document, or court order, to submit to the commissioner only the parts of the document or order necessary to establish the claim.

Effective: This section is effective the day following final enactment.

- 10** **[471.9998] Merchant bags.** Prohibits local governments from adopting ordinances that would prohibit merchants from providing customers paper, plastic, or reusable bags.

Effective: This section is effective May 31, 2017. Invalidates ordinances enacted before the effective date.

- 11** **Existing deputy commissioners may serve until January 1, 2019.** Pursuant to the reduction of deputy directors authorized to serve in the Department of Commerce under section 1, existing deputy commissioners may service until January 1, 2019. Vacancies that occur in these positions prior to January 1, 2019 cannot be filled.

- 12** **Report on unclaimed property division.** Requires the commissioner of commerce to report by February 15, 2018, to the legislature regarding the process owners of abandoned property must comply with in order to file a claim. The report must include certain information.

Effective: This section is effective the day following final enactment.

## **Article 9: Telecommunications Policy**

- 1** **[237.01] Subd. 10. Voice-over-Internet protocol.** Definition.

- 2** **[237.01] Subd. 11. Internet protocol-enabled service.** Definition.

- 3** **[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:

**Section**

- the Minnesota Public Utilities Commission’s jurisdiction over intrastate access rates and terms, dispute resolutions with respect to intercarrier compensation, wholesale telecommunications services; or
- the authority of local units of government with respect to the regulation of public rights-of-way.

**Subd. 4. Exemption.** Specifies that any IP-enabled video service, including cable TV video service, is not regulated by the state.

**Subd. 5. Preservation of existing landline telephone service.** Specifies that obligations of a telephone company to offer non-VOIP landline service is not affected by this section.

- 4 **[237.417] Personal information; prohibition.** Prohibits telecommunications or internet service providers having right-of-way or other agreements with the state of Minnesota or a political subdivision, or which use facilities subject to such agreements, from collecting personal information on a customer’s use of the internet without express written approval from the customer.

**Article 10: Energy Policy**

- 1 **[3.8852] Establishment.** Reduces the size of the Legislative Energy Commission from ten members from each body to five.

- 2 **[16.323] Subd. 1. Definitions.** Strikes the definition of the “Made in Minnesota” solar subsidy program, and amends other definitions regarding solar energy.

- 3 **[116.03] Subd. 7. Clean Air Act settlement money.** Prohibits the expenditure of Volkswagen settlement money unless appropriated by law.

- 4 **[116C.779] Subd. 1. Energy fund account.** Establishes the energy fund account in the special revenue fund, to which Xcel Energy must transfer all funds in the Renewable Development Account on July 1, 2017. Provides for payments to the account from Xcel to continue as under current law, based on the number of casks of nuclear waste stored at the Prairie Island and Monticello plants.

Specifies the energy-related purposes for which funds from the account may be expended. Directs Xcel to withhold from transfer any revenues needed to pay for ongoing funding commitments, including renewable energy production incentives and Xcel’s Solar Rewards program.

Strikes language describing eligibility for funding, account management, and program operation under the Renewable Development Account.

Requires fund expenditures to benefit only Xcel ratepayers in Minnesota or the Prairie Island Indian community, except as provided in section 7.



**Section**

- 5           **Subd. 1a. Payment termination.** Terminates Xcel’s obligation to pay into the fund \$500,000 and \$350,000 annually for each cask of nuclear waste stored at Prairie Island and Monticello, respectively, when the accumulated payments for a cask, begun in 1999, reach \$10 million.
- 6           **[116C.7792] Solar energy incentive program.** Conforming change. Renames the energy fund account.
- 7           **[116C.7793] Legislative renewable energy council.**  
**Subd. 1. Establishment.** Establishes the Legislative Renewable Energy Council, composed of five members each from the senate and house of representatives, four of whom must represent districts where Xcel provides electric service to at least 60 percent of the district’s residents. Caps the council’s administrative costs at 0.5 percent of the money appropriated from the fund.  
**Subd. 2. Council recommendations.** Requires the council to make recommendations to the legislature regarding funds expended from the account. Recommendations require the vote of eight members of the council.  
**Subd. 3. Conflict of interest.** Defines a conflict of interest and prohibits a council member from voting on funding proposals where there may be such a conflict.  
**Subd. 4. Audit.** Requires an audit of council-recommended expenditures from the account by the legislative auditor.  
**Subd. 5. Recipient requirements.** Requires a recipient of funds from the account to provide all information required by the council. Prohibits a recipient from receiving funding from the council until four years after the recipient’s previous council-funded project has been completed.  
**Subd. 6. Accomplishment plans.** Requires recipients to submit an accomplishment plan and periodic updates to the council.  
**Subd. 7. Expenditures.** Provides that expenditures from the account may include research and development projects, demonstration projects, and statewide programs and financial incentives. General fund revenues transferred to the account and expended are not required to benefit only Xcel Minnesota ratepayers. (See section 4)  
**Subd. 8. Administration.** Authorizes the council to develop administrative procedures for the application and review process.
- 8           **[216A.03] Subd. 1. Members.** Provides for rotating authority to fill open seats on the Public Utilities Commission, in this order; house speaker; senate majority leader; house minority leader; senate minority leader; the governor. Advice and consent of the senate for these appointments is eliminated.
- 9           **Subd. 1c. Transition.** Specifies appointment authorities and dates of appointments to be made through July 2019 to replace sitting PUC commissioners.
- 10          **[216B.03] Reasonable rate.** Directs the commission to encourage the promotion of economic growth and job retention through its rate-setting decisions.

**Section**

- 11        **[216B.16] Subd. 1a. Settlement.** Requires the commission, in determining whether to accept a stipulated settlement agreed to by parties in a rate case, to consider its impact on the economy, job growth, and job retention.
- 12               **Subd. 6. Factors considered, generally.** Requires the commission to consider the need for competitive electric rates, job preservation, and economic growth in carrying out its duties.
- 13        **[216B.1691] Subd. 2f. Solar energy standard.** Allows a public utility with between 50,000 and 200,000 retail electric customers to meet ten percent of its solar energy standard from solar projects up to 40 kw (increased from 20 kw) and to apply individual customer subscriptions of 40 kw or less to a community solar garden to that target.
- 14        **[216B.1697] State-mandated energy purchases; public information.** Requires a utility purchasing energy to meet a state mandate to post on its website the wholesale price and the amount purchased each year through the term of the contract.
- 15-20      **[216B.241]** Exempts small municipal utilities and rural electric cooperatives from all requirements of the Conservation Improvement Program (CIP). Cooperatives with fewer than 5,000 members, and municipal utilities with fewer than 1,000 retail electric customers or natural gas sales of less than one billion cubic feet annually, are exempt.
- 21        **[216B.2422] Subd. 2. Resources plan filing and approval.** Requires the commission, in deciding whether to approve a utility’s integrated resource plan, to consider its impacts on the economy, job growth, and job retention.
- 22               **Subd. 3. Environmental costs.** Requires the commission, in approving generating facilities, to consider impacts on utility rates.
- 23               **Subd. 4. Preference for renewable energy facility.** Requires the commission, in deciding whether a renewable generating facility is in the public interest, to consider impacts on grid reliability, ratepayer impacts resulting from the intermittent nature of renewables and reduced fuel price volatility, and lower environmental compliance costs.
- 24        **[216B.243] Subd. 8. Exemptions.** Exempts from the requirement to obtain a certificate of need from the commission prior to construction: wind and solar generating systems 50 MW or larger; pipelines transporting oil, refined petroleum products, natural gas, or propane; and a pipeline that replaces an existing pipeline.
- 25        **[216C.05] Subd. 2. Energy policy goals.** Establishes as a state goal that retail commercial electricity rates be ten percent below the national average, and that rates for all other customer classes be at least five percent below the national average.
- 26        **[216C.41] Subd. 2. Incentive payment; appropriation.** Conforming change. Renames the energy fund account.
- 27               **Subd. 5a. Payment authorization.** Conforming change. Renames the energy fund account.
- 28        **[216C.417] Program administration; “Made in Minnesota” solar energy production incentives.** Provides that payment of incentives to those enrolled in the program before it is

**Section**

repealed (see section 46, paragraph (d)) will continue to receive the full ten-year payment required under current law.

- 29 **[216C.435] Subd. 7a. Multifamily residential dwelling.** Definition in Property-Assessed Clean Energy (PACE) statute.
- 30 **[216E.03] Subd. 3. Application.** Makes voluntary the proposal of more than one site for a large electric generating facility or one route for a high-voltage transmission line in a permit application filed with the commission.
- 31 **Subd. 9. Timing.** Reduces from 90 to 30 days the length of time the commission may extend its 60-day time limit to make a final decision regarding a routing or siting permit for a large electric generating facility or a route for a high-voltage transmission line.
- 32 **[216E.04] Subd. 7. Timing.** Under the optional alternative review process, reduces from 90 to 30 days the length of time the commission may extend its 60-day time limit to make a final decision regarding a routing or siting permit for a large electric generating facility or a route for a high-voltage transmission line.
- 33 **[216F.01] Subd. 2. Large wind energy conversion system or LWECS.** Appends to the definition of the wind system the high-voltage transmission line connecting it to the regional transmission system.
- 34 **[216F.011] Size determination.** Restricts the information the commissioner of commerce may request from an applicant in determining the size of a wind system to information relating only to that issue.
- 35 **[216F.04] Site permit.** Requires written agreement from the proposer of a wind project to a request by the commission to extend its 180-day timeline for a final decision regarding a site permit.
- 36 **[216G.025] Alternative pipeline routes; restriction.** Restricts environmental analysis of alternative pipeline routes to those that include the pipeline's endpoints as proposed by the applicant.
- 37 **[216H.03] Subd. 3. Long-term increased emissions from power plants prohibited.** Strikes language prohibiting a utility from importing electricity from other states or entering into long-term power purchase agreements that increase greenhouse gas emissions.
- 38 **Subd. 4. Exemption for facilities that offset emissions.** Conforming change.
- 39 **Subd. 7. Other exemptions.** Conforming change.
- 40 **Residential PACE consumer protection task force programs.** Establishes a task force to recommend to the legislature consumer protection provisions to be added to the state's PACE program, which allows the repayment via an assessment on property taxes of residential loans to improve energy efficiency or to install renewable energy systems. The program is suspended until legislation addressing this issue is enacted.
- 41 **Program administration; "Made in Minnesota" solar thermal rebates.** Prohibits payment of "Made in Minnesota" solar thermal rebates after the effective date of this act.

## Section

- 42 Renewable development account; transfer of unexpended funds.** Requires the transfer of unexpended RDF grant funds to the energy fund account.
- 43 Repealer.** Paragraphs (a) and (d) repeal the “Made in Minnesota” solar rebate program and associated provisions of law. Paragraph (b) repeals sections of law dealing with hydrogen energy. Paragraph (c) repeals: language directing the Legislative Energy Commission to develop a framework for an all-renewable energy future (work was completed in 2016); funding to the University of Minnesota’s Institute for Renewable Energy and the Environment that ended in 2011; and a provision giving the Department of Commerce subpoena power with respect to information it may require for various energy planning functions.

### Article 11: Miscellaneous

- 1 [14.1275] Rules impacting residential construction or remodeling; legislative notice and review.** Provides a procedure for legislative review and approval of proposed administrative rules that increase the cost of residential construction or remodeling by \$1,000 or more per unit. The initial determination of a rule’s impact on these costs is made by the agency, but is subject to review by an administrative law judge. Notice to the legislature is required if the costs of a proposed rule exceed the \$1,000 threshold, as determined either by the agency or by the administrative law judge. A legislative committee with jurisdiction over the subject matter of the rule may vote to advise the agency that the rule should not be adopted as proposed. If this vote occurs, the rule may not be adopted unless it is approved by law. This section also clarifies that any severable portion of a rule that does not meet the cost threshold may be adopted, regardless of whether a legislative committee vote is conducted on other portions of the same rule.
- 2 Interim ordinance.** Requires a two-thirds vote of the members of a city council present to adopt an interim ordinance that regulates or prohibits a housing proposal. A “housing proposal” is a written request for approval of a project intended primarily to provide residential dwellings, and involves the subdivision or development of land, or demolition, construction, reconstruction, alteration, repair, or occupancy of residential dwellings. Requires written notice about such a vote to interested parties and notice on the city’s Web site, if there is one, as well as a public hearing at the next regularly scheduled council meeting or within ten days of the notice, whichever is earlier. Prohibits activities proposed to be restricted by the moratorium before the hearing.
- Effective for interim ordinances proposed on or after August 1, 2017.
- 3 & 4** Modifies the housing trust fund and family homeless prevention and assistance program requirements to create a rental assistance program for highly mobile students. Targets unaccompanied homeless youth and families with children eligible for enrollment in prekindergarten through grade 12 academic programs who are homeless or have overcrowded, unaffordable, unstable, or inadequate housing. Provides such people assistance

**Section**

that may include rental subsidies, case management, and housing navigation, in order to boost school attendance.

- 5**     **[462A.39] Workforce housing development program.** Recreates the Department of Employment and Economic Development’s workforce housing development program as a new program within the Minnesota Housing Finance Agency. Provides grants and deferred loans to eligible communities in greater Minnesota with low vacancy rates for rental housing and employer demand for additional housing for employees. Grants or deferred loans may not exceed 25 percent of the cost of the residential housing project being subsidized by the grant or deferred loan. Requires annual reports to the legislature.
- 6**     **[462C.16] Housing trust funds for local housing development.** Permits a local government to establish a local housing trust fund by ordinance or participate in a joint powers agreement to establish a regional housing trust fund. Lists authorized expenditures for such a fund, suggests sources of funding, and requires annual publicly accessible reports of fund activity to the local government that created the fund. Does not affect existing local or regional housing trust funds.
- 7**     **Development guides.** Requires the legislature to approve the portions of the Metropolitan Council’s Metropolitan Development Guide that relate to housing. The development guide is a “compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area” and includes, among other things, the long-term policy plans for transportation, wastewater collection and treatment, and regional parks and open space.  
Effective the day after enactment and applies to the existing plan adopted by the council as well as in the future.
- 8**     **Affordable, life-cycle goals.** Requires the negotiated life-cycle housing goals for each municipality in the seven-county metro area to be submitted to the legislature by January 15 of each year, beginning in 2018. Prohibits the council from adopting the goals until the legislature has approved them or the regular session has adjourned with no action taken.  
This section and section 9 below amend the local housing incentives account of the Metropolitan Livable Communities Act. A municipality is eligible for funding from the tax base revitalization account (brownfields cleanup) and the livable communities demonstration account if it participates in the local housing incentives program. The life-cycle housing goals are used to direct the housing funding received by the municipality through the local housing initiatives account.  
Effective the day following final enactment.
- 9**     **Affordable, life-cycle housing opportunities amount.** Allows the legislature to approve, modify, or reject the amount of money distributed to each municipality (the life-cycle housing opportunities amount) that is used to meet that municipalities affordable, life-cycle housing goals. If the legislature does not act, then the council may proceed with the proposed distribution at the end of the regular legislative session.  
Effective the day following final enactment.

**Section**

- 10**      **[474A.22]Workforce housing, tax-exempt bonding allocation.** Restructures the allocation of tax-exempt bonds for housing projects, generally giving senior housing projects greater priority and single-family housing projects less priority than under current law. Creates a lottery system for projects of equal priority when there is a shortage of bonding authority.  
Effective July 1, 2017, but subdivision 2 expires December 31, 2019.
- 11**      **Effective date.** Provides that the sections of the 2014 law establishing the Public Employment Relations Board and setting its powers, that are currently set to become effective on July 1, 2017, will be delayed in until July 1, 2036.
- 12**      **Agency activity and expenditure reports.** Requires reports from the commissioners of economic development, housing finance, labor and industry, and commerce, as well as from the Public Utilities Commission, detailing agency operations and finances. The reports are due to the chairs of legislative committees with jurisdiction over the agency budgets by October 15, 2018.
- 13**      **Housing Finance Agency administrative costs.** Requires the Housing Finance Agency cap its administrative costs at the amount spent on administration in fiscal year 2017. This section is effective from July 1, 2017, until July 1, 2021.