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Overview

This is the 2018 omnibus supplemental agriculture, environment and natural resources, jobs, energy, economic development, housing, and state government bill. It appropriates supplemental funding to various agencies and modifies various statutes.

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Article 1: Agriculture Appropriations

Overview

This article appropriates supplemental funding to the Minnesota Department of Agriculture (MDA) in fiscal year 2019. It also authorizes \$35 million in bonding authority for the Rural Finance Authority.

- 1 Total appropriation.** Modifies the 2017 omnibus agriculture finance law to reflect the additional fiscal year 2019 appropriations in this bill.
- 2 Protection services.** Authorizes MDA to reimburse certain University of Minnesota Extension employees. Reimbursement funding would come from a portion of the money

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appropriated in the 2017 omnibus agriculture finance law to compensate owners of livestock crippled or killed by wolves.

- 3 **Agriculture, bioenergy, and bioproduct advancement.** Requires MDA to issue payments to certain renewable chemical producers who would otherwise be ineligible under the Renewable Chemical Production Incentive Program, but only after payments are issued to all eligible producers under the advanced biofuel, renewable chemical, and biomass thermal production incentive programs. Extends the availability of certain fiscal year 2019 grant funds by one year, to 2022.
- 4 **Administration and financial assistance.** Increases funding in fiscal year 2019 for farm advocate services and mental health counseling. Modifies the fiscal agent for the mental health counseling funding. Authorizes Second Harvest Heartland to use up to 15 percent of a surplus food distribution grant for administration and transportation costs without spending a like amount to match this allowance.
- 5 **Rural Finance Authority.** Borrows \$35,000,000 from the bond market and appropriates the proceeds to the Rural Finance Authority (RFA) to purchase an interest in loans to farmers under the RFA's Beginning Farmer, Loan Restructuring, Seller-Sponsored, Agricultural Improvement, and Livestock Expansion loan programs. Borrows an additional \$35,000 to cover the bond-sale expenses incurred by the Department of Management and Budget.

Article 2: Agriculture Statutory Changes

Overview

This article modifies various agricultural statutes and establishes a new RFA loan program.

- 1 **Payment of inspection fee.** Extends the Minnesota Agricultural Fertilizer Research and Education Council (AFREC) fertilizer surcharge by ten years, to June 30, 2029.
- 2 **Expiration.** Extends AFREC by ten years, to June 30, 2030.
- 3 **Expiration.** Extends the Agricultural Fertilizer Research and Education Program overseen by AFREC by ten years, to June 30, 2030.
- 4 **Expiration.** Extends until June 30, 2030, the dedicated account that holds AFREC surcharge proceeds.
- 5 **Cottage foods exemption.** Allows eligible Limited Liability Companies (LLCs) to qualify for this food-handler license exemption.
- 6 **Persons selling liquor.** Requires MDA to exclude a liquor store's gross sales of off-sale alcoholic beverages when determining the appropriate food-handler license fee.

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- 7 **Biomass.** Defines this term for purposes of the Advanced Biofuel Production Incentive, Renewable Chemical Production Incentive, and Biomass Thermal Production Incentive programs.
- 8 **Renewable chemical.** Modifies the definition of “renewable chemical” for purposes of determining a facility’s eligibility for the Renewable Chemical Production Incentive Program.
- 9 **Eligibility.** Modifies eligibility for the Advanced Biofuel Production Incentive Program, including the minimum production level and the requirement to source biomass within a certain distance of the production facility.
- 10 **Payment amounts; limits.** Expands eligibility for the Advanced Biofuel Production Incentive Program to include advanced biofuel produced from oil or animal fat.
- 11 **Eligibility.** Modifies eligibility for the Renewable Chemical Production Incentive Program, including the minimum production level and the requirement to source biomass within a certain distance of the production facility.
- 12 **Eligibility.** Modifies eligibility for the Biomass Thermal Production Incentive Program, specifically the requirement to source biomass within a certain distance of the production facility.
- 13 **Definitions.** Expands eligibility for the RFA’s pilot agricultural microloan program by authorizing loans to eligible aquaculturists.
- 14 **Rural energy feasibility program.** Establishes a new RFA revolving loan program to provide loans to eligible entities to explore the feasibility of renewable energy projects. Establishes loan criteria and limits the RFA’s participation to the lesser of 90 percent of the loan principal or \$50,000.
- 15 **Rural Finance Authority revolving loan account.** Adds the new loan program established in the previous section to the list of RFA programs that utilize the RFA’s revolving loan account.
- 16 **Areas where groundwater pollution is detected.** Prevents MDA from adopting mandatory rules, or “water resource protection requirements,” for nitrogen fertilizer under authority of the Groundwater Protection Act (Minn. Stat. ch. 103H) unless the proposed requirements are specifically approved by law.

Article 3: Environment and Natural Resources Appropriations

Overview

This article contains supplemental fiscal year 2018 and 2019 appropriations for the PCA and DNR.

- 1 **Environment and natural resources appropriations.** Technical.

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- 2 **Pollution Control Agency.** Appropriates \$199,000 from the environmental fund to the PCA for the new voluntary certification program for deicer applicators established in article 4.
- 3 **Natural resources.** Appropriates a total of \$50,000 in fiscal year 2018 and \$2,552,000 in fiscal year 2019 to the DNR for various purposes, including \$750,000 from the general fund for wildlife disease surveillance, response, and enforcement, \$50,000 from the heritage enhancement account for a report on wild rice, and a number of appropriations for all-terrain vehicle (ATV) projects.
- 4 **Natural resources damages account transfer.** Transfers money from the remediation fund dedicated for natural resources damages to the new statutory natural resources damages account established in article 4.
- 5 **Appropriation; Moose Trail.** Amends a prior appropriation for the Moose Trail to remove a requirement that it convert the snowmobile trail and specifies an end date for the appropriation.
- 6 **Parks and trails management.** Extends a previous appropriation for the Prospectors ATV Trail System.
- 7 **Board of Water and Soil Resources.** Extends and expands the purposes of a previous appropriation to the Board of Water and Soil Resources (BWSR) for a working lands watershed restoration program.
- 8 **Fish and wildlife management.** Amends a previous appropriation to the DNR to add a direct appropriation of money in the deer management account due to the elimination of the statutory appropriation of the account in article 4.
- 9 **Board of Water and Soil Resources.** Extends the availability of a previous appropriation to BWSR that provides money for section 404 assumption efforts.

Article 4: Environment and Natural Resources Policy

Overview

This article contains a number of statutory and other provisions related to the environment and natural resources.

- 1 **Legal counsel.** Amends § 84.01, subd. 6. Allows the DNR to appoint attorneys or outside counsel to represent the state in proceedings relating to the vacation of roads.
- 2 **Application.** Amends § 84.0895, subd. 2. Provides a definition of road for purposes of an exemption from certain endangered species protections. Under current law, plants on ditches and roadways are exempt from provisions prohibiting the taking of endangered species. This section would replace “roadway” for purposes of the exemption with “an existing public road right-of way” which is defined as “the entire right-of-way of a public road, including the traveled portions, banks, ditches, shoulders, and medians of a roadway, that is not privately

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owned” but exclude ground not previously disturbed by construction or maintenance from the exemption.

- 3 **Civil citation; authority to issue.** Amends § 84.775, subd. 1. Technical related to the removal of the ban on snorkel devices for ATVs in section 10.
- 4 **Purposes for the account; allocation.** Amends § 84.83, subd. 3. Increases the minimum amount that must be spent on grant-in-aid snowmobile trails from the snowmobile trails and enforcement account. Under current law, 60 percent of the money in the account from snowmobile registrations and state trail sticker fees must be used for grant-in-aid trails, this section would require at least 60 percent of the entire account, which also includes revenues from the unrefunded gas taxes attributed to snowmobiles.
- 5 **Required rules.** Amends § 84.86, subd. 1. Allows a snowmobile safety education and training instructor to collect a fee for the cost of a person’s online training course in addition to the fee that may be charged for classroom materials and expenses.
- 6 **Acts prohibited.** Amends § 84.91, subd. 1. Prohibits a person who commits a DWI offense in any vehicle from operating a snowmobile or all-terrain vehicle for one year. Requires the courts to send notice of all DWI convictions to the Department of Public Safety.

Under current law, a person who operates a snowmobile or ATV while under the influence, in violation of section 169A.20, is prohibited from operating those off-road vehicles for one year. This bill expands the prohibition so that it applies to a person who commits a DWI offense in any vehicle.
- 7 **Training and certification programs established.** Amends § 84.925, subd. 1. Establishes a voluntary ATV safety and training program for six- to nine-year-olds and their parents/guardians.
- 8 **Prohibitions on youthful operators.** Amends § 84.9256, subd. 1. Increases the minimum age a person must be to take the existing ATV training and certification program.
- 9 **All-terrain vehicle pilot project; Hayes Lake State Park.** Adds § 84.9258. Establishes a pilot project allowing ATVs to be operated in Hayes Lake State Park at certain campgrounds and access routes designated by the DNR. Requires the ATVs to have a state park permit and restricts the designated areas to areas already used by motorized vehicles. The provision expires January 1, 2021.
- 10 **Operation generally.** Amends § 84.928, subd. 2. Removes the ban on operating an ATV with a snorkel device.
- 11 **Bait harvest from infested waters.** Amends § 84D.03, subd. 3. Expands a provision allowing a person to harvest gizzard shad using a cast net in certain infested waters (currently allowed in certain areas of the Mississippi and St. Croix Rivers) to the Minnesota River downstream of Granite Falls and removes the sunset of the provision retroactively (it expired December 1, 2017).
- 12 **Restrictions in infested and noninfested waters; commercial fishing and turtle, frog, and crayfish harvesting.** Amends § 84D.03, subd. 4. Modifies tagging requirements that apply to commercial fishing equipment (nets, traps, etc.) used in infested waters by expanding the requirement to waters listed for aquatic plants or aquatic macrophytes,

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excluding Eurasian watermilfoil, and modifying provisions allowing the tags to be removed if the equipment has been decontaminated according to certain protocols.

- 13 **Gull Lake pilot study.** Amends § 84D.108, subd. 2b. Expands to all water access sites, a pilot project allowing service providers (dock installers, etc.) to return zebra mussel infested equipment back to Gull Lake under a permit from the DNR.
- 14 **Cross Lake pilot study.** Amends § 84D.108, subd. 2c. Expands to all water access sites, a pilot project allowing service providers (dock installers, etc.) to return zebra mussel infested equipment back to Cross Lake in Crow Wing County under a permit from the DNR.
- 15 **Advisory council created.** Amends § 85.0146, subd. 1. Modifies the membership of the Cuyuna Country State Recreation Area Citizens Advisory Council by updating the names and organizations represented and requiring a member from the senate and a member from the house of representatives be included (rather than an elected state official as required under current law). The advisory council was established to provide direction on the establishment, planning, development, and operation of the Cuyuna Country State Recreation Area.
- 16 **Marine carbon monoxide detection system.** Amends § 86B.005, subd. 8a. Modifies “Sophia’s Law” passed in 2016 that requires a boat with an “enclosed accommodation compartment” to be equipped with a carbon monoxide detector by modifying the standards that the carbon monoxide detector must meet.
- 17 **Requirements; installation.** Amends § 86B.532, subd. 1. Modifies “Sophia’s Law” by establishing requirements for where the carbon monoxide detector must be located, including requiring the detector to be within 10 feet of any sleeping accommodations and prohibiting it from being located within 5 feet of any cooking appliance.
- 18 **Wildland firefighters; training and licensing.** Adds § 88.10, subd. 3. Exempts forest officers and wildland firefighters from certain training, education, and certification requirements applicable to firefighters generally.
- 19 **Misdemeanor offenses; damages; injunctive relief.** Amends § 88.75, subd. 1. Allows an attorney licensed in Minnesota that is employed by the DNR to represent the commissioner in proceedings related to violations of certain wildfire provisions that are removed to district court from conciliation court.
- 20 **Approved firewood required.** Amends § 89.551. Removes a provision that subjects a firewood dealer possessing firewood that is not DNR approved as required to confiscation and a \$100 penalty for each firewood sale.
- 21 **Summary of fish and game laws.** Amends § 97A.051, subd. 2. Removes a requirement that the DNR supply license vendors with one copy of the fishing, hunting, and trapping regulations for each person getting a license.
- 22 **Deer, bear, and lifetime licenses.** Amends § 97A.075, subd. 1. Increases the amount of money from each resident and nonresident adult deer hunting license sold that is deposited in the deer management account from \$2 to \$16. Removes the statutory appropriation from the account and formally establish the account in state statute.

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- 23** **Voter registration information.** Amends § 97A.409. Requires the DNR to include voter registration eligibility requirements and information on how to register on the department’s Website for purchasing game and fish licenses and for printing licenses. Also requires printed and digital versions of game and fish regulations to include the information and requires voter registration applications in the printed version.
- 24** **Discretionary separate selection; eligibility.** Amends § 97A.433, subd. 5. Allows landowners/tenants of land eligible for a separate selection process for elk hunting licenses to sell the license to any state resident eligible to hunt elk. The license may not be sold for more than the original cost of the license. Removes the requirement that landowners allow public elk hunting on their land in order to be eligible for the separate selection process.
- 25** **Mandatory separate selection.** Amends § 97A.433, subd. 5. Requires the DNR to put the name of a person who is unsuccessful in a separate elk license drawing for those who have applied at least ten times without receiving one to be put in the drawing for the remaining licenses.
- 26** **Prohibited actions; penalty.** Amends § 97A.56, subd. 2. Allows a person to keep a feral swine if they shoot it and notify the DNR within 24 hours, as required, if the DNR authorizes the person to keep it.
- 27** **Provisional certificate for persons with permanent physical or developmental disability.** Amends § 97B.015, subd. 6. Allows a person with a permanent physical disability to receive a provisional firearms safety certificate when they are unable to pass the firearms safety certificate requirements (a similar provision exists for those with a developmental disability).
- 28** **Exceptions.** Amends § 97B.081, subd. 3. Modifies a provision allowing those hunting fox/coyotes to use artificial lights by removing the requirement that they use only a handheld artificial light.
- 29** **Hunting by persons with a permanent physical or developmental disability.** Amends § 97B.1055. Defines “permanent physical disability” for purposes of the expanded provisional firearms safety certificate option provided in section 27.
- 30** **Cast nets for gizzard shad.** Amends § 97C.345, subd. 3a. Makes conforming changes to accommodate the expansion and sunset removal for the gizzard shad provision in section 9 and restricts the cast nets used to those five feet in radius or less and prohibiting more than two cast nets from being used at one time. Removes an obsolete reporting requirement.
- 31** **Financial assistance.** Amends § 103B.3369, subd. 5. Expands the types of financial assistance BWSR can provide by allowing contracts and payments, allows the assistance to go to other local units of government (in addition to counties which is allowed under current law), and allows the assistance to be awarded using a watershed-based approach in addition to performance-based as provided under current law.
- 32** **Criteria.** Amends § 103B.3369, subd. 9. Allows BWSR to develop and use eligibility criteria to award base amounts of state funding to local governments.
- 33** **Red River Basin Commission.** Adds § 103B.3369, subd. 10. Allows BWSR to provide information and technical or financial support to the Red River Basin Commission.

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- 34** **Program purposes.** Amends § 103B.801, subd. 2. Technical related to the changes in the Clean Water Legacy Act contained later on in the article.
- 35** **Timelines; administration.** Amends § 103B.801, subd. 5. Restricts BWSR from amending its transition plan for watershed-based planning to no more than once every two years.
- 36** **Incremental establishment of vegetated ditch buffer strips and side inlet controls.** Amends § 103E.021, subd. 6. Authorizes a drainage authority to make findings and order establishment of permanent buffer strips of perennial vegetation, side inlet controls, or both, adjacent to a public drainage ditch. Provides that the drainage authority’s finding that these practices are necessary is sufficient to confer jurisdiction to the authority. Under current law, a county, joint county board, or watershed district may serve as a drainage authority
- 37** **County attorney.** Provides that a county without a county attorney may hire any competent attorney to represent the county in all drainage proceedings.
- 38** **Fees established.** Amends § 103G.2242, subd. 14. Requires BWSR to establish fees for single-user or dedicated wetland mitigation banks based on the costs to the agency.
- 39** **Transfer of permit.** Amends § 103G.271, subd. 7. Prohibits the DNR from requiring additional conditions or additional testing when transferring a water appropriation permit to a new property owner.
- 40** **Irrigation test wells.** Adds § 103G.276. Requires the DNR to cover the costs of a test well required by the department for purposes of a water appropriation permit if the permit is denied.
- 41** **Management plans.** Adds § 103G.287, subd. 6. Requires the DNR, before restricting water use under a management plan for the appropriation of water, to demonstrate to affected permit holders the data used to make the decision to restrict water use supports the decision. Requires the commissioner to consider the economic impact when approving or modifying a management plan.
- 42** **Comprehensive local water management plan.** Adds § 114D.15, subd. 3a. Defines “comprehensive local water management plan” for purposes of the Clean Water Legacy Act.
- 43** **Comprehensive watershed management plan.** Adds § 114D.15, subd. 3b. Defines “comprehensive watershed management plan” for purposes of the Clean Water Legacy Act.
- 44** **Restoration.** Amends § 114D.15, subd. 7. Modifies the definition of “restoration” for purposes of the Clean Water Legacy Act.
- 45** **Total maximum daily load (TMDL) implementation plan.** Amends § 114D.15, subd. 7. Adds, if the PCA determines they are sufficient, comprehensive watershed management plans, comprehensive local watershed management plans, and existing statewide or regional strategies published by the PCA to the definition of what a “TMDL implementation plan” can mean for purposes of the Clean Water Legacy Act.
- 46** **Watershed restoration and protection strategy or WRAPS.** Amends § 114D.15, subd. 13. Modifies the definition of watershed restoration and protection strategy (WRAPS) to allow the strategy to apply to a more flexible area.

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- 47** **Goals for implementation.** Amends § 114D.20, subd. 2. Modifies the Clean Water Legacy Act goals.
- 48** **Implementation policies.** Amends § 114D.20, subd. 3. Modifies the Clean Water Legacy Act implementation policies.
- 49** **Priorities for preparing WRAPSs and TMDL's.** Amends § 114D.20, subd. 5. Requires the PCA to establish priorities for scheduling and preparing WRAPSs and TMDL's, in consultation with the Clean Water Council (CWC) and coordination with DNR, Department of Health (MDH), Department of Agriculture (MDA), BWSR, and the Minnesota Forest Resources Council (rather than requiring the CWC to make recommendations on the priorities), and adds groundwater protection and other items to the list of considerations that must be made when doing so.
- 50** **Priorities for funding prevention actions.** Amends § 114D.20, subd. 5. Expands the types of water the CWC may provide recommendations for funding for to include waters that have an approved TMDL.
- 51** **Alternatives; TMDL, TMDL implementation plan, or WRAPS.** Adds § 114D.20, subd. 8. Allows the PCA to submit a comprehensive watershed management plan or comprehensive local water management plan as an alternative to a TMDL in certain circumstances. States that a TMDL implementation plan or WRAPS is not needed if the PCA determines that a comprehensive watershed management plan, comprehensive local water management plan, or statewide/regional plan published by the agency is sufficient and allows the PCA to request BWSR to evaluate the implementation of these plans and to revoke or amend a determination after the evaluation is conducted.
- 52** **Coordinating of municipal and local water quality activities.** Adds § 114D.20, subd. 9. States that certain projects, practices, and programs for water quality improvement or protection may be considered as contributing to the requirements of a storm water pollution prevention plan for purposes of municipal separate storm sewer system (MS4) permits unless already documented as contributing.
- 53** **Watershed restoration and protection strategies.** Amends § 114D.26. Updates WRAPS requirements, including requiring the PCA and BWSR to coordinate the schedule, budget, scope, and use of WRAPS, and requiring completion of WRAPS for the state's major watersheds by June 30, 2023, unless a comprehensive watershed management plan or comprehensive local water management plan is determined to be sufficient.
- 54** **Public and stakeholder participation.** Amends § 114D.35, subd. 1. Requires public agencies and private entities implementing restoration and protection activities identified in comprehensive watershed management plans or comprehensive local water management plans to make efforts to inform, consult, and involve the public and requires the PCA and BWSR to coordinate public and stakeholder participation.
- 55** **Education.** Amends § 114D.35, subd. 3. Expands the requirement of the CWC to develop education and engagement strategies to strategies regarding the entire Clean Water Legacy Act.

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- 56** **Generally.** Amends § 115.03, subd. 1. Prohibits the PCA from increasing fees to train water pollution control personnel without legislative approval.
- 57** **Agency authority; national pollutant discharge elimination system.** Amends § 115.03, subd. 5. Exempts an activity that conveys or connects waters of the state without subjecting the water to intervening industrial, municipal, or commercial use from national pollutant discharge elimination (NPDES) permit requirements unless the activity introduces pollutants to the water.
- 58** **External peer review of water quality standards.** Amends § 115.035. Amends peer review requirements for water quality standards to require that new and revised numeric water quality standards be supported by a technical support document providing the scientific basis for the standard and that it has undergone external, scientific peer review. The requirement would not apply when the water quality standard is not changed from a United States Environmental Protection Agency (EPA) criterion that has been through peer review. Requires the technical support document to be released for public comment and external peer review before finalization and details the process and purpose of the review.
- 59** **Effluent limitations; compliance.** Adds § 115.455. Exempts, to the extent permitted under federal law, a municipality or an industrial NPDES or state disposal system permit holder that constructs a publicly owned treatment works in order to comply with a new or modified effluent limitation from being required to make additional capital investments to comply with new effluent limits adopted after construction begins for at least 16 years.
- 60** **Fees.** Amends § 115.77, subd. 1. Prohibits the PCA from increasing fees for reviewing applications and issuing certifications for water supply system operators and wastewater treatment facility operators without legislative approval.
- 61** **Rules.** Amends § 115.84, subd. 2. Prohibits the PCA from increasing fees to cover the costs of certifying wastewater laboratories without legislative approval by removing an exemption from the legislative approval requirement.
- 62** **Fees.** Amends § 115.84, subd. 3. Prohibits the PCA from increasing fees to cover the costs of certifying wastewater laboratories without legislative approval.
- 63** **Application requirements.** Amends § 115A.51. Modifies application requirements for PCA's financial assistance program for solid waste projects to include analysis of whether the proposed facility displaces capacity of existing facilities and how it conforms with existing statutes encouraging private ownership of solid waste facilities.
- 64** **Local authority.** Amends § 115A.94, subd. 2. Technical.
- 65** **Committee establishment.** Amends § 115A.94, subd. 4a. Technical.
- 66** **Committee duties.** Amends § 115A.94, subd. 4b. Broadens the options a committee established to examine alternative solid waste collection methods must analyze to include the existing collection system.
- 67** **Governing body; implementation.** Amends § 115A.94, subd. 4c. Technical.
- 68** **Participating collectors proposal requirement.** Amends § 115A.94, subd. 4d. Gives cities the option of extending the present 60-day period during which exclusive negotiations take

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place with licensed solid waste collectors to examine developing a proposal to divide a city into zones designating for specific collectors.

- 69 Parties to meet and confer.** Adds § 115A.94, subd. 4e. Requires city officials to meet with existing solid waste collectors prior to the meetings specified in section 68 in order to discuss issues including pricing, street deterioration, and organized collection.
- 70 Joint liability limited.** Adds § 115A.94, subd. 4f. Provides that an organized collection agreement cannot obligate a collector to be liable for damages to a third party caused by another licensed collector.
- 71 County organized collection.** Amends § 115A.94, subd. 5. Technical.
- 72 Testing for private wells; east metropolitan area.** Adds § 115B.171. Requires the PCA to test private wells in the east metropolitan area for per- and poly-fluorinated chemicals (PFCs), upon request. Requires additional testing if the well test measures contamination at or above 50 percent of the health-based advisory value or health risk limit for PFCs. Requires the PCA to report to the communities and the legislature on the results of the testing. Defines the east metropolitan area for purposes of the requirement.
- 73 Natural resources damages account.** Adds § 115B.172. Statutorily creates the natural resources damages account used by the PCA and DNR for purposes of tracking money received from certain natural resource damages related settlements and other actions. Requires the DNR to submit work plans to the commissioner of management and budget on how the funds are spent (similar to current practice). Requires the DNR to report to the legislature by November 1 each year on the expenditures from the account.
- 74 Water quality and sustainability account.** Adds § 115B.52. Establishes a dedicated account in the remediation fund (water quality and sustainability account) for the money received by the state as a result of a lawsuit the state filed against the 3M Company accusing the company of causing natural resource damages by its manufacture, distribution, disposal and other environmental management of per- and poly-fluorinated chemicals (PFCs). Money in the account is statutorily appropriated to the PCA and DNR. Establishes purposes and priorities for projects funded with money from the account. Prohibits more than eight percent of the money from being used for administration expenses and no more than ten percent from being used for studies. Requires the PCA and DNR to submit biannual reports on the expenditures of the fund and an annual report with the expenditures and spending plan to the legislature.
- 75 Water quality and sustainability stakeholders.** Adds § 115B.53. Requires the PCA and DNR to work with stakeholders to identify and recommend projects to be funded with money in the water quality and sustainability account established in the previous section, including representatives of the PCA, DNR, east metropolitan area municipalities and the 3M Company. Requires the PCA and DNR to establish a process to solicit and evaluate recommendations from certain east metropolitan cities and townships.
- 76 Exemption from standards for temporary storage facilities subject to control.** Amends § 116.07, subd. 2c. Exempts temporary storage facilities located at dry bulk agricultural commodity facilities, such as grain elevators and ethanol plants, from fugitive dust emission

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limits contained in Minnesota Rules, provided that the temporary storage facility is serviced with portable equipment.

- 77** **Permit fees.** Amends § 116.07, subd. 4d. Prohibits the PCA from increasing fees for water quality permits without legislative approval.
- 78** **New open-air swine basins.** Amends § 116.0714. Clarifies that the prohibition on allowing the PCA or a county to permit the construction of a new open-air swine basin does not apply to a storage basin for effluent basins used solely to hold wastewater from a truck-washing facility.
- 79** **Creation.** Amends § 116.155, subd. 1. Technical.
- 80** **Water quality and sustainability account.** Adds § 116.155, subd. 5a. Adds the new water quality and sustainability account to the list of accounts in the remediation fund.
- 81** **Natural resources damages account.** Adds § 116.155, subd. 5b. Adds the natural resources damages account to the list of accounts in the remediation fund.
- 82** **Deicer applicators; voluntary certification program.** Adds § 116.2025.
- Subd. 1. Definitions.** Defines “certified commercial applicator,” “commercial applicator,” “deicer,” and “owner” for purposes of the new voluntary deicer certification program.
- Subd. 2. Voluntary certification program; best management practices.** Requires the PCA to develop a training program that promotes best management practices for removing snow and ice and applying deicers and to allow applicators to become certified as water-friendly applicators. Requires the PCA to provide certification training statewide and online and to post the best management practices on the agency’s website. Allows the PCA to charge a fee of no more than \$250 for the program.
- Subd. 3. Liability.** Provides liability protection for an applicator, or the owner/lessee of land maintained by an applicator that has been certified under the program. Requires applicators, owners, and lessees or their employees to have current certification, pass an exam, complete winter maintenance assessment tool requirements and keep written records for at least six years in order to receive the liability protection.
- Subd. 4. Record keeping.** Establishes record keeping requirements for certified commercial applicators and companies employing commercial applicators.
- Subd. 5. Penalty.** Allows the commissioner to revoke or decline a certification under this section if a commercial applicator violates this section or rules adopted under this section.
- Subd. 6. Relation to other law.** States that nothing in this section affects certain municipal liability.
- Provides an effective date of August 1, 2018.
- 83** **Eligible borrower.** Amends § 116.993, subd. 2. Modifies the eligibility requirements of the small business environmental-improvement loan program by requiring that the borrower

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have fewer than 100 FTE employees (the current requirement is fewer than 50 FTE) and eliminating the \$1,000,000 cap on a borrower's net worth.

- 84** **Loan conditions.** Amends § 116.993, subd. 6. Modifies the conditions of a small business environmental-improvement loan by requiring that the interest rate be at or below one-half the level of the prime interest rate, not to exceed five percent. (The current statute specifies the greater of four percent or one-half the prime rate.) The maximum loan amount is also increased from \$50,000 to \$75,000.
- 85** **First-time DWI violator; off-road vehicle or boat.** Removes the provisions exempting a person from driver's license revocation if the person's first DWI offense takes place while using an off-road recreational vehicle or motorboat.
- 86** **Fences.** Amends § 180.03, subd. 2. Clarifies that existing requirements to erect fencing, barriers, and signs when mining operations have ceased apply to fencing, barriers, and signs that are required under law (for example, not those placed voluntarily by recipients of an exemption established later on in the bill).
- 87** **Abandoned mines.** Amends § 180.03, subd. 3. Requires a fee owner of property with an abandoned mine to also maintain fencing, barriers, and signage in addition to the existing requirement to erect it.
- 88** **Exemptions.** Amends § 180.03, subd. 4. Exempts certain property from fencing requirements applicable to closed/abandoned mines, including property owned by the Iron Range Resources and Rehabilitation Board (IRRRB), property used for grant-in-aid trails, property owned by a municipality for park/recreational purposes, and property for certain economic development. Requires the property exempted to be posted with appropriate signs and requires any fencing erected by a recipient of an exemption to be maintained by the recipient. Allows a county mine inspector to inspect the exempted property and make recommendations regarding fencing, barriers, and signage.
- 89** **Removal of fence; guard.** Amends § 180.10. Clarifies that existing provisions establishing a misdemeanor penalty for a person who opens, removes, or disturbs a fence, guard, barrier, or sign required under law and fails to close/replace the fence, guard, barrier, or sign apply to only fences, signs, etc. that are required and not those placed voluntarily by recipients of an exemption established in the previous section.
- 90** **Discontinuance of Ramsey Soil and Water Conservation District.** Discontinues the Ramsey Soil and Water Conservation District effective July 1, 2018, and transfer all its duties and authorities to the Ramsey County Board. Allows the Ramsey County Board to petition the Board of Water and Soil Resources (BWSR) to reestablish the district or allow BWSR to reestablish the district under certain conditions. Allows BWSR to reestablish the district without a referendum. Effective after Ramsey County files its approval of the law with the secretary of state.
- 91** **Authorization.** Amends § 444.075, subd. 1a. Grants counties in the seven-county metropolitan area the same authorities provided to municipalities and counties outside the seven-county metropolitan area to construct, maintain, and repair waterworks, sanitary sewer and storm sewer systems, including the ability to use the same financing options such as sanitary sewer and storm sewer charges to cover costs.

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- 92 Grant conditions.** Amends § 473.8441, subd. 4. Allows a local unit of government, tribal government, or nonprofit or private organization to match MPCA local recycling development grant funds.
- 93 Wild rice water quality standards.** Removes a requirement that the MPCA adopt revisions to the wild rice sulfate water quality standard by January 15, 2019. This requirement was originally established in 2015, and extended by one year last session.
- 94 Lake service provider feasibility report.** Gives the DNR an additional year to submit a report to the legislature regarding the feasibility of expanding the service provider permitting program.
- 95 Sunset.** Extends the forest management and other requirements applicable to the Sand Dunes State Forest passed last session an additional four years.
- 96 Action to obtain access prohibited; Clearwater County.** Amends a law passed last session that prohibited the DNR from initiating a civil action to obtain access to Island Lake FMHA Wildlife Management Area in Clearwater County to make the prohibition permanent (it was a one-year ban initially).
- 97 Application of storm water rules to townships.** Exempts a township with a population under 5,000 from having to implement Municipal Separate Storm Sewer System (MS4) permit requirements across the entire township until the PCA amends storm water rules. The requirements would still apply to the portions of the township that are urbanized areas as defined by the most recent decennial census.
- 98 Rulemaking; disposal facility certificates.** Requires the commissioner of the PCA to amend Minnesota Rules to reduce from nine to six the number of contact hours of training necessary to renew a certificate for an operator of a facility that disposes on land sewage sludge or semisolid materials from a commercial or industrial process. Authorizes the commissioner to use the good cause exemption to amend the rule, allowing the process to be expedited.
- 99 Recreational trails; environmental review; rulemaking.** Requires the Environmental Quality Board (EQB) to adopt rules to exempt certain recreational trails from mandatory environmental assessment worksheet (EAW) requirements and provides the board with a good cause exemption from rulemaking to do so. The new rules would expand existing exemptions, including increasing the total miles certain exempted trails can be from 10 to 25 miles, and providing specific exemptions for motorized trails that use certain existing recreational trails or routes.
- 100 Wetland replacement; frameworks for in-lieu fee program.** Allows BWSR to complete planning frameworks and other application requirements for an in-lieu fee program for wetland replacement.
- 101 Temporary enforcement of groundwater appropriation permit requirements.** Prohibits the DNR from using funds to take certain enforcement action against a permit holder in the North and East Groundwater Management Area for violating permit requirements established as a result of a 2017 court order.

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- 102** **Groundwater management area permit requirements.** Allows a permit holder, despite permit requirements established as a result of a 2017 court order, in a groundwater management area within the seven-county metropolitan area to use alternative measures of water use and alternatives to residential irrigation bans and removes a requirement that they have a contingency plan to use surface water.
- 103** **1837 Ceded Territory Fisheries Technical Committee.** Allows the DNR to invite two fish managers to all meetings of the 1837 Ceded Territory Fisheries Technical Committee.
- 104** **Carbon monoxide exposure; fish houses and ice shelters; report.** Requires the DNR to work with fish house and ice shelter manufacturers and others to identify best practices to reduce carbon monoxide exposure of users and to increase outreach and education efforts relating to the dangers of carbon monoxide and submit a report with recommendations to the legislature.
- 105** **Nonpoint priority funding plan; report.** Requires BWSR, in cooperation with state agencies, local governments, tribal governments, private and nonprofit organizations, and others to submit a report to the legislature with recommendations to improve the effectiveness of nonpoint priority funding plans.
- 106** **Hill-Annex State Park; management and operation.** Requires the DNR to operate the Hill-Annex State Park through June 30, 2021, and work with stakeholders to review park activities and alternative operation models and submit a report to the legislature with recommendations. Requires the DNR to work with local governments to identify and coordinate volunteer opportunities to supplement park operations.
- 107** **Demolition debris landfills; permitting; groundwater evaluation.** Prohibits PCA from incorporating conditions in a class I demolition debris landfill permit that are not authorized by current rules or guidance documents. Requires the agency to contract with an independent laboratory to evaluate groundwater data from demolition debris landfills.
- 108** **Public drainage ditch buffer strip; planting and maintenance.** Provides that until June 30, 2019, with consent of the property owners a drainage authority may plant and maintain 16-1/2-foot ditch buffer strips of perennial vegetation before acquiring and compensating for the buffer-strip land rights. This section would be effective the day following final enactment.
- 109** **Wild rice; legislative findings.** Establishes legislative findings regarding wild rice, the wild rice water quality sulfate standard, wild-rice waters, and the wild rice water quality sulfate standard rulemaking process.
- 110** **Water quality standard for sulfate; rulemaking.** Prohibits the PCA from adopting, modifying, or proceeding with rules pertaining to the wild rice water quality sulfate standard without going through a new rulemaking process. The section is effective retroactively from the day the chief administrative law judge disapproved the proposed rule.
- 111** **Identification and listing of wild-rice waters.** Allows the PCA to evaluate the state's waters to identify and list wild-rice waters. Before doing so the PCA is required to, in a separate rulemaking process, establish the criteria to be used. Requires the history of wild

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rice, minimum acreage, and minimum density criteria to all be met before a water can be identified and listed as a wild-rice water.

- 112 Application of water quality standard for sulfate for wild-rice waters.** Prohibits the PCA from applying the wild rice water quality sulfate standard (nullified in section 113) to permits and to take all necessary steps to conform the agency's rules and practices to the provisions in the article (effective the day following final enactment).
- 113 Application of equation-based water quality standard for wild-rice waters.** Prohibits the PCA from applying the proposed equation-based sulfate standard rejected by the chief administrative law judge when issuing, modifying, or renewing permits (effective the day following final enactment).
- 114 Application of water quality standards; irrigation.** Prohibits the PCA from applying a water quality standard established to protect water quality for purposes of irrigation unless the water is appropriated for irrigation use.
- 115 Nullification of water quality standard for sulfate in wild-rice waters.** States that there is no numeric, nonnarrative, water quality standard for sulfates in class 4A waters until a new one is adopted and nullifies the portion of the rule that conflicts with this (effective the day following final enactment).
- 116 Wild rice report.** Requires the DNR to convene a work group and prepare and submit a report to the legislature, by January 15, 2019, with recommendations related to the management wild rice.

Article 5: Job and Energy Appropriations

- 1 Appropriations.** Specifies that these appropriations are in addition to earlier funding under Laws 2017, chapter 94.
- 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 Department of Commerce.** Provides appropriations for the Department of Commerce. (See spreadsheet for details.)
- 5 Public Facilities Authority.** Provides appropriations for the Public Facilities Authority. (See spreadsheet for details.)
- 6 Business and community development.** Amends the appropriations in Laws 2017, chapter 94 for the Minnesota investment fund, the Minnesota job creation fund, the greater Minnesota business development public infrastructure grant program, and local community child care grants.
- 7 Workforce development.** Amends the appropriation in Laws 2017, chapter 94 for the grant to the Bois Forte Tribal Employment Rights Office (TERO).

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- 8 Labor standards and apprenticeship.** Amends the appropriation in Laws 2017, chapter 94 for wage theft prevention.
- 9 General support.** Amends the appropriation in Laws 2017, chapter 94 for the youth skills training program.

Article 6: Employment and Economic Development

- 1 [298.227] Taconite economic development fund.** Allows the commissioner to release funds prior to the next board meeting. Deletes obsolete language. Redirects unused matching funds to the taconite environmental protection fund, rather than to other producers. Redirects unused amounts in the taconite economic development fund to the taconite environmental protection fund exclusively, rather than splitting them with the Douglas J. Johnson economic protection trust fund.
- Effective date:** This section is effective the day following final enactment.
- 2 Taconite economic development fund.** Changes the section to refer to “Minnesota taconite pellet producers” rather than “taconite producer” or “companies.”
- Effective date:** This section is effective retroactively from December 31, 2016.
- 3 Transfer 2018 distribution only.** Directs that in the 2018 distribution only, if there is a balance remaining in the taconite property tax relief account after the required property tax relief payments, ten cents per ton will be sent to the Iron Range resources and rehabilitation account.
- Effective date:** This section is effective for the 2018 distribution, and the transfer must be made within ten days of the August 2018 payment.
- 4 Dislocated worker rapid response activity.** Reserves at least \$650,000 of the dislocated worker program funding for rapid response services for employees who will be affected by the Electrolux plant closure in St. Cloud. Dictates a specific service provider and requires the commissioner to take all necessary steps to begin providing services to affected workers before December 31, 2018.
- 5 Use of local government loan repayment funds.** Retroactively allows funds received by a local government from loan repayments under the Minnesota investment fund to be committed to a business revolving loan fund partially funded by the federal government, until July 1, 2018. Clarifies that funds committed in this way may then be used for any purpose allowed by the federal program that provided that partial funding.
- 6 Iron ore mining and related industry extended unemployment benefits program.** Allows up to 13 weeks of extended unemployment benefits for applicants laid off due to the closure of the International Bildrite, Inc. facilities in International Falls.
- Effective date:** This section is effective the day after final enactment.

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- 7 **Revisor’s instruction; MIF name change to N-SODA.** Instructs the revisor to rename the “Minnesota investment fund” (i.e. program under Minnesota Statutes, section 116J.8731) the “North Star Opportunity and Development Account.”

Article 7: Energy

- 1 **[116C.779] Subd. 1. Renewable development account.** Limits the annual contributions Xcel Energy must make to the renewable development account to a flat \$20 million annually, rather than an amount tied to the (increasing) number of casks storing spent nuclear fuel at Prairie Island and Monticello.
Specifies cost recovery and true-up mechanisms Xcel can use with respect to its contributions and legislatively-mandated expenditures from the account.
Provides a mechanism for determining when sufficient funds are in the account to require a grant cycle.
- 2 **[116C.7792] Solar energy incentive program.** Increases from 20 kW to 40kW the maximum capacity of a solar energy system eligible to receive a production incentive under Xcel’s Solar Rewards program.
- 3 **[116C.7793] Prairie Island net zero project.** Appropriates \$20 million in FY 2019 and an additional \$20 million through FY 2023 for a grant to the Prairie Island Indian Community to promote the development of renewable energy.
- 4 **[216A.03] Subd. 10. Offices.** Requires the Minnesota Public Utility Commission to relocate its offices to Virginia, Minnesota.
- 5 **[216B.16] Subd. 131. Pension rate base.** Requires the commission to allow a public utility to include certain employer pension contributions in its rate base.
- 6 **[216B.164] Subd. 5. Dispute resolution.** Provides that a net metering dispute between a cooperative association and a customer may be resolved by the Public Utilities Commission (PUC) if the cooperative has not opted to adopt rules to settle such disputes internally.
- 7 **216B.1691 Subd. 2f. Solar energy standard.** Increases from 20 kW to 40kW the maximum capacity of solar energy projects Xcel Energy can apply toward fulfillment of its solar energy standard.
- 8 **[216B.1697] Carbon reduction facilities: nuclear energy.** Allows Xcel Energy to include as part of its Integrated Resource Plan a petition asking the commission for advance approval of its forecasted capital and operation and maintenance expenditures for its nuclear electric generating plants. If the petition is approved, Xcel may recover from ratepayers in a subsequent rate case actual costs incurred, up to the level of its forecasted costs.
- 9 **[216C.419] Residential biomass heating system grant program.** Establishes a program to award a grant for 33 percent of the purchase and installation costs of certain residential biomass heating systems, up to \$5,000.
- 10 **[216C.437] Local government emerald ash borer removal grant program.** Establishes a grant program for a St. Paul district heating and cooling cogeneration facility to process trees

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removed due to emerald ash borer contamination and to transport the processed biomass to the facility or to a storage facility.

- 11 **[216E.03] Subd. 9. Timing.** Allows the commission to extend by 30 days the time limit for a final decision regarding a site or route permit for a large electric generating plant (50 MW or greater) or high-voltage transmission line.
- 12 **[216E.04] Subd. 7. Timing.** Allows the commission to extend by 30 days the time limit for a final decision regarding a site or route permit for certain smaller energy projects subject to a less burdensome permitting process.
- 13 **[Laws 2017, ch. 94, art. 10, § 28] Program administration: “Made in Minnesota” solar thermal rebates.** Technical correction.
- 14 **[Laws 2017, ch. 94, art. 10, § 29] Renewable development account: transfer of unexpended grant funds.** Technical corrections.
- 15 **Study; electrical grid vulnerability to geomagnetic disturbances and electromagnetic pulse.** Requires the Public Utilities Commission and Department of Public Safety to study the impacts of solar storms on grid vulnerability, and how those impacts can be reduced.
- 16 **Repealer.** Repeals section 216B.2423 (Xcel Energy’s wind mandate, achieved in 2002)

Article 8: Housing

- 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 is made by the agency, but is subject to review by an administrative law judge. Sets standards for calculating the costs of a rule. Requires notice to the legislature if the costs of a proposed rule exceed the \$1,000 threshold, as determined either by the agency or by the administrative law judge. States that a proposed rule, or portion of a proposed rule, that meets or exceeds the cost threshold may not be adopted until adjournment of the next annual legislative session convened on or after the date of the notice.
- 2 **Trailer use.** Allows the towing of a trailer with an overdimensional load if done by a licensed building mover or if the load is a permanent structure, manufactured home, or modular home.
- 3 **Fees.** Cuts the licensing fee for manufactured home installers from \$300 to \$180.
- 4 **Modular home.** Defines “modular home” as a building manufactured at an off-site location before final assembly on site where it is attached to a permanent foundation and occupied as a single-family dwelling.
- 5 **[327.335] Placement of modular homes.** Allows modular homes to be placed in manufactured home parks. Grants modular homes installed in manufactured home parks the same legal rights, obligations, duties, and tax treatment as manufactured homes.

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- 6** **327B.041 Manufactured home installers.** Removes language stating that licensure as a manufactured home installer is a business license for the purposes of calculating fees under Minnesota Statutes, section 326B.092.
- 7** **Public hearing; relocation compensation; neutral third party.** Clarifies that the neutral third party appointed to administer the closure of a manufactured home park must be “qualified,” meaning familiar with manufactured housing and the relevant laws. Allows the municipality to select a neutral third party if the parties cannot. Requires the neutral third party keep a detailed accounting of payments under this section, which must be provided to the park owner, the municipality, and the Minnesota Housing Finance Agency, which must in turn include this information in its yearly report.
- 8** **Intent to convert use of park at time of purchase.** Allows an entity to purchase a park during the statutory notice period only if the entity agrees in writing to continue to operate the park for at least six years after the date of closing.
- 9** **Payment to the Minnesota manufactured home relocation trust fund.** Requires that the Minnesota manufactured home relocation trust fund must have a balance of at least \$3,000,000, rather than \$1,000,000, or an assessment on park owners is triggered. Changes the payment deadline for that assessment from September 15 to November 15. Stipulates that if the commissioner of management and budget fails to notify and assess park owners by August 30 of any given year, the park owners’ payment obligations are waived for the year. Specifies that the letter explaining the assessment must be sent with the assessment notice.
- 10** **Change in use, relocation expenses; payments by park owner.** Increases the maximum payment from the Minnesota manufactured home relocation trust fund for a single-section home from \$7,000 to \$9,000 and allows relocation costs within a 50-mile radius rather than 25 miles. Requires the neutral third party to process all relocation expense payments from the trust fund within 14 days. Allows \$3,000, rather than \$1,000, in demolition and site cleanup costs to be deducted from payments to manufactured home owners who tender title to their home because it is unable to be moved. Changes the deadline for Minnesota Housing Finance Agency’s reports from January 15 to October 15, requires the report be posted to its website as well, and, starting in 2019, specifies many more details this report must include. Makes technical corrections.
- 11** **Reporting of licensed manufactured home parks.** Adds a new subdivision requiring the Department of Health (and local governments it has delegated to) to provide the Department of Management and Budget license information for each manufactured home park by March 31 each year so invoices for assessments can be sent.
- 12** **Allocation procedure.** Exempts certain projects from the Minnesota Housing Finance Agency’s allocation plan, stating that as long as the project meets the requirements of Minnesota Statutes, section 474A.047 and section 42 of the Internal Revenue Code, it satisfies all allocation plan requirements and the agency must issue the determination letters. To qualify for the exemption, (1) the project must be eligible for an allocation of credits under section 42(h)(4) of the Internal Revenue Code and (2) either the Minnesota Housing Finance Agency must be the issuer of the bonds or the issuer must be located outside the jurisdiction of a city or county that has received reserved tax credits.

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- 13** **Aggregate bond limitation.** Defines “aggregate bond limitation” as up to 55 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located.
- 14** **AMI.** Defines “AMI” as the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.
- 15** **LIHTC.** Defines “LIHTC” as low-income housing tax credits under section 42 of the Internal Revenue Code.
- 16** **Preservation project.** Defines “preservation project” as a residential rental project (including age-restricted projects) which (1) receives federal project-based rental subsidies and (2) does not request an amount of bonds that would exceed the aggregate bond limitation.
- 17** **30 percent AMI residential rental project.** Defines “30 percent AMI residential rental project” as a residential rental project which (1) is not a preservation project, (2) is expected to generate federal low-income housing tax credits from all of its residential units, (3) either (i) reserves all residential units for at least 30 years for tenants with incomes of 30 percent of AMI or less, or (ii) is located in an area where the median gross income is less than the statewide median, (4) has all residential units rent-restricted for at least 30 years, and (5) does not request an amount of bonds that would exceed the aggregate bond limitation.
- 18** **50 percent AMI residential rental project.** Defines “50 percent AMI residential rental project” as a residential rental project which (1) is not a preservation project or 30 percent AMI residential rental project, (2) is expected to generate federal low-income housing tax credits from all of its residential units, (3) reserves all residential units for at least 30 years for tenants with incomes of 50 percent of AMI or less, (4) has all residential units rent-restricted for at least 30 years, and (5) does not request an amount of bonds that would exceed the aggregate bond limitation.
- 19** **100 percent LIHTC project.** Defines “100 percent LIHTC project” as a residential rental project which (1) is not a preservation project, 30 percent AMI residential rental project, or 50 percent AMI residential rental project, (2) is expected to generate federal low-income housing tax credits from all of its residential units, and (3) does not request an amount of bonds that would exceed the aggregate bond limitation.
- 20** **20 percent LIHTC project.** Defines “20 percent LIHTC project” as a residential rental project which (1) is not a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project, (2) is expected to generate federal low-income housing tax credits from at least 20 percent of its residential units, and (3) does not request an amount of bonds that would exceed the aggregate bond limitation.
- 21** **Under federal tax law; allocations.** Removes the reservation of 31 percent of the housing pool for single family housing programs.
Effective date: Effective the day following final enactment and expires January 1, 2021.
- 22** **Entitlement reservations.** Modifies dates related to reallocation of bonds.

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- 23** **Eligibility.** Removes language requiring the Minnesota Housing Finance Agency to certify that the project reserves will be maintained at certain levels before residential rental bonds can be used on the project.
- 24** **15-year agreement.** Adds to the agreement a developer must enter before being issued residential rental bonds. Stipulates that the developer must also agree to maintain the project as the type of project an application was made for.
- 25** **[474A.061] Manufacturing, housing, and public facilities pools.**

Subd. 1. Allocation application; small issue pool and public facilities pool.

Divides the existing subdivision into allocations from the small issue and public facilities pools (still subdivision 1) and allocations from the housing pool (now subdivision 1a). Makes conforming changes in line with limiting this subdivision to only the small issue and public facilities pools. Modifies the application deposit timeline. Allows payment of deposit by wire transfer as well as check.

Subd. 1a. Allocation application; housing pool. Adds a subdivision outlining applications for allocation from the housing pool. Increases the application deposit to two percent of the requested application regardless of when the deposit is paid. Requires two new application items: (1) a sworn statement identifying the type of project and (2) a certification of whether the requested allocation exceeds the aggregate bond limitation. Removes the prior requirement that an application state whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to seniors. Allows payment of deposit by wire transfer as well as check.

Subd. 2a. Housing pool allocation. Replaces existing preference for projects that preserve existing federally subsidized housing and are not age-restricted with a new order of priority. Prioritizes applications in this order: (1) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; (6) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 starting in calendar year 2021, single family housing programs; and (7) other residential rental projects that do not request an amount of bonds that exceeds the aggregate bond limitation. Stipulates that if there are multiple applications at the same priority level and insufficient bonding authority to make full allocations to all of them, that projects will be selected by lot until the remaining authority is insufficient to fulfill a selected project's request, at which point all remaining authority shall be reserved for that project for up to 24 months; if a project that gets only partial funding by lot applies again, it receives funding up to the level of its original application before any new projects with equal priority. Requires that issuers must issue obligations within 180 days of any allocation they receive, unless the applicant submits an additional application deposit of one percent of the allocation amount within 180 days of the allocation, in which case the obligations must be issued within 18 months of the allocation date. Requires that, if that timeline is met, 50 percent of the application deposit will be refunded within 30 days of the obligations being issued and the other 50 percent will be refunded within (i) 30 days of a Form 8609(s) being issued for a project that generates low-income housing tax credits or (ii) 90 days of receipt of documentation of construction

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completion. Sets eligibility for single-family housing program applications by only the area median income (rather than the greater of the area or statewide median income). Modifies various timelines.

Subd. 2b. Small issue pool allocation. Modifies allocation timelines.

Subd. 2c. Public facilities pool allocation. Modifies allocation timelines.

Subd. 4. Return of allocation; deposit refund for small issue pool or public facilities pool. Divides the existing subdivision into deposit refunds for the small issue and public facilities pools (still subdivision 4) and deposit refunds for the housing pool (now subdivision 4a). Makes conforming changes in line with limiting this subdivision to only the small issue and public facilities pools. Modifies the allocation cancellation timeline.

Subd. 4a. Return of allocation; deposit refund for housing pool. Adds a subdivision outlining deposit refunds for the housing pool. Makes conforming changes to keep the process the same as under subdivision 4, but limited to the housing pool and adapted to its new timeline under subdivision 2a.

26 [474A.062] **Minnesota Office of Higher Education issuance exemption.** Exempts the Minnesota Office of Higher Education from any time limit on the issuance of bonds under this chapter.

27 [474A.091] **Allocation of unified pool.**

Subd. 1. Unified pool amount. Modifies the timeline for transfer of bonding authority to the unified pool.

Subd. 2. Application for residential rental projects. Divides the existing subdivision into applications for residential rental projects (still subdivision 2) and applications for all other types of qualified bonds (now subdivision 2a). Makes conforming changes in line with limiting this subdivision to only residential rental projects. Removes the prior requirement that an application state whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to seniors. Adds two new application items: (1) a sworn statement identifying the type of project, and (2) a certification of whether the requested allocation exceeds the aggregate bond limitation. Forbids applications requesting in excess of the aggregate bond limitation from applying or being allocated bonding authority until after September 1 each year. Requires that issuers must issue obligations within 180 days of any allocation they receive, unless the applicant submits an additional application deposit of one percent of the allocation amount within 180 days of the allocation, in which case the obligations must be issued within 18 months of the allocation date. Requires that, if that timeline is met, 50 percent of the application deposit will be refunded within 30 days of the obligations being issued and the other 50 percent will be refunded within (i) 30 days of a Form 8609(s) being issued for a project that generates low-income housing tax credits, or (ii) 90 days of receipt of documentation of construction completion.

Subd. 2a. Application for all other types of qualified bonds. Adds a subdivision outlining applications for all types of qualified bonds other than residential rental

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projects. Makes conforming changes to keep the process the same as it had been under subdivision 2, but limited to non-housing bonds.

Subd. 3. Allocation procedure. Modifies the allocation timeline. Replaces existing preference for projects that preserve existing federally subsidized housing and are not age-restricted with a new order of priority. Prioritizes applications in this order: (1) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; (6) other residential rental projects that do not request an amount of bonds that exceeds the aggregate bond limitation; and (7) other residential rental projects which apply after September 1 and do not request an amount of bonds that exceeds the aggregate bond limitation. Stipulates that if there are multiple applications at the same priority level and insufficient bonding authority to make full allocations to all of them, that projects will be selected by lot until the remaining authority is insufficient to fulfill a selected project's request, at which point all remaining authority shall be reserved for that project for up to 24 months; if a project that gets only partial funding by lot applies again, it receives funding up to the level of its original application before any new projects with equal priority.

Subd. 3a. Mortgage bonds. Modifies the allocation timeline.

Subd. 5. Return of allocation; deposit refund. Modifies the allocation cancellation timeline. Sets up a different schedule of application deposit returns and amounts for residential rental bond projects from that which applies to all other types of bonds.

Subd. 6. Final allocation; carryforward. Requires that bonding authority that is closest to expiration be used first and that bonding authority that is carried forward be used before new authority.

28 [474A.131] Notice of issue and notice of carryforward.

Subd. 1. Notice of issue. Makes technical conforming changes.

Subd. 1b. Deadline for issuance of qualified bonds. Sets up a separate set of carryforward procedures for residential rental bonds, keeps current procedures for all other types of bonds. Allows the Minnesota Housing Finance Agency to carryforward allocations for residential rental projects that (1) still have time to issue bonds under section 474A.061, subdivision 2a, or section 471A.091, subdivision 2; or (2) have bonding authority reserved under section 474A.061, subdivision 2a, or section 474A.091, subdivision 3, paragraph (f); as long as the agency keeps the allocation for the original project and issues the bonds as intended by the originally intended issuer. Exempts any such bonds from the debt management policies of the Minnesota Housing Finance Agency and forbids the agency from charging the issuer fees for those bonds, with issuer fees instead going to the original applicant, except the agency may be reimbursed for its reasonable costs in issuing the bonds.

Subd. 2. Carryforward notice. Exempts the Minnesota Housing Finance Agency's carryforward of allocations of residential rental project bonds under subdivision 1b from the notice requirement.

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Subd. 4. Allocation plan. Adds a subdivision requiring the Minnesota Housing Finance Agency to prepare an annual tax-exempt bond allocation plan which must be available for public comment for at least two weeks. Forbids the Minnesota Housing Finance Agency from filing Internal Revenue Service Form 8328 until the public comment period on that plan is closed, unless required by federal law.

- 29** [474A.14] **Notice of available authority.** Modifies the date for the Minnesota Housing Finance Agency to post notice on its website of the amount of bonding authority available for allocation in the unified pool to make the deadline “as soon after July 1 as possible.”
- 30 – 32** These sections create a statutory form that a homeowner could record with the county to discharge restrictive covenants affecting protected classes. Those restrictive covenants are already prohibited, and have been found to be unconstitutional and therefore unenforceable. But in the abstract system, the covenants remain in the historical record. This form would allow a form recorded related to the title of the property to clarify the restrictive covenant is ineffective and is legally discharged from the property. The county recorders office could charge a fee for recording the document.
- 33** **Assigned risk transfer.** Transfers money to the manufactured home relocation trust fund 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 \$3,000,000 has been transferred to the rural policy and development center fund.
- 34** **Advances to the Minnesota manufactured home relocation trust fund.** Allows, until June 30, 2010, the Minnesota Housing Finance Agency to advance up to \$400,000 from its available resources to the Minnesota manufactured home relocation trust fund if necessary to pay claims on the trust fund. States that the agency will be reimbursed from the trust fund for any such advances.
- 35** **Repealer.** Repeals the exception to the prohibition on rent control ordinances. Currently, cities, towns, and counties can pass local rent control measures if the measure is approved in a general election and allowed by special legislation.
- 36** **Effective date.** Sections 12 to 29 effective the day following final enactment except as otherwise specified.

Article 9: Labor and Industry

- 1** **Occupational disease.** Includes post-traumatic stress disorder in the definition of occupational disease, under the workers’ compensation chapter, for certain first responders and emergency workers.
- 2** [177.24, subd. 1] **Amount.** Creates a minimum wage category for tipped employees. Under the bill, an employer must pay an employee, who regularly receives tips of at least \$30 per month, one of two alternative minimum wages depending upon the amount of tips the employee receives during a work week.

For large employers—those with annual gross receipts of \$500,000 or more: (1) if, during a workweek, the employee earns sufficient tips so that the combined average hourly base wage

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rate plus any tips is \$14 per hour or more, the base wage rate is \$9.65 per hour; (2) if the combined average hourly amount is less than \$14 per hour, the wage rate is the higher of the Minnesota or federal minimum wage.

For small employers—those with annual gross receipts less than \$500,000: (1) if, during a workweek, the employee earns sufficient tips so that the combined average hourly base wage rate plus any tips is \$12 per hour or more, the base wage rate is \$7.87 per hour; (2) if the combined average hourly amount is less than \$12 per hour, the wage rate is the higher of the Minnesota or federal minimum wage.

The bill indexes the combined average hourly amounts of \$12 and \$14 dollars to inflation, so they would increase over time using the same mechanism that increases Minnesota's minimum wage over time. The bill does not index base wage rates of \$9.65 and \$7.87 to inflation, so those would remain the same. Because Minnesota's minimum wages for large and small employers are currently \$9.65 and \$7.87, respectively, the bill would not have any substantive effect until January 1, 2019, when those amounts are scheduled to increase for inflation.

- 3 - 7** **OSHA fines.** Raises fines for violations of Occupational Safety and Health Administration (OSHA) standards to federal levels, complying with federal law. This was included in the governor's supplemental budget recommendations.
- 8** **Increases for inflation.** Indexes fines for OSHA standards violations to inflation using the same mechanism used for increasing Minnesota's minimum wage. This was included in the governor's supplemental budget recommendations.
- 9** **Prohibition.** Makes unlicensed residential building contractor, residential remodeler, or residential roofer activity a gross misdemeanor.
- 10** **Repealer.** Repeals section 177.24, subdivision 2, the prohibition on tip credits against minimum wage in current law.

Article 10: Lake Winona Management

- 1** **Lake Winona management; using offset, adaptive planning.** Allows the Alexandria Lake Area Sanitary District to perform lake management activities in Lake Winona and Lake Agnes in order to comply with water quality standards for phosphorus and the total maximum daily load in Lake Winona. A \$600,000 onetime grant for these activities is provided elsewhere in the bill.

Article 11: Local Government

- 1** **Loan from, secured by U.S. Agriculture Department Agency.** Increases from \$450,000 to \$750,000 the maximum amount a city, county, or town may borrow from USDA grants, or funds guaranteed by the USDA, to acquire or better a city hall, town hall, fire hall or fire or rescue equipment, library, or child care facility. The debt may be secured by the local

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government's full faith and credit or revenues, is excluded from net debt for the local government, and does not require voter approval.

This law was originally enacted in 1976 and authorized borrowing up to \$100,000. The law was last amended in 2002 when the maximum amount was raised from \$250,000 to \$450,000, and use of the authority was expanded to include city halls, libraries, and child care facilities.

Article 12: Telecommunications

- 1 - 4** Allows grants under the state's "border-to-border broadband grant program" to be made for up to 50 percent of the cost of a satellite dish and modem (up to \$300) and up to \$50 per month for 12 months (\$600) for monthly satellite broadband service charges.

Article 13: State Government Appropriations

- 1 - 14** **Fiscal appropriations.** Funding increases and reductions for each affected agency are specified in the fiscal spreadsheet.
- 15** **Appropriations.** Cancels \$75.391 million from available funds for health insurance premium assistance to the general fund.
- 16** **Reduced appropriations; preservation of programs and services.** Requires affected constitutional offices, boards, and agencies to prioritize reductions to central administration and operations. Programs and services directly serving the public must not be reduced unless expressly authorized.
- 17** **Executive agency appropriations; MNLARS targeted reductions.** Requires the commissioner of management and budget to reduce appropriations across agencies, to refill amounts appropriated from the driver services and vehicle services operating accounts to support the Minnesota Licensing and Registration System (MNLARS) project.
- 18** **Minnesota Sports Facilities Authority; stadium reserve transfer.** Transfers a portion of the U.S. Bank Stadium general reserve account to the general fund.
- 19** **MN.IT prioritization of cybersecurity.** Requires the state chief information officer to prioritize the enhancement of cybersecurity across state government when spending appropriated or transferred funds.
- 20** **Effective date.** Provides that the appropriations in this article are effective the day following final enactment.

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Article 14: State Government Operations

- 1 **Definitions.** Adds a cross reference to an existing definition of the term “declared emergency,” in the section of law that provides for the temporary relocation of Minnesota’s seat of government in an emergency.
- 2 **State government.** Updates phrasing in an existing law related to the temporary relocation of Minnesota’s seat of government in an emergency, to reflect a broader scope of emergencies that might require a temporary relocation, and requires that a governor’s orders for the orderly transition to the new location be consistent with the state’s comprehensive emergency operations plan, to the extent practical.
- 3 **Districting principles.** Establishes statutory principles to be used in the redistricting process for both congressional districts and state legislative districts. The principles are listed in priority order for implementation.
- 4 **Emergency operations and continuity of the legislative branch.** Adds a conforming cross-reference in the laws governing the legislature, to reflect new substantive requirements established later in the bill.
- 5 **Powers; duties; Metropolitan Council appointments oversight.** Conforming amendment.
- 6 **Establishment; duties.** Removes a reference to the Legislative Coordinating Commission, to reflect the changes in this bill that shift oversight of the Legislative Budget Office to a new commission.
- 7 **Establishment; duties.** Transfers responsibilities related to the state’s Results First initiative from MMB to the Legislative Budget Office.
- 8 **Oversight commission.** Establishes a Legislative Budget Office Oversight Commission to review the work of the office and make recommendations regarding the office’s ability to fulfill its duties.

The oversight commission consists of eight legislators, equally divided by both party and legislative body. Several staff members with expertise in fiscal note issues are nonvoting members of the commission, including the lead nonpartisan fiscal analysts in the House and Senate, the Legislative Auditor, and the State Budget Director. The director of the office serves as executive secretary.

Standards related to appointments, expense reimbursement, and election of a commission chair are provided. The commission must conduct its first meeting no later than July 1, 2018.

- 9 **Staff.** Provides that the director of the LBO is appointed by the newly created oversight commission, rather than the Legislative Coordinating Commission, and that the oversight commission is responsible for establishing the director’s duties.

This section also clarifies certain details of the LBO director’s position to more closely reflect that of the nonpartisan Legislative Auditor, including that the LBO director serves in the unclassified service and is a “public official” for purposes of the campaign finance and public disclosure laws.

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Designation as a public official means the director is required to file an annual statement of economic interests, and is subject to certain other conflict of interest laws.

This section is effective July 1, 2018.

- 10 Standards and guidelines.** Recodifies existing language requiring the LBO to establish certain standards, guidelines, and procedures related to the preparation of fiscal notes.

New requirements include that the standards, guidelines, and procedures may not take effect until they are approved by the LBO oversight commission, and that they must be published in the State Register.

This section is effective when the LBO takes on fiscal note duties in January 2019, but provides that the required standards, guidelines, and procedures may be adopted before that date.

- 11 Access to data.** Establishes standards related to the LBO's handling of data related to a fiscal note.

Paragraph (a) permits the director of the LBO to request a state department or agency to promptly supply data related to the legislation that is the subject of a fiscal note.

Paragraph (b) provides that not public data provided to the LBO must be maintained and administered in the same manner as required of the government entity that provided it.

Data that is not public may only be used by the LBO to review the preparation of a fiscal note, and may not be used or disseminated for any other purpose, including to other legislative branch offices or entities. A violation of this paragraph is subject to penalties similar to those that apply to other government employees under the Minnesota Government Data Practices Act.

Completed fiscal notes must be posted on the LBO's public website within 24 hours of their approval.

This section is effective when the LBO takes on fiscal note duties in January 2019.

- 12 Preparation; duties.** Updates language related to the preparation of fiscal notes. Instead of the LBO preparing the notes, this section provides that executive and judicial branch agencies and departments must prepare them, in consultation with the LBO. This modification aligns the LBO process more closely with current law and practice.

This section also contains several conforming changes to eliminate language that is reorganized and recodified earlier in the bill.

This section is effective when the LBO takes on fiscal note duties in January 2019.

- 13 Payments from executive agencies.** Caps the amount of payments the Governor's Office may receive through transfers from other executive branch agencies at \$750,000 per year.

- 14 Display of business address on website.** Permits certain small businesses to request that their address not be displayed on the website of the secretary of state, if the business address is the same as the residential address of the business' sole shareholder, member, manager, or owner.

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- 15 CPA firm audit.** Requires the state auditor to provide CPA firms certain rights, including a right to respond, when the auditor conducts additional examinations or requires additional information from the firm.
- 16 Private attorney contracts.** Prohibits the attorney general from contracting for legal services on a contingent fee basis. An exception is provided for certain contracts for legal services entered on behalf of the Department of Human Services. For these contracts, conditions are provided, and additional legislative reporting is required.
- 17 Public Official.** Provides that the director of the LBO is a public official for purposes of the state's campaign finance and public disclosure laws. This change aligns with language earlier in the bill establishing the basic parameters of the director's nonpartisan legislative staff position. Among other items, a public official designation requires the director to file an annual statement of economic interests.
- 18 Political activity.** Limits certain political activities of MN.IT employees assigned to provide services to the Campaign Finance and Public Disclosure Board.
- 19 State emergency plan.** Requires the director of the state's Division of Emergency Management to provide assistance to all three branches of government in developing emergency operations and continuity of government plans.
The Division of Emergency Management is a division of the Department of Public Safety.
- 20 Specific authority.** Updates language related to the development of a comprehensive emergency operations plan and emergency management program for the state, to provide that the development of these plans and programs is a mandatory, rather than discretionary, duty of the governor and the Division of Emergency Management. The comprehensive plans must incorporate plans for the secure, continued operation of state government in the event of a disaster or emergency, including the plans adopted by each branch of government as required by this bill.
- 21 Emergency operations and continuity plan; legislative branch.** Requires the Legislative Coordinating Commission to adopt an emergency operations and continuity of government plan on behalf of the House, Senate, and joint legislative offices.
Subd. 1. Provides minimum standards for the development and filing of the plan, and provides a list of contingencies that must be addressed as part of the plan.
Subd. 2. Directs how the plan may be implemented. The plan may be implemented, in whole or in part, by the governor or the chair of the LCC if an emergency is declared, or if a disaster or emergency is occurring or may be imminent. Additional details on implementation are provided.
Subd. 3. Establishes procedures to govern a special session of the legislature convened at an alternate location due to a declared emergency. These procedures are largely a recodification of existing law that is repealed later in this bill.
- 22 Emergency operations and continuity plan; judicial branch.** Requires the supreme court to adopt an emergency operations and continuity of government plan on behalf of the judicial branch.

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Subd. 1. Provides minimum standards for the development and filing of the plan, and provides a list of contingencies that must be addressed as part of the plan.

Subd. 2. Directs how the plan may be implemented. The plan may be implemented, in whole or in part, by the governor or the chief justice if an emergency is declared, or if a disaster or emergency is occurring or may be imminent. Additional details on implementation are provided.

23 **Emergency operations and continuity plan; constitutional officers.** Requires the executive council to adopt an emergency operations and continuity of government plan on behalf of each constitutional officer. The executive council consists of all state constitutional officers (governor, lieutenant governor, attorney general, secretary of state, and state auditor).

Subd. 1. Provides minimum standards for the development and filing of the plan, and provides a list of contingencies that must be addressed as part of the plan.

Subd. 2. Directs how the plan may be implemented. The plan may be implemented, in whole or in part, by the governor or by another constitutional officer, with respect to that officer's constitutional office, if an emergency is declared, or if a disaster or emergency is occurring or may be imminent. Additional details on implementation are provided.

24 **Definitions.** Amends the definitions section of the data practices act to add a definition for the chief administrative law judge.

25 **Information policy analysis unit.** Amends the definitions section of the Data Practices Act to add a definition for the information policy analysis unit of the Office of Administrative Hearings.

26 **Information policy analysis unit; data practices coordinator.** Creates a new "data practices coordinator" position and "information policy analysis" unit within the Office of Administrative Hearings. The coordinator is appointed by the chief administrative law judge and the unit provides nonbinding advice on data practices and open meetings law to government entities and members of the public, among other duties.

27 **Advisory opinions by the information policy analysis unit.** Amends existing statutes to reflect that the information policy analysis unit will provide advisory opinions, replacing the existing duties of the commissioner of administration to provide these opinions.

28 **Action to compel compliance.** Amends the civil remedies portion of the Data Practices Act so that, in a civil action to compel a government entity's compliance with the act, a court considering whether to assess the statutory civil penalty of up to \$1,000 may take into account whether the government entity acted in conformity with a previously-issued advisory opinion or a precedential OAH decision.

29 **Complaints.** Expands the scope of the existing expedited complaint process at the Office of Administrative Hearings to include open meetings law complaints. The filing fee for complaints is reduced from \$1,000 to \$250.

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- 30 Probable cause review.** Requires the chief administrative law judge to ensure that an assigned judge is properly screened from providing informal advice on data practices and open meetings law matters.
- 31 Hearing, procedure.** Provides conforming updates to reflect the changes to the data practices and open meetings law complaint process at the Office of Administrative Hearings.
- 32 Disposition.** Provides conforming updates to reflect the changes to the data practices and open meetings law complaint process at the Office of Administrative Hearings.
- 33 Costs; attorneys fees.** Provides conforming updates to reflect the changes to the data practices and open meetings law complaint process at the Office of Administrative Hearings.
- 34 Publication and authority of decisions.** (a) Requires the chief administrative law judge to make OAH administrative decisions available on the office's website.
- (b) Provides that an administrative decision under this section may have a precedential effect on future OAH cases.
- (c) Extends safe-harbor provisions from the advisory-opinion section (§ 13.072, subd. 2) to this administrative remedy section, thereby shielding a government entity from damages if it acts in conformity with a previously-issued advisory opinion or a prior OAH decision.
- 35 Fiscal note data must be shared with Legislative Budget Office (LBO).** Requires government entities to provide data requested by the LBO director, regardless of the data's classification. Standards governing the LBO's handling of not public data are provided earlier in the bill.
- The requested data must be supplied to the LBO according to the standards, guidelines, and procedures adopted by the LBO oversight commission, including standards and procedures governing timeliness. Government entities may not charge a cost for providing data requested under this section.
- This section is effective when the LBO takes on fiscal note duties in January 2019.
- 36 Municipal utility customer data.** Provides conforming updates to reflect the changes to the data practices and open meetings law complaint process at the Office of Administrative Hearings.
- 37 Costs; attorneys fees; requirements; limits.** Provides conforming updates to reflect the changes to the data practices and open meetings law complaint process at the Office of Administrative Hearings.
- 38 Group II salary limits.** Strikes the Metropolitan Council chair from the salary limits. The chair's salary is specified elsewhere in the bill.
- 39 Opportunity to make gifts via website.** Requires the commissioner of management and budget to maintain a website that permits financial gifts to the state to be made online.
- 40 When.** Updates language related to information technology budgeting. This language is recodified in the next section of the bill.

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- 41 Information technology and cyber security.** Requires state agencies to dedicate at least 3.5 percent of their information technology budget to the enhancement of cybersecurity. These amounts must be reflected in each agency’s biennial budget recommendations.
- 42 Additional revenues; priority.** Eliminates a requirement that the commissioner of management and budget deposit certain surplus amounts at the end of the biennium into the Clean Water Fund.
- 43 Uncollectible debts.** Requires agencies to include a report to the legislature, when submitting a report to the commissioner of management and budget on uncollectible debts of more than \$10,000.
- 44 Responsibility for information technology services and equipment.** Expands the jurisdiction of the Office of MN.IT Services to include the Campaign Finance and Public Disclosure Board, the State Lottery, the Statewide Radio Board, the State Board of Investment, and the state’s pension plans., upon certification that certain professional and technical standards are met. This expansion is effective July 1, 2019.
- 45 Evaluation procedure.** Requires MN.IT to include local governments when approving and testing IT projects that impact both state and local governments.
- 46 Cyber security systems.** Requires state agencies to dedicate at least 3.5% of their information technology budget to the enhancement of cybersecurity.
- 47 Systems impacting local government.** Requires MN.IT to include local governments when approving and testing IT projects that impact both state and local governments.
- 48 Use of agency savings from vacant positions.** Provides standards for an agency’s use of personnel savings resulting from a vacant position.
- 49 Harassment, misconduct, and discrimination; independent office established.** Establishes a centralized office to perform duties related to complaints of harassment, misconduct, and discrimination in executive branch state agencies.
- 50 Manager.** Eliminates eyelash technician practitioners from the definition of “manager,” to reflect changes to the regulation of eyelash technicians later in the bill.
- 51 Schedule.** Eliminates a fee for the registration of hair braiders, to reflect changes made later in the bill.
- 52 Hair braiders exempt.** Provides that hair braiders are exempt from regulation by the Minnesota Board of Cosmetologist Examiners.
- 53 Licensing.** Eliminates an existing requirement that eyelash extension salons be licensed by the Minnesota Board of Cosmetologist Examiners.
- 54 Exemption.** Provides that a facility exclusively providing eyelash extension services is not required to obtain a salon license.
- 55 Racing or gaming-related vendor.** Defines “racing or gaming-related vendor” as a person or entity that manufactures, sells, provides, distributes, repairs, or maintains equipment used at a Class A facility or supplies or provides services to a Class A facility or Class B license

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holder that are directly related to the running of a horse race, simulcasting, pari-mutuel betting, or card playing.

- 56 Annual report.** Requires the racing commission to provide a report to the governor and legislature in each odd-numbered year. Currently, the commission must provide a report each year.
- 57 Revocation and suspension.** Requires a license holder to request a contested hearing under chapter 14 if the commission revokes or suspends a license for more than 180 days and the license holder chooses not to appeal the decision under the commission's rules. A license holder must make the request in writing and either send the request by certified mail or personally serve the commission within ten days after the license holder receives the revocation or suspension notice. Under current law, a revocation or suspension for more than 90 days is automatically a contested case.
- The commission may also summarily suspend a license for up to 90 days where it is necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. A license holder may appeal the summary suspension within five days of receiving notice of the suspension and the commission must hold a hearing within ten days of receiving the request for an appeal. Under current law, an appeal of a summary suspension is a contested case and must be heard within 30 days of the summary suspension.
- 58 Payments to state.** Extends the deadline for paying the regulatory fee and breeders fund fee from seven days to 15 days after the end of the month in which the wager was made.
- 59 Fines.** Clarifies that, in distributing money collected from civil fines to support racehorse adoption, retirement, and repurposing, the racing commission may make the distributions in the form of grants, contracts, or expenditures.
- 60 Biennial report.** Requires the commissioner of revenue to conduct a study of the distribution of the federal tax burden borne by Minnesota residents.
- 61 Wine transfers.** Allows the holder of multiple off-sale licenses to transfer wine from one licensed premises to another premises owned by the same licensee, once every three months. Current law prohibits retail storage of liquor anywhere except the licensed premises.
- 62 Cancellation, suspension, and refusal to renew contracts or locations.** Provides standards for cancelling the contract of a lottery retailer upon multiple violations of certain rules related to retention of certain amounts necessary to pay prizes.
- 63 Benefit trust fund establishment.** Directs how remaining funds from certain dissolved volunteer firefighters relief associations are cancelled (the funds cancel either to the municipality or to the state, depending on whether the municipality was required to make contributions to the association).
- 64 Creation; membership.** Increases the Met Council membership from 17 to 28 members. Specifies membership and states that serving on the council is compatible with serving as a local elected official.
- 65 Terms.** Provides for staggered, four-year terms of council members appointed from council districts by the municipal committees and members appointed by the counties. Provides that a council seat is vacant if the local elected official ceases to be a local elected official.

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Members appointed by the commissioner of transportation serve at the pleasure of the commissioner.

- 66** **Municipal committee in each council district.** Requires each metropolitan area city to appoint a member to the municipal committee for the council district, which then appoints a local elected official to the council. Effective the day after enactment.
- 67** **Redistricting.** Conforming amendment.
- 68** **Chair; appointment, officers, selection; duties and compensation.** Provides for the council chair to be selected by and from among the council members, and to serve at the council's pleasure. Strikes senate confirmation.
- 69** **Authority to vote; quorum; votes required for action.** Provides that the local elected officials may vote on all matters before the council. Provides that the commissioner of transportation and the members appointed by the commissioner may vote only on metropolitan planning organization matters. A quorum is a majority of the members permitted to vote on a matter and if a quorum is present, the council may act on a majority vote of the members present except that a vote on a levy or on a system plan or plan amendment requires 60 percent.
- 70** **Development guide; transportation.** Conforming amendment.
- 71** **Transportation planning.** Eliminates the Transportation Advisory Board (TAB).
- 72** **Fort Snelling National Landmark redevelopment.** Permits a portion of the Minnesota Housing Finance Agency's tax-exempt bond allocation to be allocated to the Fort Snelling Upper Post residential rental project, and directs the MHFA to approve low-income housing tax credits for the project. Additional details are provided.
- 73** **Counties.** Updates a statutory transfer of certain LGA funds to reflect the transfer of local impact note duties from MMB to the LBO. Under current law, \$207,000 is transferred annually to the commissioner of management and budget for the cost of preparing local impact notes and for other local government activities. This section requires that the transfer be made to the Legislative Budget Office, instead of MMB.
- 74** **Emergency operations and continuity of the judicial branch.** Adds a conforming cross-reference in the laws governing the supreme court and the state court administrator, to reflect new substantive requirements established earlier in the bill.
- 75** **Effective date.** Amends an effective date provided in the 2017 legislation establishing the LBO, to permit the office to be established and begin certain operations prior to the official transfer of fiscal note and local impact note obligations.
- 76** **Effective date.** Amends an effective date provided in the 2017 legislation establishing the LBO, to permit the office to be established and begin certain operations prior to the official transfer of fiscal note and local impact note obligations.
- 77** **Effective date.** Amends an effective date provided in the 2017 legislation establishing the LBO, to permit the office to be established and begin certain operations prior to the official transfer of fiscal note and local impact note obligations. This updated effective date includes

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deadlines to facilitate the transfer of MMB's electronic fiscal note tracking system to the LBO.

- 78** **Transfer of duties; Results First program evaluations.** Transfers responsibilities related to the state's Results First initiative from MMB to the Legislative Budget Office.
- 79** **Transfer of duties.** Transfers Data Practices Act and Open Meeting Law duties from the commissioner of administration to the chief administrative law judge in OAH.
- 80** **Enterprise software projects; recodification of statutes.** Requires enterprise software projects to be purchased or built through a vendor contract. Standards for the contents of the contract are provided.
- This section also requires MN.IT to recommend legislation to recodify Minnesota Statutes, chapter 16E, and other related IT laws.
- 81** **Study of valuation method of pipeline operating property.** Requires the commissioner of revenue to study and prepare a report on current methods used to value pipeline operating property in Minnesota.
- 82** **Nordic World Cup Ski Championship.** Directs the Amateur Sports Commission to support a bid to host an International Ski Federation Nordic World Cup Ski Championship event in Minnesota.
- 83** **Certain volunteer firefighter relief association pensions.** Increases the benefit limit for certain qualifying associations with a high funding ratio.
- 84** **Veterans homes construction.** Authorizes an application for federal funds to construct new veterans homes in Preston, Montevideo, and Bemidji. Standards for the services the homes must provide are included.
- 85** **Report on information technology consolidation.** Requires affected entities newly required to consolidate their IT operations under the jurisdiction of the Office of MN.IT Services to submit a report to the legislature on certain details related to the consolidation.
- 86** **Revisor instruction.** Directs certain changes to statute based on the transfer of data practices and open meetings law responsibilities from the commissioner of administration to the Office of Administrative Hearings.
- 87** **Repealers.** Provides a number of repealers, to reflect various policy changes made elsewhere in this article.

Article 15: Administrative Rulemaking

- 1, 2, 5-7** **Administrative rulemaking.** Provides standards for the adoption of "policies" by state agencies, including requirements for notice to the public and notice to the legislature. In general, policies are written documents prepared by an agency to provide an interpretation, clarification, or explanation of a law or rule in order to give guidance.

These sections include new standards related to the award of fees and expenses to a prevailing party in an administrative action alleging that an agency improperly enforcing a

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policy or other similar standard as if it were a rule. Existing language related to the allocation of costs in these claims is repealed.

- 3** **Exceptions.** Eliminates the ability of the governor to waive application of the right of small businesses and small cities to seek exemption from a rule, if the rule would cost the small business or city more than \$25,000 to implement (in other words, with this change, small businesses and cities would always be able to apply for an exemption, if the cost threshold is met).
- 4** **Rules impacting residential construction or remodeling; legislative notice and review.** Requires notice to the legislature of proposed rules that will, on average, increase the cost of residential construction by \$1,000 or more per unit. Conforming procedures and standards are also provided.

Article 16: Campaign Finance

- 1** **Rules.** Restricts the Campaign Finance and Public Disclosure Board’s rulemaking authority to only technical and non-substantive rules.
- 2 – 13** **Public subsidy program.** Eliminates the portion of the campaign public subsidy program that directs subsidy amounts to candidates based on income and certain property tax designations made by taxpayers for specific political parties. The changes are effective for the 2018 election and thereafter. The effective date includes language clarifying the process for transitioning to the new requirements in 2018.

Article 17: Minnesota Sports Facilities Authority

- 1, 7-13, 29, 30, 34** **Technical and conforming updates.** Provides technical and conforming updates to laws governing the Minnesota Sports Facilities Authority.
- 2** **Public data.** Provides that data regarding persons who receive free or discounted tickets or other benefits from publicly owned event facilities are public data, with certain exceptions.
- 3, 4** **Prepayment of bonds.** Provides a mechanism for prepayment of stadium bonds. By June 30, 2020, and every fiscal year thereafter, the commissioner of management and budget is required to set aside an amount equivalent to the savings accrued to the state that result from the reduction in the state’s share of stadium operating expenses in each year. The state’s share of the stadium’s operating expenses is reduced in an amount that offsets the revenue received by the MSFA from the consignment of the MSFA’s stadium suites. MMB is required to use that accumulated amount to prepay the stadium bonds in a manner that preserves their tax-exempt status.
- 5, 6** **Available revenues.** Eliminates an existing allocation of \$20 million to the stadium’s general reserve account that comes from corporate franchise tax receipts, beginning in fiscal year 2020.

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The total amount of the general reserve account is capped at \$26.821 million. Amounts in the account that exceed that cap as of July 1, 2019, cancel to the general fund.

14, 25-28, 32 **Use of stadium space.** Requires the authority to negotiate a consignment agreement with the stadium's primary tenant (the Minnesota Vikings) related to use of the MSFA's stadium suites.

Specific standards for the allocation of revenues from the consignment must be included in the agreement. The state's share of stadium operating expenses must be reduced in an amount that reflects the revenue received by the authority related to the consignment.

Access to and use of other premium stadium space by authority members, authority staff, and other guests is also regulated.

15-24, 33, 35 **MSFA structural reforms.** Provides a number of structural reforms to the operation of the MSFA, including modifying the appointment process for members, limiting the salary of the executive director, expanding reporting requirements related to the authority's work and budget, and restricting certain activities of authority members and staff related to the use of stadium space.

31 **High school league.** Prohibits the stadium lessee from charging the Minnesota State High School League a fee, either directly or through the stadium's management company, for use of the stadium for league soccer and football tournaments.