

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 4091

(SENATE AUTHORS: PRATT)

| DATE | D-PG | OFFICIAL STATUS |
|------------|-------|---|
| 03/17/2022 | 5381 | Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy |
| 04/05/2022 | 6472a | Comm report: To pass as amended and re-refer to Finance |
| 04/19/2022 | 6877a | Comm report: To pass as amended |
| | 6952 | Second reading |
| 04/25/2022 | 7445 | General Orders: Stricken and re-referred to Finance |
| | 7507a | Comm report: To pass as amended |
| | 7510 | Second reading |
| 04/26/2022 | | Special Order: Amended |
| | | Third reading Passed |

1.1 A bill for an act

1.2 relating to state government; appropriating money for commerce, jobs, and

1.3 economic growth; making policy and technical changes; authorizing frontline

1.4 worker premium payments; requiring reports; appropriating money; amending

1.5 Minnesota Statutes 2020, sections 116C.779, subdivision 1; 116J.035, by adding

1.6 a subdivision; 116J.55, subdivisions 1, 5, 6; 116J.552, subdivision 6; 116J.8747,

1.7 subdivisions 2, 3, 4; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17,

1.8 subdivision 1; 116L.98, subdivisions 2, 3; 181.032; 181.101; 216B.096, subdivision

1.9 11; 216B.24, by adding a subdivision; 216B.243, subdivision 3b; 216B.50,

1.10 subdivision 1; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a

1.11 subdivision; 237.55; 268.18, by adding a subdivision; 326B.106, subdivision 4;

1.12 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13;

1.13 326B.36, subdivision 7, by adding a subdivision; 326B.42, subdivisions 1b, 1c;

1.14 326B.437; 326B.46, subdivision 2; Minnesota Statutes 2021 Supplement, sections

1.15 116C.7792; 216C.376, subdivision 5; 326B.153, subdivision 1; Laws 2020, chapter

1.16 118, section 5, subdivision 1; Laws 2021, First Special Session chapter 4, article

1.17 2, section 3, subdivision 1; Laws 2021, First Special Session chapter 10, article 1,

1.18 sections 2, subdivision 2; 5; article 2, section 24, subdivisions 1, 3, 4, 5, 7; article

1.19 3, section 14, subdivision 1; proposing coding for new law in Minnesota Statutes,

1.20 chapters 116L; 216B; 216H; 465; repealing Laws 2005, chapter 97, article 10,

1.21 section 3, as amended; Laws 2021, First Special Session chapter 4, article 2, section

1.22 3, subdivision 3.

1.23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.24 style="text-align:center">**ARTICLE 1**

1.25 style="text-align:center">**ENERGY AND UTILITIES**

1.26 Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

1.27 Subdivision 1. **Renewable development account.** (a) The renewable development

1.28 account is established as a separate account in the special revenue fund in the state treasury.

1.29 Appropriations and transfers to the account shall be credited to the account. Earnings, such

1.30 as interest, dividends, and any other earnings arising from assets of the account, shall be

2.1 credited to the account. Funds remaining in the account at the end of a fiscal year are not
2.2 canceled to the general fund but remain in the account until expended. The account shall
2.3 be administered by the commissioner of management and budget as provided under this
2.4 section.

2.5 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
2.6 plant must transfer all funds in the renewable development account previously established
2.7 under this subdivision and managed by the public utility to the renewable development
2.8 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
2.9 that have not yet been expended and unencumbered funds required to be paid in calendar
2.10 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
2.11 to transfer under this paragraph.

2.12 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
2.13 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
2.14 plant must transfer to the renewable development account \$500,000 each year for each dry
2.15 cask containing spent fuel that is located at the Prairie Island power plant for each year the
2.16 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
2.17 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
2.18 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
2.19 part of a year.

2.20 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
2.21 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
2.22 plant must transfer to the renewable development account \$350,000 each year for each dry
2.23 cask containing spent fuel that is located at the Monticello nuclear power plant for each
2.24 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
2.25 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
2.26 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
2.27 any part of a year.

2.28 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
2.29 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
2.30 under paragraphs (f) ~~and~~, (g), and (m), and sections 116C.7792 and 216C.41, for that calendar
2.31 year.

2.32 (f) If the commission approves a new or amended power purchase agreement, the
2.33 termination of a power purchase agreement, or the purchase and closure of a facility under
2.34 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,

3.1 the public utility subject to this section shall enter into a contract with the city in which the
3.2 poultry litter plant is located to provide grants to the city for the purposes of economic
3.3 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
3.4 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
3.5 by the public utility from funds withheld from the transfer to the renewable development
3.6 account, as provided in paragraphs (b) and (e).

3.7 (g) If the commission approves a new or amended power purchase agreement, or the
3.8 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
3.9 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
3.10 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
3.11 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
3.12 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
3.13 30 days after the commission approves the new or amended power purchase agreement, or
3.14 the termination of the power purchase agreement, and on each June 1 thereafter through
3.15 2021, to assist the transition required by the new, amended, or terminated power purchase
3.16 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
3.17 to the renewable development account as provided in paragraphs (b) and (e).

3.18 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
3.19 and (g) is limited to the amount deposited into the renewable development account, and its
3.20 predecessor, the renewable development account, established under this section, that was
3.21 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
3.22 10.

3.23 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
3.24 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
3.25 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
3.26 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
3.27 in which the commission finds, by the preponderance of the evidence, that the public utility
3.28 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
3.29 permanent or interim storage site out of the state. This determination shall be made at least
3.30 every two years.

3.31 (j) Funds in the account may be expended only for any of the following purposes:

3.32 (1) to stimulate research and development of renewable electric energy technologies;

3.33 (2) to encourage grid modernization, including, but not limited to, projects that implement
3.34 electricity storage, load control, and smart meter technology; and

4.1 (3) to stimulate other innovative energy projects that reduce demand and increase system
4.2 efficiency and flexibility.

4.3 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
4.4 from the utility that owns a nuclear-powered electric generating plant in this state or the
4.5 Prairie Island Indian community or its members.

4.6 The utility that owns a nuclear generating plant is eligible to apply for grants under this
4.7 subdivision.

4.8 (k) For the purposes of paragraph (j), the following terms have the meanings given:

4.9 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
4.10 (c), clauses (1), (2), (4), and (5); and

4.11 (2) "grid modernization" means:

4.12 (i) enhancing the reliability of the electrical grid;

4.13 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
4.14 and

4.15 (iii) increasing energy conservation opportunities by facilitating communication between
4.16 the utility and its customers through the use of two-way meters, control technologies, energy
4.17 storage and microgrids, technologies to enable demand response, and other innovative
4.18 technologies.

4.19 (l) A renewable development account advisory group that includes, among others,
4.20 representatives of the public utility and its ratepayers, and includes at least one representative
4.21 of the Prairie Island Indian community appointed by that community's tribal council, shall
4.22 develop recommendations on account expenditures. Except as otherwise provided herein,
4.23 members of the advisory group shall be chosen by the public utility. The public utility may
4.24 design a request for proposal in conjunction with the advisory group. The advisory group
4.25 must design a request for proposal and evaluate projects submitted in response to a request
4.26 for proposals. The advisory group must utilize an independent third-party expert to evaluate
4.27 proposals submitted in response to a request for proposal, including all proposals made by
4.28 the public utility. A request for proposal for research and development under paragraph (j),
4.29 clause (1), may be limited to or include a request to higher education institutions located in
4.30 Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for
4.31 multiple projects may include a provision that exempts the projects from the third-party
4.32 expert review and instead provides for project evaluation and selection by a merit peer
4.33 review grant system. In the process of determining request for proposal scope and subject

5.1 and in evaluating responses to request for proposals, the advisory group must strongly
 5.2 consider, where reasonable, potential benefit to Minnesota citizens and businesses and the
 5.3 utility's ratepayers.

5.4 (m) The cost of acquiring the services of the independent third-party expert described
 5.5 in paragraph (l) and any other costs incurred in administering the advisory group and its
 5.6 actions as required by this section, not to exceed \$150,000, shall be paid from funds withheld
 5.7 by the public utility under paragraph (e).

5.8 ~~(m)~~ (n) The advisory group shall submit funding recommendations to the public utility,
 5.9 which has full and sole authority to determine which expenditures shall be submitted by
 5.10 ~~the advisory group~~ to the legislature commission. The commission may approve proposed
 5.11 expenditures, may disapprove proposed expenditures that it finds not to be in compliance
 5.12 with this subdivision or otherwise not in the public interest, and may, if agreed to by the
 5.13 public utility, modify proposed expenditures. The commission shall, by order, submit its
 5.14 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (o).

5.15 ~~(n)~~ (o) The commission shall present its recommended appropriations from the account
 5.16 to the senate and house of representatives committees with jurisdiction over energy policy
 5.17 and finance annually by February 15. Expenditures from the account must be appropriated
 5.18 by law. In enacting appropriations from the account, the legislature:

5.19 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
 5.20 a project recommended by the commission; and

5.21 (2) may not appropriate money for a project the commission has not recommended
 5.22 funding.

5.23 ~~(o)~~ (p) A request for proposal for renewable energy generation projects must, when
 5.24 feasible and reasonable, give preference to projects that are most cost-effective for a particular
 5.25 energy source.

5.26 ~~(p)~~ (q) The ~~advisory group~~ public utility must annually, by February 15, report to the
 5.27 chairs and ranking minority members of the legislative committees with jurisdiction over
 5.28 energy policy on projects funded by the account for the prior year and all previous years.
 5.29 The report must, to the extent possible and reasonable, itemize the actual and projected
 5.30 financial benefit to the public utility's ratepayers of each project.

5.31 ~~(q)~~ (r) By February 1, 2018, and each February 1 thereafter, the commissioner of
 5.32 management and budget shall submit a written report regarding the availability of funds in
 5.33 and obligations of the account to the chairs and ranking minority members of the senate

6.1 and house committees with jurisdiction over energy policy and finance, the public utility,
6.2 and the advisory group.

6.3 ~~(†)~~ (s) A project receiving funds from the account must produce a written final report
6.4 that includes sufficient detail for technical readers and a clearly written summary for
6.5 nontechnical readers. The report must include an evaluation of the project's financial,
6.6 environmental, and other benefits to the state and the public utility's ratepayers.

6.7 ~~(s)~~ (t) Final reports, any mid-project status reports, and renewable development account
6.8 financial reports must be posted online on a public website designated by the commissioner
6.9 of commerce.

6.10 ~~(†)~~ (u) All final reports must acknowledge that the project was made possible in whole
6.11 or part by the Minnesota renewable development account, noting that the account is financed
6.12 by the public utility's ratepayers.

6.13 ~~(†)~~ (v) Of the amount in the renewable development account, priority must be given to
6.14 making the payments required under section 216C.417.

6.15 Sec. 2. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

6.16 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

6.17 (a) The utility subject to section 116C.779 shall operate a program to provide solar
6.18 energy production incentives for solar energy systems of no more than a total aggregate
6.19 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar
6.20 energy system installed before June 1, 2018, is eligible to receive a production incentive
6.21 under this section for any additional solar energy systems constructed at the same customer
6.22 location, provided that the aggregate capacity of all systems at the customer location does
6.23 not exceed 40 kilowatts.

6.24 (b) The program is funded by money withheld from transfer to the renewable development
6.25 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must
6.26 be placed in a separate account for the purpose of the solar energy production incentive
6.27 program operated by the utility and not for any other program or purpose.

6.28 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020
6.29 remain available to the solar energy production incentive program.

6.30 (d) The following amounts are allocated to the solar energy production incentive program:

6.31 (1) \$10,000,000 in 2021;

6.32 (2) \$10,000,000 in 2022;

7.1 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~

7.2 (4) ~~\$5,000,000~~ \$10,000,000 in 2024; and

7.3 (5) \$10,000,000 in 2025.

7.4 (e) Funds allocated to the solar energy production incentive program that have not been
7.5 committed to a specific project at the end of a program year remain available to the solar
7.6 energy production incentive program.

7.7 (f) Any unspent amount remaining on January 1, ~~2025~~ 2026, must be transferred to the
7.8 renewable development account.

7.9 (g) A solar energy system receiving a production incentive under this section must be
7.10 sized to less than 120 percent of the customer's on-site annual energy consumption when
7.11 combined with other distributed generation resources and subscriptions provided under
7.12 section 216B.1641 associated with the premise. The production incentive must be paid for
7.13 ten years commencing with the commissioning of the system.

7.14 (h) The utility must file a plan to operate the program with the commissioner of
7.15 commerce. The utility may not operate the program until it is approved by the commissioner.
7.16 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
7.17 less does not require the utility to file a plan with the commissioner. Any plan approved by
7.18 the commissioner of commerce must not provide an increased incentive scale over prior
7.19 years unless the commissioner demonstrates that changes in the market for solar energy
7.20 facilities require an increase.

7.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.22 Sec. 3. Minnesota Statutes 2020, section 116J.55, subdivision 1, is amended to read:

7.23 Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means
7.24 a county, municipality, or tribal government located in Minnesota in which an electric
7.25 generating plant owned by a public utility, as defined in section 216B.02, that is powered
7.26 by coal, nuclear energy, or natural gas:

7.27 (1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation
7.28 of operations has been proposed in an integrated resource plan filed with the commission
7.29 under section 216B.2422;, or (iii) whose current operating license expires within 15 years
7.30 of the effective date of this section; or

7.31 (2) ceased operations or was removed from the local property tax base no earlier than
7.32 five years before the date an application is made for a grant under this section.

8.1 Sec. 4. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

8.2 Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under~~
8.3 ~~this section to eligible communities through a competitive grant process.~~

8.4 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed
8.5 \$500,000 in any calendar year. The commissioner may accept grant applications on an
8.6 ongoing or rolling basis.

8.7 ~~(e)~~ (b) Grants funded with revenues from the renewable development account established
8.8 in section 116C.779 must be awarded to an eligible community located within the retail
8.9 electric service territory of the public utility that is subject to section 116C.779 or to an
8.10 eligible community in which an electric generating plant owned by that public utility is
8.11 located.

8.12 Sec. 5. Minnesota Statutes 2020, section 216B.096, subdivision 11, is amended to read:

8.13 Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically
8.14 file with the commission a report, in a format specified by the commission, specifying the
8.15 number of utility heating service customers whose service is disconnected or remains
8.16 disconnected for nonpayment as of September 15 and October 1 ~~and October 15~~. If customers
8.17 remain disconnected on ~~October 15~~ 1, a utility must file a report each week between
8.18 ~~November 1~~ October 15 and the end of the cold weather period specifying:

8.19 (1) the number of utility heating service customers that are or remain disconnected from
8.20 service for nonpayment; and

8.21 (2) the number of utility heating service customers that are reconnected to service each
8.22 week. The utility may discontinue weekly reporting if the number of utility heating service
8.23 customers that are or remain disconnected reaches zero before the end of the cold weather
8.24 period.

8.25 The data reported under this subdivision are presumed to be accurate upon submission
8.26 and must be made available through the commission's electronic filing system.

8.27 Sec. 6. Minnesota Statutes 2020, section 216B.24, is amended by adding a subdivision to
8.28 read:

8.29 Subd. 1a. **Wind or solar electric generating facilities.** Any person proposing
8.30 construction of a major utility facility that is a wind or solar electric generating facility
8.31 designed for or capable of operation at a capacity of 50 megawatts or more must, in addition
8.32 to any approvals required under this chapter, obtain approval from the governing board of

9.1 and pursuant to the land use ordinance of the county in which the proposed wind or solar
 9.2 electric generating facility will be located.

9.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.4 Sec. 7. Minnesota Statutes 2020, section 216B.243, subdivision 3b, is amended to read:

9.5 Subd. 3b. ~~Nuclear power plant; new construction prohibited; relicensing~~ Additional
 9.6 storage of spent nuclear fuel. (a) ~~The commission may not issue a certificate of need for~~
 9.7 ~~the construction of a new nuclear-powered electric generating plant.~~

9.8 (b) Any certificate of need for additional storage of spent nuclear fuel for a facility
 9.9 seeking a license extension shall address the impacts of continued operations over the period
 9.10 for which approval is sought.

9.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.12 Sec. 8. [216B.491] DEFINITIONS.

9.13 Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms
 9.14 defined in this subdivision have the meanings given.

9.15 Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy,
 9.16 letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity
 9.17 or credit support arrangement, or other financial arrangement entered into in connection
 9.18 with extraordinary event bonds that is designed to promote the credit quality and
 9.19 marketability of extraordinary event bonds or to mitigate the risk of an increase in interest
 9.20 rates.

9.21 Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary
 9.22 event property is sold, assigned, transferred, or conveyed, other than as security, and any
 9.23 successor to or subsequent assignee of the person.

9.24 Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event
 9.25 bonds.

9.26 Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a
 9.27 natural gas utility for consumption of natural gas in Minnesota.

9.28 Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from
 9.29 unforeseen circumstances and of sufficient magnitude, as determined by the commission:

9.30 (1) to impose significant costs on customers; and

10.1 (2) for which the issuance of extraordinary event bonds in response to the event meets
10.2 the conditions of section 216B.492, subdivision 2, as determined by the commission.

10.3 (b) Extraordinary event includes but is not limited to a storm event or other natural
10.4 disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a
10.5 temporary significant increase in the wholesale price of natural gas.

10.6 Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity
10.7 undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide
10.8 natural gas service following one or more extraordinary events, including but not limited
10.9 to activities related to mobilization, staging, construction, reconstruction, replacement, or
10.10 repair of natural gas transmission, distribution, storage, or general facilities.

10.11 Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means low-cost
10.12 corporate securities, including but not limited to senior secured bonds, debentures, notes,
10.13 certificates of participation, certificates of beneficial interest, certificates of ownership, or
10.14 other evidences of indebtedness or ownership that have a scheduled maturity of no longer
10.15 than 30 years and a final legal maturity date that is not later than 32 years from the issue
10.16 date, that are rated AA or Aa2 or better by a major independent credit rating agency at the
10.17 time of issuance, and that are issued by a utility or an assignee under a financing order.

10.18 Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a
10.19 nonbypassable charge that:

10.20 (1) is imposed on all customer bills by a utility that is the subject of a financing order
10.21 or the utility's successors or assignees;

10.22 (2) is separate from the utility's base rates; and

10.23 (3) provides a source of revenue solely to repay, finance, or refinance extraordinary
10.24 event costs.

10.25 Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":

10.26 (1) means all incremental costs of extraordinary event activities that are approved by
10.27 the commission in a financing order issued under section 216B.492 as being:

10.28 (i) necessary to enable the utility to restore or maintain natural gas service to customers
10.29 after the utility experiences an extraordinary event; and

10.30 (ii) prudent and reasonable;

10.31 (2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary
10.32 event activities;

11.1 (3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts
 11.2 intended to reimburse the utility for extraordinary event activities, including government
 11.3 grants or aid of any kind;

11.4 (4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by
 11.5 a government agency or court under a federal or state environmental statute, rule, or
 11.6 regulation; and

11.7 (5) must be adjusted to reflect:

11.8 (i) the difference, as determined by the commission, between extraordinary event costs
 11.9 that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

11.10 (ii) a more fair or reasonable allocation of extraordinary event costs to customers over
 11.11 time, as expressed in a commission order.

11.12 **Subd. 11. Extraordinary event property.** "Extraordinary event property" means:

11.13 (1) all rights and interests of a utility or the utility's successor or assignee under a
 11.14 financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments
 11.15 to extraordinary event charges authorized under a financing order issued by the commission;
 11.16 and

11.17 (2) all revenue, collections, claims, rights to payments, payments, money, or proceeds
 11.18 arising from the rights and interests specified in clause (1), regardless of whether any are
 11.19 commingled with other revenue, collections, rights to payment, payments, money, or
 11.20 proceeds.

11.21 **Subd. 12. Extraordinary event revenue.** "Extraordinary event revenue" means revenue,
 11.22 receipts, collections, payments, money, claims, or other proceeds arising from extraordinary
 11.23 event property.

11.24 **Subd. 13. Financing costs.** "Financing costs" means:

11.25 (1) principal, interest, and redemption premiums that are payable on extraordinary event
 11.26 bonds;

11.27 (2) payments required under an ancillary agreement and amounts required to fund or
 11.28 replenish a reserve account or other accounts established under the terms of any indenture,
 11.29 ancillary agreement, or other financing document pertaining to the bonds;

11.30 (3) other demonstrable costs related to issuing, supporting, repaying, refunding, and
 11.31 servicing the bonds, including but not limited to servicing fees, accounting and auditing
 11.32 fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees,

12.1 placement and underwriting fees, capitalized interest, rating agency fees, stock exchange
12.2 listing and compliance fees, security registration fees, filing fees, information technology
12.3 programming costs, and any other demonstrable costs necessary to otherwise ensure and
12.4 guarantee the timely payment of the bonds or other amounts or charges payable in connection
12.5 with the bonds;

12.6 (4) taxes and license fees imposed on the revenue generated from collecting an
12.7 extraordinary event charge;

12.8 (5) state and local taxes, including franchise, sales and use, and other taxes or similar
12.9 charges, including but not limited to regulatory assessment fees, whether paid, payable, or
12.10 accrued; and

12.11 (6) costs incurred by the commission to hire and compensate additional temporary staff
12.12 needed to perform the commission's responsibilities under this section and, in accordance
12.13 with section 216B.494, to engage specialized counsel and expert consultants experienced
12.14 in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

12.15 Subd. 14. **Financing order.** "Financing order" means an order issued by the commission
12.16 under section 216B.492 that authorizes an applicant to:

12.17 (1) issue extraordinary event bonds in one or more series;

12.18 (2) impose, charge, and collect extraordinary event charges; and

12.19 (3) create extraordinary event property.

12.20 Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event
12.21 bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other
12.22 person acting for the benefit of extraordinary event bondholders.

12.23 Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines,
12.24 including distribution lines, underground storage areas, liquefied natural gas facilities,
12.25 propane storage tanks, and other facilities the commission determines are used and useful
12.26 to provide natural gas service to retail and transportation customers in Minnesota.

12.27 Subd. 17. **Nonbypassable.** "Nonbypassable" means that the payment of an extraordinary
12.28 event charge required to repay bonds and related costs may not be avoided by any retail
12.29 customer located within a utility service area.

12.30 Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved
12.31 by the commission, including but not limited to:

13.1 (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed
 13.2 by a storm event;

13.3 (2) costs to decommission and restore the site of a natural gas facility damaged or
 13.4 destroyed by an extraordinary event;

13.5 (3) other applicable capital and operating costs, accrued carrying charges, deferred
 13.6 expenses, reductions for applicable insurance, and salvage proceeds; and

13.7 (4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing
 13.8 debt agreements, or for waivers or consents related to existing debt agreements.

13.9 Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm,
 13.10 flood, earthquake, or other significant weather or natural disaster that causes substantial
 13.11 damage to a utility's infrastructure.

13.12 Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law
 13.13 to the rights and obligations of another legal entity as a result of bankruptcy, reorganization,
 13.14 restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or
 13.15 transfer of assets.

13.16 Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02,
 13.17 subdivision 4, that provides natural gas service to Minnesota customers. Utility includes
 13.18 the utility's successors or assignees.

13.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.20 Sec. 9. **[216B.492] FINANCING ORDER.**

13.21 Subdivision 1. **Application.** (a) A utility may file an application with the commission
 13.22 for the issuance of a financing order to enable the utility to recover extraordinary event costs
 13.23 through the issuance of extraordinary event bonds under this section.

13.24 (b) The application must include the following information, as applicable:

13.25 (1) a description of each natural gas facility to be repaired or replaced;

13.26 (2) the undepreciated value remaining in the natural gas facility whose repair or
 13.27 replacement is proposed to be financed through the issuance of bonds under sections
 13.28 216B.491 to 216B.499, and the method used to calculate the amount;

13.29 (3) the estimated amount of costs imposed on customers resulting from an extraordinary
 13.30 event that involves no physical damage to natural gas facilities;

14.1 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if
14.2 the financing order is issued as requested in the application, calculated by comparing the
14.3 costs to customers that are expected to result from implementing the financing order and
14.4 the estimated costs associated with implementing traditional utility financing mechanisms
14.5 with respect to the same undepreciated balance, expressed in net present value terms;

14.6 (5) a description of (i) the nonbypassable extraordinary event charge utility customers
14.7 would be required to pay in order to fully recover financing costs, and (ii) the method and
14.8 assumptions used to calculate the amount;

14.9 (6) a proposed methodology to allocate the revenue requirement for the extraordinary
14.10 event charge among the utility's customer classes;

14.11 (7) a description of a proposed adjustment mechanism to be implemented when necessary
14.12 to correct any overcollection or undercollection of extraordinary event charges, in order to
14.13 complete payment of scheduled principal and interest on extraordinary event bonds and
14.14 other financing costs in a timely fashion;

14.15 (8) a memorandum with supporting exhibits, from a securities firm that is experienced
14.16 in the marketing of bonds and that is approved by the commissioner of management and
14.17 budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher
14.18 rating or equivalent rating criteria of at least one nationally recognized securities rating
14.19 organization for issuances similar to the proposed extraordinary event bonds;

14.20 (9) an estimate of the timing of the issuance and the term of the extraordinary event
14.21 bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance
14.22 does not exceed 30 years;

14.23 (10) identification of plans to sell, assign, transfer, or convey, other than as a security,
14.24 interest in extraordinary event property, including identification of an assignee, and
14.25 demonstration that the assignee is a financing entity wholly owned, directly or indirectly,
14.26 by the utility;

14.27 (11) identification of ancillary agreements that may be necessary or appropriate;

14.28 (12) one or more alternative financing scenarios in addition to the preferred scenario
14.29 contained in the application;

14.30 (13) the extent of damage to the utility's infrastructure caused by an extraordinary event
14.31 and the estimated costs to repair or replace the damaged infrastructure;

14.32 (14) a schedule of the proposed repairs to and replacement of damaged infrastructure;

15.1 (15) a description of the steps taken to provide customers interim natural gas service
15.2 while the damaged infrastructure is being repaired or replaced; and

15.3 (16) a description of the impacts on the utility's current workforce resulting from
15.4 implementing an infrastructure repair or replacement plan following an extraordinary event.

15.5 Subd. 2. **Findings.** After providing notice and holding a public hearing on an application
15.6 filed under subdivision 1, the commission may issue a financing order if the commission
15.7 finds that:

15.8 (1) the extraordinary event costs described in the application are reasonable;

15.9 (2) the proposed issuance of extraordinary event bonds and the imposition and collection
15.10 of extraordinary event charges:

15.11 (i) are just and reasonable;

15.12 (ii) are consistent with the public interest;

15.13 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event
15.14 costs; and

15.15 (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that
15.16 would have been achieved absent the issuance of extraordinary event bonds; and

15.17 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:

15.18 (i) significantly lower overall costs to customers or significantly mitigate rate impacts
15.19 to customers relative to traditional methods of financing; and

15.20 (ii) achieve significant customer savings or significant mitigation of rate impacts to
15.21 customers, as determined by the commission in a financing order, consistent with market
15.22 conditions at the time of sale and the terms of the financing order.

15.23 Subd. 3. **Contents.** (a) A financing order issued under this section must:

15.24 (1) determine the maximum amount of extraordinary event costs that may be financed
15.25 from proceeds of extraordinary event bonds issued pursuant to the financing order;

15.26 (2) describe the proposed customer billing mechanism for extraordinary event charges
15.27 and include a finding that the mechanism is just and reasonable;

15.28 (3) describe the financing costs that may be recovered through extraordinary event
15.29 charges and the period over which the costs may be recovered, which must end no earlier
15.30 than the date of final legal maturity of the extraordinary event bonds;

16.1 (4) describe the extraordinary event property that is created and that may be used to pay,
16.2 and secure the payment of, the extraordinary event bonds and financing costs authorized in
16.3 the financing order;

16.4 (5) authorize the utility to finance extraordinary event costs through the issuance of one
16.5 or more series of extraordinary event bonds. A utility is not required to secure a separate
16.6 financing order for each issuance of extraordinary event bonds or for each scheduled phase
16.7 of the replacement of natural gas facilities approved in the financing order;

16.8 (6) include a formula-based mechanism that must be used to make expeditious periodic
16.9 adjustments to the extraordinary event charge authorized by the financing order that are
16.10 necessary to correct for any overcollection or undercollection, or to otherwise guarantee
16.11 the timely payment of extraordinary event bonds, financing costs, and other required amounts
16.12 and charges payable in connection with extraordinary event bonds;

16.13 (7) specify the degree of flexibility afforded to the utility in establishing the terms and
16.14 conditions of the extraordinary event bonds, including but not limited to repayment schedules,
16.15 expected interest rates, and other financing costs;

16.16 (8) specify that the extraordinary event bonds must be issued as soon as feasible following
16.17 issuance of the financing order;

16.18 (9) require the utility, at the same time as extraordinary event charges are initially
16.19 collected and independent of the schedule to close and decommission any natural gas facility
16.20 replaced as the result of an extraordinary event, to remove the natural gas facility from the
16.21 utility's rate base and commensurately reduce the utility's base rates;

16.22 (10) specify a future ratemaking process to reconcile any difference between the projected
16.23 pretax costs included in the amount financed by extraordinary event bonds and the final
16.24 actual pretax costs incurred by the utility to retire or replace the natural gas facility;

16.25 (11) specify information regarding bond issuance and repayments, financing costs,
16.26 energy transaction charges, extraordinary event property, and related matters that the natural
16.27 gas utility is required to provide to the commission on a schedule determined by the
16.28 commission;

16.29 (12) allow and may require the creation of a utility's extraordinary event property to be
16.30 conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary
16.31 event property to an assignee and the pledge of the extraordinary event property to secure
16.32 the extraordinary event bonds;

17.1 (13) ensure that the structuring, marketing, and pricing of extraordinary event bonds
 17.2 result in reasonable securitization bond charges and significant customer savings or rate
 17.3 impact mitigation, consistent with market conditions and the terms of the financing order;
 17.4 and

17.5 (14) specify that a utility financing the replacement of one or more natural gas facilities
 17.6 after the natural gas facilities subject to the finance order are removed from the utility's rate
 17.7 base is prohibited from:

17.8 (i) operating the natural gas facilities; or

17.9 (ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

17.10 (b) A financing order issued under this section may:

17.11 (1) include conditions different from those requested in the application that the
 17.12 commission determines are necessary to:

17.13 (i) promote the public interest; and

17.14 (ii) maximize the financial benefits or minimize the financial risks of the transaction to
 17.15 customers and to directly impacted Minnesota workers and communities; and

17.16 (2) specify the selection of one or more underwriters of the extraordinary event bonds.

17.17 Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains
 17.18 in effect until the extraordinary event bonds issued under the financing order and all financing
 17.19 costs related to the bonds have been paid in full.

17.20 (b) A financing order remains in effect and unabated notwithstanding the bankruptcy,
 17.21 reorganization, or insolvency of the utility to which the financing order applies or any
 17.22 affiliate, successor, or assignee of the utility to which the financing order applies.

17.23 (c) Subject to judicial review under section 216B.52, a financing order is irrevocable
 17.24 and is not reviewable by a future commission. The commission may not reduce, impair,
 17.25 postpone, or terminate extraordinary event charges approved in a financing order, or impair
 17.26 extraordinary event property or the collection or recovery of extraordinary event revenue.

17.27 (d) Notwithstanding paragraph (c), the commission may, on the commission's own
 17.28 motion or at the request of a utility or any other person, commence a proceeding and issue
 17.29 a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary
 17.30 event bonds issued under the original financing order if:

17.31 (1) the commission makes all of the findings specified in subdivision 2 with respect to
 17.32 the subsequent financing order; and

18.1 (2) the modification contained in the subsequent financing order does not in any way
18.2 impair the covenants and terms of the extraordinary event bonds being refinanced, retired,
18.3 or refunded.

18.4 Subd. 5. Effect on commission jurisdiction. (a) Except as provided in paragraph (b),
18.5 the commission, in exercising the powers and carrying out the duties under this section, is
18.6 prohibited from:

18.7 (1) considering extraordinary event bonds issued under this section to be debt of the
18.8 utility other than for income tax purposes, unless it is necessary to consider the extraordinary
18.9 event bonds to be debt in order to achieve consistency with prevailing utility debt rating
18.10 methodologies;

18.11 (2) considering the extraordinary event charges paid under the financing order to be
18.12 revenue of the utility;

18.13 (3) considering the extraordinary event or financing costs specified in the financing
18.14 order to be the regulated costs or assets of the utility; or

18.15 (4) determining that any prudent action taken by a utility that is consistent with the
18.16 financing order is unjust or unreasonable.

18.17 (b) Nothing in this subdivision:

18.18 (1) affects the authority of the commission to apply or modify any billing mechanism
18.19 designed to recover extraordinary event charges;

18.20 (2) prevents or precludes the commission from (i) investigating a utility's compliance
18.21 with the terms and conditions of a financing order, and (ii) requiring compliance with the
18.22 financing order; or

18.23 (3) prevents or precludes the commission from imposing regulatory sanctions against a
18.24 utility for failure to comply with the terms and conditions of a financing order or the
18.25 requirements of this section.

18.26 (c) The commission is prohibited from refusing to allow a utility to recover any costs
18.27 associated with the replacement of natural gas facilities solely because the utility has elected
18.28 to finance the natural gas facility replacement through a financing mechanism other than
18.29 extraordinary event bonds.

18.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.1 Sec. 10. **[216B.493] POSTORDER COMMISSION DUTIES.**

19.2 Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary
19.3 event bonds are issued, a utility subject to a financing order must file with the commission
19.4 the actual initial and ongoing financing costs, the final structure and pricing of the
19.5 extraordinary event bonds, and the actual extraordinary event charge. The commission must
19.6 review the prudence of the natural gas utility's actions to determine whether the actual
19.7 financing costs were the lowest that could reasonably be achieved given the terms of the
19.8 financing order and market conditions prevailing at the time of the bond's issuance.

19.9 Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this
19.10 section are not prudent or are inconsistent with the financing order, the commission may
19.11 apply any remedies available, provided that any remedy applied may not directly or indirectly
19.12 impair the security for the extraordinary event bonds.

19.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.14 Sec. 11. **[216B.494] USE OF OUTSIDE EXPERTS.**

19.15 (a) In carrying out the duties under this section, the commission may:

19.16 (1) contract with outside consultants and counsel experienced in securitized utility
19.17 customer-backed bond financing similar to extraordinary event bonds; and

19.18 (2) hire and compensate additional temporary staff as needed.

19.19 Expenses incurred by the commission under this paragraph must be treated as financing
19.20 costs and included in the extraordinary event charge. The costs incurred under clause (1)
19.21 are not an obligation of the state and are assigned solely to the transaction.

19.22 (b) A utility presented with a written request from the commission for reimbursement
19.23 of the commission's expenses incurred under paragraph (a), accompanied by a detailed
19.24 account of those expenses, must remit full payment of the expenses to the commission
19.25 within 30 days of receiving the request.

19.26 (c) If a utility's application for a financing order is denied or withdrawn for any reason
19.27 and extraordinary event bonds are not issued, the commission's costs to retain expert
19.28 consultants under this section must be paid by the applicant utility and are deemed to be
19.29 prudent deferred expenses eligible for recovery in the utility's future rates.

19.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.1 Sec. 12. [216B.495] EXTRAORDINARY EVENT CHARGE; BILLING
20.2 TREATMENT.

20.3 (a) A utility that obtains a financing order and causes extraordinary event bonds to be
20.4 issued must:

20.5 (1) include on each customer's monthly natural gas bill:

20.6 (i) a statement that a portion of the charges represents extraordinary event charges
20.7 approved in a financing order;

20.8 (ii) the amount and rate of the extraordinary event charge as a separate line item titled
20.9 "extraordinary event charge"; and

20.10 (iii) if extraordinary event property has been transferred to an assignee, a statement that
20.11 the assignee is the owner of the rights to extraordinary event charges and that the utility or
20.12 other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

20.13 (2) file annually with the commission:

20.14 (i) a calculation of the impact of financing the retirement or replacement of natural gas
20.15 facilities on customer rates, itemized by customer class; and

20.16 (ii) evidence demonstrating that extraordinary event revenues are applied solely to the
20.17 repayment of extraordinary event bonds and other financing costs.

20.18 (b) Extraordinary event charges are nonbypassable and must be paid by all existing and
20.19 future customers receiving service from the utility or the utility's successors or assignees
20.20 under commission-approved rate schedules or special contracts.

20.21 (c) A utility's failure to comply with this section does not invalidate, impair, or affect
20.22 any financing order, extraordinary event property, extraordinary event charge, or
20.23 extraordinary event bonds, but does subject the utility to penalties under applicable
20.24 commission rules.

20.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.26 Sec. 13. [216B.496] EXTRAORDINARY EVENT PROPERTY.

20.27 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property
20.28 right or interest in a property right, even though the imposition and collection of extraordinary
20.29 event charges depend on the utility collecting extraordinary event charges and on future
20.30 natural gas consumption. The property right or interest exists regardless of whether the

21.1 revenues or proceeds arising from the extraordinary event property have been billed, have
21.2 accrued, or have been collected.

21.3 (b) Extraordinary event property exists until all extraordinary event bonds issued under
21.4 a financing order are paid in full and all financing costs and other costs of the extraordinary
21.5 event bonds have been recovered in full.

21.6 (c) All or any portion of extraordinary event property described in a financing order
21.7 issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee
21.8 that is wholly owned, directly or indirectly, by the utility and is created for the limited
21.9 purpose of acquiring, owning, or administering extraordinary event property or issuing
21.10 extraordinary event bonds authorized by the financing order. All or any portion of
21.11 extraordinary event property may be pledged to secure extraordinary event bonds issued
21.12 under a financing order, amounts payable to financing parties and to counterparties under
21.13 any ancillary agreements, and other financing costs. Each transfer, sale, conveyance,
21.14 assignment, or pledge by a utility or an affiliate of extraordinary event property is a
21.15 transaction in the ordinary course of business.

21.16 (d) If a utility defaults on any required payment of charges arising from extraordinary
21.17 event property described in a financing order, a court, upon petition by an interested party
21.18 and without limiting any other remedies available to the petitioner, must order the
21.19 sequestration and payment of the revenues arising from the extraordinary event property to
21.20 the financing parties.

21.21 (e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary
21.22 event property specified in a financing order issued to a utility, and in the revenue and
21.23 collections arising from the property, is not subject to setoff, counterclaim, surcharge, or
21.24 defense by the utility or any other person, or in connection with the reorganization,
21.25 bankruptcy, or other insolvency of the utility or any other entity.

21.26 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other
21.27 insolvency proceeding; merger or acquisition; sale; other business combination; transfer by
21.28 operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations
21.29 of, and has the same duties and rights under, a financing order as the utility to which the
21.30 financing order applies. A successor to a utility must perform the duties and exercise the
21.31 rights in the same manner and to the same extent as the utility, including collecting and
21.32 paying to any person entitled to receive revenues, collections, payments, or proceeds of
21.33 extraordinary event property.

22.1 Subd. 2. Security interests in extraordinary event property. (a) The creation,
22.2 perfection, and enforcement of any security interest in extraordinary event property to secure
22.3 the repayment of the principal and interest on extraordinary event bonds, amounts payable
22.4 under any ancillary agreement, and other financing costs are governed solely by this section.

22.5 (b) A security interest in extraordinary event property is created, valid, and binding
22.6 when:

22.7 (1) the financing order that describes the extraordinary event property is issued;

22.8 (2) a security agreement is executed and delivered; and

22.9 (3) value is received for the extraordinary event bonds.

22.10 (c) Once a security interest in extraordinary event property is created, the security interest
22.11 attaches without any physical delivery of collateral or any other act. The lien of the security
22.12 interest is valid, binding, and perfected against all parties having claims of any kind in tort,
22.13 contract, or otherwise against the person granting the security interest, regardless of whether
22.14 the parties have notice of the lien, upon the filing of a financing statement with the secretary
22.15 of state.

22.16 (d) The description or indication of extraordinary event property in a transfer or security
22.17 agreement and a financing statement is sufficient only if the description or indication refers
22.18 to this section and the financing order creating the extraordinary event property.

22.19 (e) A security interest in extraordinary event property is a continuously perfected security
22.20 interest and has priority over any other lien, created by operation of law or otherwise, which
22.21 may subsequently attach to the extraordinary event property unless the holder of the security
22.22 interest has agreed otherwise in writing.

22.23 (f) The priority of a security interest in extraordinary event property is not affected by
22.24 the commingling of extraordinary event property or extraordinary event revenue with other
22.25 money. An assignee, bondholder, or financing party has a perfected security interest in the
22.26 amount of all extraordinary event property or extraordinary event revenue that is pledged
22.27 to pay extraordinary event bonds, even if the extraordinary event property or extraordinary
22.28 event revenue is deposited in a cash or deposit account of the utility in which the
22.29 extraordinary event revenue is commingled with other money. Any other security interest
22.30 that applies to the other money does not apply to the extraordinary event revenue.

22.31 (g) Neither a subsequent commission order amending a financing order under section
22.32 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a

23.1 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or
23.2 priority of a security interest in or transfer of extraordinary event property.

23.3 (h) A valid and enforceable security interest in extraordinary event property is perfected
23.4 only when the security interest has attached and when a financing order has been filed with
23.5 the secretary of state in accordance with procedures established by the secretary of state.
23.6 The financing order must name the pledgor of the extraordinary event property as debtor
23.7 and identify the property.

23.8 **Subd. 3. Sales of extraordinary event property.** (a) A sale, assignment, or transfer of
23.9 extraordinary event property is an absolute transfer and true sale of, and not a pledge of or
23.10 secured transaction relating to, the seller's right, title, and interest in, to, and under the
23.11 extraordinary event property if the documents governing the transaction expressly state that
23.12 the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary
23.13 event property may be created when:

23.14 (1) the financing order creating and describing the extraordinary event property is
23.15 effective;

23.16 (2) the documents evidencing the transfer of the extraordinary event property are executed
23.17 and delivered to the assignee; and

23.18 (3) value is received.

23.19 (b) A transfer of an interest in extraordinary event property must be filed with the
23.20 secretary of state against all third persons and perfected under sections 336.3-301 to
23.21 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or
23.22 creditors of the seller, other than creditors holding a prior security interest, ownership
23.23 interest, or assignment in the extraordinary event property previously perfected under this
23.24 subdivision or subdivision 2.

23.25 (c) The characterization of a sale, assignment, or transfer as an absolute transfer and
23.26 true sale, and the corresponding characterization of the property interest of the assignee, is
23.27 not affected or impaired by:

23.28 (1) commingling of extraordinary event revenue with other money;

23.29 (2) the retention by the seller of:

23.30 (i) a partial or residual interest, including an equity interest, in the extraordinary event
23.31 property, whether direct or indirect, or whether subordinate or otherwise; or

24.1 (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed
 24.2 on the collection of extraordinary event revenue;

24.3 (3) any recourse that the purchaser may have against the seller;

24.4 (4) any indemnification rights, obligations, or repurchase rights made or provided by
 24.5 the seller;

24.6 (5) an obligation of the seller to collect extraordinary event revenues on behalf of an
 24.7 assignee;

24.8 (6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other
 24.9 purposes;

24.10 (7) any subsequent financing order amending a financing order under section 216B.492,
 24.11 subdivision 4, paragraph (d); or

24.12 (8) any application of an adjustment mechanism under section 216B.492, subdivision
 24.13 3, paragraph (a), clause (6).

24.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

24.15 Sec. 14. **[216B.497] EXTRAORDINARY EVENT BONDS.**

24.16 (a) Banks, trust companies, savings and loan associations, insurance companies, executors,
 24.17 administrators, guardians, trustees, and other fiduciaries may legally invest any money
 24.18 within the individual's or entity's control in extraordinary event bonds.

24.19 (b) Extraordinary event bonds issued under a financing order are not debt of or a pledge
 24.20 of the faith and credit or taxing power of the state, any agency of the state, or any political
 24.21 subdivision. Holders of extraordinary event bonds may not have taxes levied by the state
 24.22 or a political subdivision in order to pay the principal or interest on extraordinary event
 24.23 bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently
 24.24 obligate the state or a political subdivision to levy any tax or make any appropriation to pay
 24.25 principal or interest on the extraordinary event bonds.

24.26 (c) The state pledges to and agrees with holders of extraordinary event bonds, any
 24.27 assignee, and any financing parties that the state will not:

24.28 (1) take or permit any action that impairs the value of extraordinary event property; or

24.29 (2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and
 24.30 remitted for the benefit of holders of extraordinary event bonds, any assignee, and any
 24.31 financing parties until any principal, interest, and redemption premium payable on

25.1 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or
 25.2 financing party under an ancillary agreement are paid in full.

25.3 (d) A person who issues extraordinary event bonds may include the pledge specified in
 25.4 paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation
 25.5 related to the issuance and marketing of the extraordinary event bonds.

25.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.7 Sec. 15. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO**
 25.8 **COMMISSION REGULATION.**

25.9 An assignee or financing party that is not already regulated by the commission does not
 25.10 become subject to commission regulation solely as a result of engaging in any transaction
 25.11 authorized by or described in sections 216B.491 to 216B.499.

25.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.13 Sec. 16. **[216B.499] EFFECT ON OTHER LAWS.**

25.14 (a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law
 25.15 regarding the attachment, assignment, perfection, effect of perfection, or priority of any
 25.16 security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499
 25.17 govern.

25.18 (b) Nothing in this section precludes a utility for which the commission has initially
 25.19 issued a financing order from applying to the commission for:

25.20 (1) a subsequent financing order amending the financing order under section 216B.492,
 25.21 subdivision 4, paragraph (d); or

25.22 (2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding
 25.23 series of extraordinary event bonds.

25.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.25 Sec. 17. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

25.26 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,
 25.27 lease, or rent any plant as an operating unit or system in this state for a total consideration
 25.28 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or
 25.29 transmission company operating in this state, without first being authorized so to do by the
 25.30 commission. Upon the filing of an application for the approval and consent of the

26.1 commission, the commission shall investigate, with or without public hearing. The
 26.2 commission shall hold a public hearing, upon such notice as the commission may require.
 26.3 If the commission finds that the proposed action is consistent with the public interest, it
 26.4 shall give its consent and approval by order in writing. In reaching its determination, the
 26.5 commission shall take into consideration the reasonable value of the property, plant, or
 26.6 securities to be acquired or disposed of, or merged and consolidated.

26.7 This section does not apply to the purchase of property to replace or add to the plant of
 26.8 the public utility by construction.

26.9 Sec. 18. Minnesota Statutes 2021 Supplement, section 216C.376, subdivision 5, is amended
 26.10 to read:

26.11 Subd. 5. **Program funding.** (a) In 2022, the public utility subject to section 116C.779
 26.12 must withhold \$8,000,000 from the transfer made under section 116C.779, subdivision 1,
 26.13 paragraph (e), to pay for assistance provided by the program under this section. In 2024,
 26.14 the amount that must be withheld is \$8,000,000. The money withheld under this paragraph
 26.15 must be used to pay for financial assistance awarded under this section and the costs to
 26.16 administer this section. Any money that remains unexpended ~~on June 30, 2027,~~ five years
 26.17 after the money is withheld cancels to the renewable development account.

26.18 (b) The renewable energy credits associated with the electricity generated by a solar
 26.19 energy system installed under this section are the property of the public utility that is subject
 26.20 to this section for the life of the system, regardless of the duration of the financial assistance
 26.21 provided by the public utility under this section.

26.22 Sec. 19. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

26.23 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
 26.24 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland
 26.25 that the implementing entity has determined, after review of an energy audit ~~or~~ renewable
 26.26 energy system feasibility study, or agronomic assessment, can be benefited by benefit from
 26.27 the installation of cost-effective energy improvements or land and water improvements, as
 26.28 defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes
 26.29 new construction.

27.1 Sec. 20. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision
27.2 to read:

27.3 Subd. 1b. **Definition.** For the purposes of this section, "land and water improvements"
27.4 means:

27.5 (1) any improvement to qualifying farmland, as defined in section 273.13, subdivision
27.6 23, that is permanent in nature, results in improved agricultural productivity or resiliency,
27.7 and reduces environmental impact; or

27.8 (2) water conservation measures, which includes permanently affixed equipment,
27.9 appliances, or improvements that reduce a property's water consumption or that enable the
27.10 property to manage water more efficiently.

27.11 Sec. 21. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

27.12 **Subd. 2. Program requirements.** A commercial PACE loan program must:

27.13 (1) impose requirements and conditions on financing arrangements to ensure timely
27.14 repayment;

27.15 (2) require an energy audit or renewable energy system feasibility study to be conducted
27.16 on the qualifying commercial real property and reviewed by the implementing entity prior
27.17 to approval of the financing;

27.18 (3) require the inspection of all installations and a performance verification of at least
27.19 ten percent of the cost-effective energy improvements or land and water improvements
27.20 financed by the program;

27.21 (4) not prohibit the financing of all cost-effective energy improvements or land and
27.22 water improvements not otherwise prohibited by this section;

27.23 (5) require that all cost-effective energy improvements or land and water improvements
27.24 be made to a qualifying commercial real property prior to, or in conjunction with, an
27.25 applicant's repayment of financing for cost-effective energy improvements for that property;

27.26 (6) have cost-effective energy improvements or land and water improvements financed
27.27 by the program performed by a licensed contractor as required by chapter 326B or other
27.28 law or ordinance;

27.29 (7) require disclosures to borrowers by the implementing entity of the risks involved in
27.30 borrowing, including the risk of foreclosure if a tax delinquency results from a default;

27.31 (8) provide financing only to those who demonstrate an ability to repay;

28.1 (9) not provide financing for a qualifying commercial real property in which the owner
 28.2 is not current on mortgage or real property tax payments;

28.3 (10) require a petition to the implementing entity by all owners of the qualifying
 28.4 commercial real property requesting collections of repayments as a special assessment under
 28.5 section 429.101;

28.6 (11) provide that payments and assessments are not accelerated due to a default and that
 28.7 a tax delinquency exists only for assessments not paid when due; ~~and~~

28.8 (12) require that liability for special assessments related to the financing runs with the
 28.9 qualifying commercial real property; and

28.10 (13) prior to financing any improvements to or imposing any assessment upon qualifying
 28.11 commercial real property, require notice to and written consent from the mortgage lender
 28.12 of any mortgage encumbering or otherwise secured by the qualifying commercial real
 28.13 property.

28.14 Sec. 22. **[216H.022] CARBON CAPTURE AND SEQUESTRATION; STATE**
 28.15 **POLICY.**

28.16 It is the policy of the state to support the development and deployment of carbon capture
 28.17 and sequestration technologies in Minnesota as a method of reducing greenhouse gas
 28.18 emissions in order to achieve the state greenhouse gas emission-reduction goals established
 28.19 under section 216H.02, subdivision 1.

28.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

28.21 Sec. 23. Minnesota Statutes 2020, section 237.55, is amended to read:

28.22 **237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.**

28.23 The commissioner of commerce must prepare a report for presentation to the Public
 28.24 Utilities Commission by ~~January~~ March 31 of each year. Each report must review the
 28.25 accessibility of telecommunications services to persons who have communication disabilities,
 28.26 describe services provided, account for annual revenues and expenditures for each aspect
 28.27 of the fund to date, and include predicted program future operation.

28.28 Sec. 24. **[465.485] BAN ON NATURAL GAS AND PROPANE HOOKUPS;**
 28.29 **PROHIBITION.**

28.30 A political subdivision is prohibited from adopting an ordinance, resolution, code, policy,
 28.31 or permit requirement that prohibits or has the effect of preventing a utility from (1)

29.1 connecting or reconnecting natural gas or propane to any building, or (2) supplying natural
 29.2 gas or propane to any building or utility customer.

29.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

29.4 Sec. 25. Laws 2020, chapter 118, section 5, subdivision 1, is amended to read:

29.5 Subdivision 1. **Community energy transition grants.** (a) Notwithstanding Minnesota
 29.6 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2021 is
 29.7 appropriated from the renewable development account established in Minnesota Statutes,
 29.8 section 116C.779, subdivision 1, to the commissioner of employment and economic
 29.9 development for deposit in the community energy transition account established in Minnesota
 29.10 Statutes, section 116J.55, subdivision 3. This is a onetime appropriation and is available
 29.11 until June 30, ~~2022~~ 2025.

29.12 (b) If another bill is enacted during the 2020 regular legislative session that appropriates
 29.13 money from the renewable development account established in Minnesota Statutes, section
 29.14 116C.779, subdivision 1, for the same general purpose as provided under Minnesota Statutes,
 29.15 section 116J.55, the appropriation under this subdivision cancels to the renewable
 29.16 development account under Minnesota Statutes, section 116C.779, subdivision 1.

29.17 Sec. 26. Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 1, is
 29.18 amended to read:

| | | | | | |
|-------|---|----|------------------|----|------------------|
| 29.19 | | | 4,825,000 | | 1,800,000 |
| 29.20 | Subdivision 1. Total Appropriation | \$ | <u>4,325,000</u> | \$ | <u>1,300,000</u> |

29.21 The amounts that may be spent for each
 29.22 purpose are specified in the following
 29.23 subdivisions.

29.24 Sec. 27. **ADVANCED NUCLEAR STUDY.**

29.25 Subdivision 1. **Study required.** (a) The commissioner of commerce must conduct a
 29.26 study evaluating the potential costs, benefits, and impacts of advanced nuclear technology
 29.27 reactor power generation in Minnesota.

29.28 (b) At a minimum, the study must address the potential costs, benefits, and impacts of
 29.29 advanced nuclear technology reactor power generation on:

29.30 (1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation
 29.31 Energy Act, Laws 2007, chapter 136;

30.1 (2) system costs for ratepayers;

30.2 (3) system reliability;

30.3 (4) the environment;

30.4 (5) local jobs; and

30.5 (6) local economic development.

30.6 (c) The study must also evaluate:

30.7 (1) current Minnesota statutes and administrative rules that would require modifications
30.8 in order to enable the construction and operation of advanced nuclear reactors; and

30.9 (2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors,
30.10 while accounting for the avoided costs that result from the closure of coal-fired plants.

30.11 Subd. 2. **Report.** The commissioner of commerce must submit the results of the study
30.12 under subdivision 1 to the chairs and ranking minority members of the legislative committees
30.13 having jurisdiction over energy finance and policy no later than January 31, 2023.

30.14 **Sec. 28. DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**
30.15 **PLANT.**

30.16 As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422,
30.17 subdivision 2, but no later than December 31, 2025, the public utility that owns an electric
30.18 generation facility that is powered by coal, scheduled for retirement in 2028, and located
30.19 within the St. Croix National Scenic Riverway must provide, to the extent known, the public
30.20 utility's plan and a detailed timeline to decommission and demolish the electric generation
30.21 facility and remediate pollution at the electric generation facility site. The public utility
30.22 must also provide a copy of the plan and timeline to the governing body of the municipality
30.23 where the electric generation facility is located on the same date the plan and timeline are
30.24 submitted to the Public Utilities Commission. If a resource plan is not filed or required
30.25 before December 31, 2025, the plan and timeline must be submitted to the Public Utilities
30.26 Commission and the municipality as a separate filing by December 31, 2025.

30.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

30.28 **Sec. 29. APPROPRIATIONS.**

30.29 Subdivision 1. **Advanced nuclear study.** \$150,000 in fiscal year 2023 is appropriated
30.30 from the general fund to the commissioner of commerce to conduct an advanced nuclear
30.31 study and develop a report. This is a onetime appropriation.

31.1 Subd. 2. **Solar for schools.** \$4,150,000 in fiscal year 2023 is appropriated from the
 31.2 general fund to the commissioner of commerce to provide financial assistance to schools
 31.3 to purchase and install solar energy generating systems under Minnesota Statutes, section
 31.4 216C.375. This appropriation must be expended on schools located outside the electric
 31.5 service territory of the public utility that is subject to Minnesota Statutes, section 116C.779.
 31.6 This appropriation is available until June 30, 2028. The base amount for fiscal year 2024
 31.7 is \$5,700,000. The base amount for fiscal year 2025 is \$0.

31.8 Subd. 3. **Granite Falls hydroelectric generating facility.** Notwithstanding Minnesota
 31.9 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,290,000 is appropriated in fiscal
 31.10 year 2023 from the renewable development account established under Minnesota Statutes,
 31.11 section 116C.779, subdivision 1, to the commissioner of commerce for a grant to the city
 31.12 of Granite Falls for repair and overage costs related to the city's existing hydroelectric
 31.13 generating facility. This is a onetime appropriation. Any amount of the appropriation under
 31.14 this paragraph that remains unexpended on June 30, 2024, must be returned to the renewable
 31.15 development account.

31.16 Subd. 4. **Community energy transition grants.** \$3,500,000 in fiscal year 2023 is
 31.17 appropriated from the renewable development account to the commissioner of employment
 31.18 and economic development. This appropriation is available only for grants to eligible
 31.19 communities located within the service territory of the public utility subject to Minnesota
 31.20 Statutes, section 116C.779. This is a onetime appropriation and is available until June 30,
 31.21 2029.

31.22 Subd. 5. **National Sports Center solar array.** Notwithstanding Minnesota Statutes,
 31.23 section 116C.779, subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2023 is appropriated
 31.24 from the renewable development account to the Minnesota Amateur Sports Commission to
 31.25 install solar arrays. This appropriation may be used to install solar arrays on an ice rink and
 31.26 a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

31.27 Sec. 30. **REPEALER.**

31.28 Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85,
 31.29 article 7, section 9; and Laws 2021, First Special Session chapter 4, article 2, section 3,
 31.30 subdivision 3, are repealed.

31.31 **ARTICLE 2**

31.32 **JOBS AND ECONOMIC GROWTH APPROPRIATIONS**

31.33 **Section 1. APPROPRIATIONS.**

32.1 The sums shown in the columns under "Appropriations" are added to the appropriations
 32.2 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The
 32.3 appropriations are from the general fund, or another named fund, and are available for the
 32.4 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article
 32.5 mean that the appropriations listed under them are available for the fiscal year ending June
 32.6 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,
 32.7 2022, are effective the day following final enactment.

32.8 **APPROPRIATIONS**

32.9 **Available for the Year**

32.10 **Ending June 30**

32.11 **2022**

2023

32.12 **Sec. 2. DEPARTMENT OF LABOR AND**
 32.13 **INDUSTRY**

\$

-0- **\$**

225,000

32.14 (a) \$175,000 is to study the adequacy of
 32.15 current benefits available to disabled or injured
 32.16 police officers, firefighters, and state troopers.
 32.17 The study shall consider workers'
 32.18 compensation, disability, and pension benefits
 32.19 and the adequacy of these benefits for
 32.20 Minnesota police officers, firefighters, and
 32.21 state troopers. At least one public hearing shall
 32.22 be held. The Public Employees Retirement
 32.23 Association shall cooperate with the
 32.24 department in conducting this study. The
 32.25 department shall issue a report no later than
 32.26 January 15, 2023, to the chairs and ranking
 32.27 minority members of the standing committees
 32.28 of the house of representatives and the senate
 32.29 having jurisdiction over public safety and
 32.30 employment issues and to the chair of the
 32.31 Legislative Commission on Pensions and
 32.32 Retirement.

32.33 (b)(1) \$50,000 in fiscal year 2023 is
 32.34 appropriated from the workforce development
 32.35 fund to the commissioner of labor and industry

33.1 for a grant to Abijah's on the Backside to
 33.2 provide equine experiential mental health
 33.3 therapy to first responders suffering from
 33.4 job-related trauma and post-traumatic stress
 33.5 disorder.

33.6 (2) For purposes of this section, a "first
 33.7 responder" is a peace officer as defined in
 33.8 Minnesota Statutes, section 626.84,
 33.9 subdivision 1, paragraph (c); a full-time
 33.10 firefighter as defined in Minnesota Statutes,
 33.11 section 299N.03, subdivision 5; or a volunteer
 33.12 firefighter as defined in Minnesota Statutes,
 33.13 section 299N.03, subdivision 7.

33.14 (3) Abijah's on the Backside must report to
 33.15 the commissioner of labor and industry and
 33.16 the chairs and ranking minority members of
 33.17 the house of representatives and senate
 33.18 committees overseeing labor and industry
 33.19 policy and finance on the equine experiential
 33.20 mental health therapy provided to first
 33.21 responders under this section. The report must
 33.22 include an overview of the program's budget,
 33.23 a detailed explanation of program
 33.24 expenditures, the number of first responders
 33.25 served by the program, and a list and
 33.26 explanation of the services provided to and
 33.27 benefits received by program participants. An
 33.28 initial report is due by January 15, 2023, and
 33.29 a final report is due by January 15, 2024.

33.30 Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2, is
 33.31 amended to read:

| | | | |
|-------|--|-------------|------------|
| 33.32 | Subd. 2. Business and Community Development | 208,015,000 | 44,741,000 |
| 33.33 | Appropriations by Fund | | |
| 33.34 | General | 205,215,000 | 41,941,000 |

| | | | |
|------|-------------|-----------|-----------|
| 34.1 | Remediation | 700,000 | 700,000 |
| 34.2 | Workforce | | |
| 34.3 | Development | 2,100,000 | 2,100,000 |

34.4 (a) \$1,787,000 each year is for the greater

34.5 Minnesota business development public

34.6 infrastructure grant program under Minnesota

34.7 Statutes, section 116J.431. This appropriation

34.8 is available until June 30, 2025.

34.9 (b) \$8,425,000 in the first year and \$1,425,000

34.10 in the second year are for the business

34.11 development competitive grant program. Of

34.12 this amount, up to five percent is for

34.13 administration and monitoring of the business

34.14 development competitive grant program and

34.15 \$7,000,000 in the first year is for technical

34.16 assistance to small businesses. Except for

34.17 awards for technical assistance for small

34.18 businesses, all grant awards shall be for two

34.19 consecutive years. Grants shall be awarded in

34.20 the first year.

34.21 (c) \$1,772,000 each year is for contaminated

34.22 site cleanup and development grants under

34.23 Minnesota Statutes, sections 116J.551 to

34.24 116J.558. This appropriation is available until

34.25 expended.

34.26 (d) \$700,000 each year is from the remediation

34.27 fund for contaminated site cleanup and

34.28 development grants under Minnesota Statutes,

34.29 sections 116J.551 to 116J.558. This

34.30 appropriation is available until expended.

34.31 (e) \$139,000 each year is for the Center for

34.32 Rural Policy and Development.

34.33 (f) \$25,000 each year is for the administration

34.34 of state aid for the Destination Medical Center

35.1 under Minnesota Statutes, sections 469.40 to
35.2 469.47.

35.3 (g) \$875,000 each year is for the host
35.4 community economic development program
35.5 established in Minnesota Statutes, section
35.6 116J.548.

35.7 (h)(1) \$2,500,000 each year is for grants to
35.8 local communities to increase the number of
35.9 quality child care providers to support
35.10 economic development. This appropriation is
35.11 available through June 30, 2023. Fifty percent
35.12 of grant funds must go to communities located
35.13 outside the seven-county metropolitan area as
35.14 defined in Minnesota Statutes, section
35.15 473.121, subdivision 2. In fiscal year 2024
35.16 and beyond, the base amount is \$1,500,000.

35.17 (2) Grant recipients must obtain a 50 percent
35.18 nonstate match to grant funds in either cash
35.19 or in-kind contribution, unless the
35.20 commissioner waives the requirement. Grant
35.21 funds available under this subdivision must
35.22 be used to implement projects to reduce the
35.23 child care shortage in the state, including but
35.24 not limited to funding for child care business
35.25 start-ups or expansion, training, facility
35.26 modifications, direct subsidies or incentives
35.27 to retain employees, or improvements required
35.28 for licensing, and assistance with licensing
35.29 and other regulatory requirements. In awarding
35.30 grants, the commissioner must give priority
35.31 to communities that have demonstrated a
35.32 shortage of child care providers.

35.33 (3) Within one year of receiving grant funds,
35.34 grant recipients must report to the
35.35 commissioner on the outcomes of the grant

36.1 program, including but not limited to the
36.2 number of new providers, the number of
36.3 additional child care provider jobs created, the
36.4 number of additional child care slots, and the
36.5 amount of cash and in-kind local funds
36.6 invested. Within one month of all grant
36.7 recipients reporting on program outcomes, the
36.8 commissioner must report the grant recipients'
36.9 outcomes to the chairs and ranking members
36.10 of the legislative committees with jurisdiction
36.11 over early learning and child care and
36.12 economic development.

36.13 (i) \$1,500,000 each year is for a grant to the
36.14 Minnesota Initiative Foundations. This
36.15 appropriation is available until June 30, 2025.
36.16 In fiscal year 2024 and beyond, the base
36.17 amount is \$1,000,000. The Minnesota
36.18 Initiative Foundations must use grant funds
36.19 under this section to:

36.20 (1) facilitate planning processes for rural
36.21 communities resulting in a community solution
36.22 action plan that guides decision making to
36.23 sustain and increase the supply of quality child
36.24 care in the region to support economic
36.25 development;

36.26 (2) engage the private sector to invest local
36.27 resources to support the community solution
36.28 action plan and ensure quality child care is a
36.29 vital component of additional regional
36.30 economic development planning processes;

36.31 (3) provide locally based training and technical
36.32 assistance to rural child care business owners
36.33 individually or through a learning cohort.

36.34 Access to financial and business development
36.35 assistance must prepare child care businesses

37.1 for quality engagement and improvement by
37.2 stabilizing operations, leveraging funding from
37.3 other sources, and fostering business acumen
37.4 that allows child care businesses to plan for
37.5 and afford the cost of providing quality child
37.6 care; and

37.7 (4) recruit child care programs to participate
37.8 in quality rating and improvement
37.9 measurement programs. The Minnesota
37.10 Initiative Foundations must work with local
37.11 partners to provide low-cost training,
37.12 professional development opportunities, and
37.13 continuing education curricula. The Minnesota
37.14 Initiative Foundations must fund, through local
37.15 partners, an enhanced level of coaching to
37.16 rural child care providers to obtain a quality
37.17 rating through measurement programs.

37.18 (j) \$8,000,000 each year is for the Minnesota
37.19 job creation fund under Minnesota Statutes,
37.20 section 116J.8748. Of this amount, the
37.21 commissioner of employment and economic
37.22 development may use up to three percent for
37.23 administrative expenses. This appropriation
37.24 is available until expended.

37.25 (k) \$10,029,000 the first year and \$10,028,000
37.26 the second year are for the Minnesota
37.27 investment fund under Minnesota Statutes,
37.28 section 116J.8731. Of this amount, the
37.29 commissioner of employment and economic
37.30 development may use up to three percent for
37.31 administration and monitoring of the program.
37.32 In fiscal year 2024 and beyond, the base
37.33 amount is \$12,370,000. This appropriation is
37.34 available until expended. Notwithstanding
37.35 Minnesota Statutes, section 116J.8731, money

38.1 appropriated to the commissioner for the
38.2 Minnesota investment fund may be used for
38.3 the redevelopment program under Minnesota
38.4 Statutes, sections 116J.575 and 116J.5761, at
38.5 the discretion of the commissioner. Grants
38.6 under this paragraph are not subject to the
38.7 grant amount limitation under Minnesota
38.8 Statutes, section 116J.8731.

38.9 (l) \$0 each year is for the redevelopment
38.10 program under Minnesota Statutes, sections
38.11 116J.575 and 116J.5761. In fiscal year 2024
38.12 and beyond, the base amount is \$2,246,000.

38.13 (m) \$1,000,000 each year is for the Minnesota
38.14 emerging entrepreneur loan program under
38.15 Minnesota Statutes, section 116M.18. Funds
38.16 available under this paragraph are for transfer
38.17 into the emerging entrepreneur program
38.18 special revenue fund account created under
38.19 Minnesota Statutes, chapter 116M, and are
38.20 available until expended. Of this amount, up
38.21 to four percent is for administration and
38.22 monitoring of the program.

38.23 (n) \$325,000 each year is for the Minnesota
38.24 Film and TV Board. The appropriation in each
38.25 year is available only upon receipt by the
38.26 board of \$1 in matching contributions of
38.27 money or in-kind contributions from nonstate
38.28 sources for every \$3 provided by this
38.29 appropriation, except that each year up to
38.30 \$50,000 is available on July 1 even if the
38.31 required matching contribution has not been
38.32 received by that date.

38.33 (o) \$12,000 each year is for a grant to the
38.34 Upper Minnesota Film Office.

39.1 (p) \$500,000 each year is for a grant to the
39.2 Minnesota Film and TV Board for the film
39.3 production jobs program under Minnesota
39.4 Statutes, section 116U.26. This appropriation
39.5 is available until June 30, 2025.

39.6 (q) \$4,195,000 each year is for the Minnesota
39.7 job skills partnership program under
39.8 Minnesota Statutes, sections 116L.01 to
39.9 116L.17. If the appropriation for either year
39.10 is insufficient, the appropriation for the other
39.11 year is available. This appropriation is
39.12 available until expended.

39.13 (r) \$1,350,000 each year from the workforce
39.14 development fund is for jobs training grants
39.15 under Minnesota Statutes, section 116L.41.

39.16 (s) \$2,500,000 each year is for Launch
39.17 Minnesota. This appropriation is available
39.18 until June 30, 2025. The base in fiscal year
39.19 2026 is \$0. Of this amount:

39.20 (1) \$1,500,000 each year is for innovation
39.21 grants to eligible Minnesota entrepreneurs or
39.22 start-up businesses to assist with their
39.23 operating needs;

39.24 (2) \$500,000 each year is for administration
39.25 of Launch Minnesota; and

39.26 (3) \$500,000 each year is for grantee activities
39.27 at Launch Minnesota.

39.28 (t) \$1,148,000 the first year is for a grant to
39.29 the Northeast Entrepreneur Fund, a small
39.30 business administration microlender and
39.31 community development financial institution
39.32 operating in northern Minnesota. Grant funds
39.33 must be used as capital for accessing
39.34 additional federal lending for small businesses

40.1 impacted by COVID-19 and must be returned
40.2 to the commissioner for deposit in the general
40.3 fund if the Northeast Entrepreneur Fund fails
40.4 to secure such federal funds before January 1,
40.5 2022.

40.6 (u) \$80,000,000 the first year is for the Main
40.7 Street Economic Revitalization Loan Program.
40.8 Of this amount, up to \$300,000 is for the
40.9 commissioner's administration and monitoring
40.10 of the program. This appropriation is available
40.11 until June 30, 2025.

40.12 (v) \$70,000,000 the first year is for the Main
40.13 Street COVID-19 Relief Grant Program. Of
40.14 this amount, up to:

40.15 (1) \$34,950,000 is for grants to the Minnesota
40.16 Initiative Foundations to serve businesses
40.17 outside of the metropolitan area as defined in
40.18 Minnesota Statutes, section 473.121,
40.19 subdivision 2;

40.20 (2) \$34,950,000 is for grants to partner
40.21 organizations to serve businesses inside the
40.22 metropolitan area as defined in Minnesota
40.23 Statutes, section 473.121, subdivision 2; and

40.24 (3) \$100,000 is for the commissioner's
40.25 administration and monitoring of the program.

40.26 (w) \$250,000 each year is for the publication,
40.27 dissemination, and use of labor market
40.28 information under Minnesota Statutes, section
40.29 116J.401.

40.30 (x) \$500,000 each year is for the airport
40.31 infrastructure renewal (AIR) grant program
40.32 under Minnesota Statutes, section 116J.439.
40.33 In awarding grants with this appropriation, the
40.34 commissioner must prioritize eligible

41.1 applicants that did not receive a grant pursuant
 41.2 to the appropriation in Laws 2019, First
 41.3 Special Session chapter 7, article 1, section 2,
 41.4 subdivision 2, paragraph (q).

41.5 (y) \$750,000 each year is from the workforce
 41.6 development fund for grants to the
 41.7 Neighborhood Development Center for small
 41.8 business programs, including:

41.9 (1) training, lending, and business services;

41.10 (2) model outreach and training in greater
 41.11 Minnesota; and

41.12 (3) development of new business incubators.

41.13 This is a onetime appropriation.

41.14 (z) \$5,000,000 in the first year is for a grant
 41.15 to Lake of the Woods County for the
 41.16 forgivable loan program for remote
 41.17 recreational businesses. This appropriation is
 41.18 available until April 1, ~~2022~~ 2023.

41.19 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

41.20 Sec. 4. Laws 2021, First Special Session chapter 10, article 1, section 5, is amended to
 41.21 read:

41.22 Sec. 5. **BUREAU OF MEDIATION SERVICES** \$ **2,370,000** \$ **2,415,000**

41.23 (a) \$125,000 each year is for purposes of the
 41.24 Public Employment Relations Board under
 41.25 Minnesota Statutes, section 179A.041. This
 41.26 is a onetime appropriation.

41.27 ~~(b) \$68,000 each year is for grants to area~~
 41.28 ~~labor management committees. Grants may~~
 41.29 ~~be awarded for a 12-month period beginning~~
 41.30 ~~July 1 each year. Any unencumbered balance~~
 41.31 ~~remaining at the end of the first year does not~~
 41.32 ~~cancel but is available for the second year.~~

42.1 (e) \$47,000 each year is for rulemaking,
 42.2 staffing, and other costs associated with peace
 42.3 officer grievance procedures.

42.4 Sec. 5. **MINNESOTA INVESTMENT FUND AND MINNESOTA JOB CREATION**
 42.5 **FUND REQUIREMENTS EXTENSIONS.**

42.6 Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment
 42.7 Fund grant under Minnesota Statutes, section 116J.8731, or a recipient of a Minnesota Job
 42.8 Creation Fund grant under Minnesota Statutes, section 116J.8748, who is unable to meet
 42.9 the minimum capital investment requirements, wage, or minimum job creation goals or
 42.10 requirements provided in a business subsidy agreement, as applicable, during or within the
 42.11 12-month period following a peacetime emergency related to the COVID-19 pandemic shall
 42.12 be granted an extension until December 31, 2023, to meet those capital investment, wage,
 42.13 or job creation goals or requirements before the grant must be repaid.

42.14 **EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

42.15 **ARTICLE 3**
 42.16 **DEED POLICY**

42.17 Section 1. Minnesota Statutes 2020, section 116J.035, is amended by adding a subdivision
 42.18 to read:

42.19 Subd. 7a. **Competitive grants.** The commissioner shall, when awarding competitive
 42.20 grants to organizations for the purpose of providing job training, give priority to programs
 42.21 or organizations that focus job training in high-wage, high-demand careers. For purposes
 42.22 of this subdivision, "high-wage, high-demand" has the meaning given in section 116L.99.

42.23 Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 6, is amended to read:

42.24 Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3
 42.25 must be used only to:

42.26 (1) award grants to eligible communities under this section; and

42.27 (2) reimburse the department's reasonable costs to administer this section, up to a
 42.28 maximum of five percent of the appropriation made to the commissioner under this section.
 42.29 The commissioner may transfer part of the allowable administrative portion of this
 42.30 appropriation to the Environmental Quality Board to assist communities with regulatory
 42.31 coordination, and dedicated technical assistance on conversion for these communities.

43.1 (b) An eligible community awarded a grant under this section may use the grant to plan
 43.2 for or address the economic and social impacts on the eligible community of the electric
 43.3 generating plant's cessation of operations, including but not limited to land use studies,
 43.4 economic planning, researching, planning, and implementing activities and impact studies
 43.5 and other planning activities enabling communities to become shovel-ready and support
 43.6 the transition from power plants to other economic activities to minimize the negative
 43.7 impacts of power plant closures on tax revenues and jobs designed to:

43.8 (1) assist workers at the plant find new employment, including worker retraining and
 43.9 developing small business start-up skills;

43.10 (2) increase the eligible community's property tax base; and

43.11 (3) develop alternative economic development strategies to attract new employers to the
 43.12 eligible community.

43.13 Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

43.14 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,
 43.15 town, federally recognized Tribe, or, in the case of unorganized territory, the county in
 43.16 which the site is located.

43.17 Sec. 4. Minnesota Statutes 2020, section 116J.8747, subdivision 2, is amended to read:

43.18 Subd. 2. **Qualified job training program.** To qualify for grants under this section, a
 43.19 job training program must satisfy the following requirements:

43.20 (1) the program must be operated by a nonprofit corporation that qualifies under section
 43.21 501(c)(3) of the Internal Revenue Code;

43.22 (2) the program may spend up to \$5,500 in total training per participant;

43.23 (3) the program must provide education and training in:

43.24 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,
 43.25 and communications;

43.26 (ii) long-term plans for success including participant coaching for two years after
 43.27 placement;

43.28 (iii) soft skills, including skills critical to success on the job; and

43.29 (iv) access to internships, technology training, personal and emotional intelligence skill
 43.30 development, and other support services;

44.1 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~
44.2 support services, when needed, to participants for housing, counseling, tuition, and other
44.3 basic needs;

44.4 (5) individuals served by the program must be 18 years of age or older as of the date of
44.5 enrollment, and have household income in the six months immediately before entering the
44.6 program that is 200 percent or less of the federal poverty guideline for Minnesota, based
44.7 on family size; and

44.8 (6) the program must be certified by the commissioner of employment and economic
44.9 development as meeting the requirements of this subdivision.

44.10 Sec. 5. Minnesota Statutes 2020, section 116J.8747, subdivision 3, is amended to read:

44.11 Subd. 3. **Graduation and retention grant requirements.** (a) For purposes of a placement
44.12 grant under this section, a qualified graduate is a graduate of a job training program qualifying
44.13 under subdivision 2 who is placed in a job in Minnesota that pays at least the current state
44.14 minimum wage. To qualify for a retention grant under this section for a retention fee, a job
44.15 in which the graduate is retained must pay at least the current state minimum wage.

44.16 (b) Programs are limited to one placement and one retention payment for a qualified
44.17 graduate in a performance program.

44.18 Sec. 6. Minnesota Statutes 2020, section 116J.8747, subdivision 4, is amended to read:

44.19 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under
44.20 subdivision 2 must comply with the requirements of this subdivision.

44.21 (b) A program must maintain and provide upon request records for each qualified
44.22 graduate. The records must include information sufficient to verify the graduate's eligibility
44.23 under this section, identify the employer, and describe the job including its compensation
44.24 rate ~~and~~, benefits, and average hours per week.

44.25 (c) A program is subject to the reporting requirements under section 116L.98.

44.26 Sec. 7. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

44.27 Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local
44.28 government agency grant, contribution of personal property, real property, infrastructure,
44.29 the principal amount of a loan at rates below those commercially available to the recipient,
44.30 any reduction or deferral of any tax or any fee, any guarantee of any payment under any

45.1 loan, lease, or other obligation, or any preferential use of government facilities given to a
45.2 business.

45.3 The following forms of financial assistance are not a business subsidy:

45.4 (1) a business subsidy of less than \$150,000;

45.5 (2) assistance that is generally available to all businesses or to a general class of similar
45.6 businesses, such as a line of business, size, location, or similar general criteria;

45.7 (3) public improvements to buildings or lands owned by the state or local government
45.8 that serve a public purpose and do not principally benefit a single business or defined group
45.9 of businesses at the time the improvements are made;

45.10 (4) redevelopment property polluted by contaminants as defined in section 116J.552,
45.11 subdivision 3;

45.12 (5) assistance provided for the sole purpose of renovating old or decaying building stock
45.13 or bringing it up to code and assistance provided for designated historic preservation districts,
45.14 provided that the assistance is equal to or less than 50 percent of the total cost;

45.15 (6) assistance to provide job readiness and training services if the sole purpose of the
45.16 assistance is to provide those services;

45.17 (7) assistance for housing;

45.18 (8) assistance for pollution control or abatement, including assistance for a tax increment
45.19 financing hazardous substance subdistrict as defined under section 469.174, subdivision
45.20 23;

45.21 (9) assistance for energy conservation;

45.22 (10) tax reductions resulting from conformity with federal tax law;

45.23 (11) workers' compensation and unemployment insurance;

45.24 (12) benefits derived from regulation;

45.25 (13) indirect benefits derived from assistance to educational institutions;

45.26 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding
45.27 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)
45.28 of the Internal Revenue Code of 1986, as amended through December 31, 1999;

45.29 (15) assistance for a collaboration between a Minnesota higher education institution and
45.30 a business;

46.1 (16) assistance for a tax increment financing soils condition district as defined under
46.2 section 469.174, subdivision 19;

46.3 (17) redevelopment when the recipient's investment in the purchase of the site and in
46.4 site preparation is 70 percent or more of the assessor's current year's estimated market value;

46.5 (18) general changes in tax increment financing law and other general tax law changes
46.6 of a principally technical nature;

46.7 (19) federal assistance until the assistance has been repaid to, and reinvested by, the
46.8 state or local government agency;

46.9 (20) funds from dock and wharf bonds issued by a seaway port authority;

46.10 (21) business loans and loan guarantees of \$150,000 or less;

46.11 (22) federal loan funds provided through the United States Department of Commerce,
46.12 Economic Development Administration, Department of the Treasury; and

46.13 (23) property tax abatements granted under section 469.1813 to property that is subject
46.14 to valuation under Minnesota Rules, chapter 8100.

46.15 Sec. 8. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

46.16 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for
46.17 developing programs which assist in the transition of persons from welfare to work and
46.18 assist individuals at or below 200 percent of the federal poverty guidelines. The program
46.19 is to be operated by the board. The board shall consult and coordinate with program
46.20 administrators at the Department of Employment and Economic Development to design
46.21 and provide services for temporary assistance for needy families recipients.

46.22 Pathways grants-in-aid may be awarded to educational or other nonprofit training
46.23 institutions or to workforce development intermediaries for education and training programs
46.24 and services supporting education and training programs that serve eligible recipients.

46.25 Preference shall be given to projects that:

46.26 (1) provide employment with benefits paid to employees;

46.27 (2) provide employment where there are defined career paths for trainees;

46.28 (3) pilot the development of an educational pathway that can be used on a continuing
46.29 basis for transitioning persons from welfare to work; and

47.1 (4) demonstrate the active participation of Department of Employment and Economic
47.2 Development workforce centers, Minnesota State College and University institutions and
47.3 other educational institutions, and local welfare agencies.

47.4 Pathways projects must demonstrate the active involvement and financial commitment
47.5 of participating private business businesses, Tribal-owned businesses, and municipal and
47.6 county hospitals. Pathways projects must be matched with cash or in-kind contributions on
47.7 at least a one-half-to-one ratio by participating private business businesses, Tribal-owned
47.8 businesses, and municipal or county hospitals.

47.9 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may
47.10 be used for preemployment training.

47.11 Sec. 9. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

47.12 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
47.13 the meanings given them in this subdivision.

47.14 (b) "Commissioner" means the commissioner of employment and economic development.

47.15 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time
47.16 employment ceased or was working in the state at the time employment ceased and:

47.17 (1) has been permanently separated or has received a notice of permanent separation
47.18 from public or private sector employment and is eligible for or has exhausted entitlement
47.19 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

47.20 (2) has been long-term unemployed and has limited opportunities for employment or
47.21 reemployment in the same or a similar occupation in the area in which the individual resides,
47.22 including older individuals who may have substantial barriers to employment by reason of
47.23 age;

47.24 (3) has been terminated or has received a notice of termination of employment as a result
47.25 of a plant closing or a substantial layoff at a plant, facility, or enterprise;

47.26 (4) has been self-employed, including farmers and ranchers, and is unemployed as a
47.27 result of general economic conditions in the community in which the individual resides or
47.28 because of natural disasters;

47.29 (5) is a veteran as defined by section 197.447, has been discharged or released from
47.30 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
47.31 (ii) is employed in a job verified to be below the skill level and earning capacity of the
47.32 veteran;

48.1 (6) is an individual determined by the United States Department of Labor to be covered
 48.2 by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331,
 48.3 as amended; or

48.4 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent
 48.5 a substantial number of years in the home providing homemaking service and (i) has been
 48.6 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,
 48.7 or disability of that person, must now find employment to self support; or (ii) derived the
 48.8 substantial share of support from public assistance on account of dependents in the home
 48.9 and no longer receives such support. To be eligible under this clause, the support must have
 48.10 ceased while the worker resided in Minnesota.

48.11 For the purposes of this section, "dislocated worker" does not include an individual who
 48.12 was an employee, at the time employment ceased, of a political committee, political fund,
 48.13 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an
 48.14 organization required to file with the federal elections commission.

48.15 (d) "Eligible organization" means a state or local government unit, nonprofit organization,
 48.16 community action agency, business organization or association, or labor organization.

48.17 (e) "Plant closing" means the announced or actual permanent shutdown of a single site
 48.18 of employment, or one or more facilities or operating units within a single site of
 48.19 employment.

48.20 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a
 48.21 result of a plant closing, and which results in an employment loss at a single site of
 48.22 employment during any 30-day period for at least 50 employees excluding those employees
 48.23 that work less than 20 hours per week.

48.24 Sec. 10. [116L.36] REQUIREMENTS FOR GRANTS TO NONPROFIT
 48.25 ORGANIZATIONS.

48.26 Subdivision 1. Purpose. In order to ensure that grants are awarded to mission-centered
 48.27 and fiscally responsible grantees, a nonprofit organization that is a recipient of a future or
 48.28 past grant or direct appropriation made by or through the department must provide
 48.29 information to the commissioner as specified in this section.

48.30 Subd. 2. Definitions. (a) For the purposes of this section, the terms defined in this
 48.31 subdivision have the meanings given them.

49.1 (b) "Compensation" means salary, bonuses, the present value of stock options, the value
49.2 of employee benefits, employer contributions to retirement or deferred compensation plans
49.3 on behalf of the officer or employee, and any other compensation or benefit of value.

49.4 (c) "Highly compensated employee" means an employee of a nonprofit organization
49.5 with estimated annual wages that:

49.6 (1) are greater than 80 percent of the governor's annual salary; and

49.7 (2) are equal to, or greater than, 80 percent of the estimated annual wages of the second
49.8 highest paid employee of the nonprofit organization.

49.9 (d) "Nonprofit organization" means an organization described in United States Code,
49.10 title 26, section 501(c)(3), and is exempt from income tax under United States Code, title
49.11 26, section 501(a).

49.12 Subd. 3. **Requirements.** (a) By September 1 of each year, a nonprofit organization that
49.13 is recipient of a future or past grant or direct appropriation made by or through the department
49.14 must provide the following to the commissioner:

49.15 (1) number of and compensation for any highly compensated employees of the nonprofit
49.16 organization;

49.17 (2) administrative expenses of the nonprofit organization for the previous three years as
49.18 evidenced by the nonprofit's Internal Revenue Service Form 990;

49.19 (3) total functional expenses, including the nonprofit's program expenses, administrative
49.20 expenses, and fundraising expenses, for the previous three years; and

49.21 (4) revenue for the previous three years.

49.22 (b) A nonprofit organization that has been in operation for fewer than three years shall
49.23 submit the data required under paragraph (a), clauses (2) to (4), for the time period since
49.24 the inception of the nonprofit organization.

49.25 Subd. 4. **Reporting to legislature.** Beginning February 15, 2023, and each year thereafter,
49.26 the commissioner must submit a combined report containing the information provided by
49.27 the grant recipients to the chairs and ranking minority members of the legislative committees
49.28 and budget divisions with jurisdiction over economic development. The commissioner shall
49.29 also include in the report a calculation of each nonprofit's percentage of expenses and a
49.30 revenue and expenses trend comparison over the previous three years.

50.1 Sec. 11. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

50.2 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
50.3 subdivision have the meanings given.

50.4 (b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates
50.5 awarded in recognition of an individual's attainment of measurable technical or occupational
50.6 skills necessary to obtain employment or advance with an occupation. This definition does
50.7 not include ~~certificates awarded by workforce investment boards or work-readiness~~
50.8 certificates.

50.9 (c) "Exit" means to have not received service under a workforce program for 90
50.10 consecutive calendar days. The exit date is the last date of service.

50.11 (d) "Net impact" means the use of matched control groups and regression analysis to
50.12 estimate the impacts attributable to program participation net of other factors, including
50.13 observable personal characteristics and economic conditions.

50.14 (e) "Pre-enrollment" means the period of time before an individual was enrolled in a
50.15 workforce program.

50.16 Sec. 12. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

50.17 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December
50.18 31 of each even-numbered year, the commissioner must report to the chairs and ranking
50.19 minority members of the committees of the house of representatives and the senate having
50.20 jurisdiction over economic development and workforce policy and finance the following
50.21 information separately for each of the previous two fiscal or calendar years, for each program
50.22 subject to the requirements of subdivision 1:

50.23 (1) the total number of participants enrolled;

50.24 (2) the median pre-enrollment wages based on participant wages for the second through
50.25 the fifth calendar quarters immediately preceding the quarter of enrollment excluding those
50.26 with zero income;

50.27 (3) the total number of participants with zero income in the second through fifth calendar
50.28 quarters immediately preceding the quarter of enrollment;

50.29 (4) the total number of participants enrolled in training;

50.30 (5) the total number of participants enrolled in training by occupational group;

51.1 (6) the total number of participants that exited the program and the average enrollment
51.2 duration of participants that have exited the program during the year;

51.3 (7) the total number of exited participants who completed training;

51.4 (8) the total number of exited participants who attained a credential;

51.5 (9) the total number of participants employed during three consecutive quarters
51.6 immediately following the quarter of exit, by industry;

51.7 (10) the median wages of participants employed during three consecutive quarters
51.8 immediately following the quarter of exit;

51.9 (11) the total number of participants employed during eight consecutive quarters
51.10 immediately following the quarter of exit, by industry;

51.11 (12) the median wages of participants employed during eight consecutive quarters
51.12 immediately following the quarter of exit;

51.13 (13) the total cost of the program;

51.14 (14) the total cost of the program per participant;

51.15 (15) the cost per credential received by a participant; and

51.16 (16) the administrative cost of the program.

51.17 (b) The report to the legislature must contain:

51.18 (1) participant information by education level, race and ethnicity, gender, and geography,
51.19 and a comparison of exited participants who completed training and those who did not; and

51.20 (2) a list of any grant recipients that did not satisfy all of the reporting requirements of
51.21 this section for the applicable reporting period.

51.22 (c) The requirements of this section apply to programs administered directly by the
51.23 commissioner or administered by other organizations under a grant made by the department.

51.24 Sec. 13. Minnesota Statutes 2020, section 181.032, is amended to read:

51.25 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
51.26 **TO EMPLOYEE.**

51.27 (a) At the end of each pay period, the employer shall provide each employee an earnings
51.28 statement, either in writing or by electronic means, covering that pay period. An employer
51.29 who chooses to provide an earnings statement by electronic means must provide employee

52.1 access to an employer-owned computer during an employee's regular working hours to
 52.2 review and print earnings statements.

52.3 (b) The earnings statement may be in any form determined by the employer but must
 52.4 include:

52.5 (1) the name of the employee;

52.6 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by
 52.7 hour, shift, day, week, salary, piece, commission, or other method;

52.8 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

52.9 (4) the total number of hours worked by the employee unless exempt from chapter 177;

52.10 (5) the total amount of gross pay earned by the employee during that period;

52.11 (6) a list of deductions made from the employee's pay;

52.12 (7) the net amount of pay after all deductions are made;

52.13 (8) the date on which the pay period ends;

52.14 (9) the legal name of the employer and the operating name of the employer if different
 52.15 from the legal name;

52.16 (10) the physical address of the employer's main office or principal place of business,
 52.17 and a mailing address if different; and

52.18 (11) the telephone number of the employer.

52.19 (c) An employer must provide earnings statements to an employee in writing, rather
 52.20 than by electronic means, if the employer has received at least 24 hours notice from an
 52.21 employee that the employee would like to receive earnings statements in written form. Once
 52.22 an employer has received notice from an employee that the employee would like to receive
 52.23 earnings statements in written form, the employer must comply with that request on an
 52.24 ongoing basis.

52.25 (d) ~~At~~ Within seven days of the start of employment, an employer shall provide each
 52.26 employee a ~~written~~ notice, either in writing or by electronic means, containing the following
 52.27 information:

52.28 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
 52.29 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
 52.30 application of any additional rates, as well as any pay schedule or range of pay for an

53.1 employee who is reasonably expected to move between job duties, classifications, and pay
 53.2 or benefit structures in their day-to-day duties;

53.3 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

53.4 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;

53.5 (4) the employee's employment status and whether the employee is exempt from minimum
 53.6 wage, overtime, and other provisions of chapter 177, and on what basis;

53.7 (5) a list of deductions that may be made from the employee's pay;

53.8 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay
 53.9 day on which the employee will receive the first payment of wages earned;

53.10 (7) the legal name of the employer and the operating name of the employer if different
 53.11 from the legal name;

53.12 (8) the physical address of the employer's main office or principal place of business, and
 53.13 a mailing address if different; ~~and~~

53.14 (9) the telephone number of the employer; and

53.15 (10) a checkbox to indicate whether a hiring employer is a staffing agency and space
 53.16 for a staffing agency to indicate the initial entity for which the employee will perform work.

53.17 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
 53.18 employee acknowledging receipt of the notice. An employee's signature on the notice
 53.19 constitutes acknowledgment of receipt of the notice and does not create a contract. For the
 53.20 purposes of this paragraph, "signed" means a written signature or an electronic signature
 53.21 as defined in section 325L.02. The notice must be provided to each employee in English.
 53.22 The English version of the notice must include text provided by the commissioner that
 53.23 informs employees that they may request, by indicating on the form, the notice be provided
 53.24 in a particular language. If requested, the employer shall provide the notice in the language
 53.25 requested by the employee. The commissioner shall make available to employers the text
 53.26 to be included in the English version of the notice required by this section and assist
 53.27 employers with translation of the notice in the languages requested by their employees.

53.28 (f) The notice requirement under paragraph (d) is satisfied for an employee if the
 53.29 employee has received all of the information required in paragraph (d) specific to the
 53.30 employee through a collective bargaining agreement, employee handbook, offer letter, or
 53.31 a combination of those documents. In such an instance, the employer must retain a record
 53.32 or listing of the referenced documents that satisfied the notice requirement in paragraph (d).

54.1 (g) An employer must provide the employee any ~~written~~ changes to the information
 54.2 contained in the notice under paragraph (d) ~~prior to the~~, either in writing or by electronic
 54.3 means, by the date of the employee's next earnings statement following the date the changes
 54.4 take effect. The notice of changes to information under this paragraph does not require a
 54.5 signature by the employee acknowledging receipt. The requirements of this paragraph are
 54.6 satisfied if the changes to information are contained on the employee's next earnings
 54.7 statement.

54.8 (h) Notice is not required under paragraph (g) to an employee for discretionary pay. For
 54.9 the purposes of this section, "discretionary pay" means compensation paid by the employer
 54.10 for which the amount and timing are not disclosed in advance by the employer and are at
 54.11 the employer's sole discretion.

54.12 (i) Notice is not required under paragraph (g) to an employee employed by a staffing
 54.13 agency upon subsequent job placements following the initial placement by the staffing
 54.14 agency.

54.15 (j) The commissioner shall issue a written warning to an employer upon the first finding
 54.16 of a violation or violations of the notice requirements found in paragraphs (d) to (g). For
 54.17 purposes of this paragraph, discovery by the commissioner of more than one violation of
 54.18 the notice requirements under paragraphs (d) to (g) at the same employer during the same
 54.19 investigation shall be considered a single violation.

54.20 Sec. 14. Minnesota Statutes 2020, section 181.101, is amended to read:

54.21 **181.101 WAGES; HOW OFTEN PAID.**

54.22 (a) Except as provided in paragraph (b), every employer must pay all wages, including
 54.23 salary, earnings, and gratuities earned by an employee at least once every 31 days and all
 54.24 commissions earned by an employee at least once every three months, on a regular payday
 54.25 designated in advance by the employer regardless of whether the employee requests payment
 54.26 at longer intervals. Unless paid earlier, the wages earned during the first half of the first
 54.27 31-day pay period become due on the first regular payday following the first day of work.
 54.28 If wages or commissions earned are not paid, the commissioner of labor and industry or the
 54.29 commissioner's representative may serve a demand for payment on behalf of an employee.
 54.30 In addition to other remedies under section 177.27, if payment of wages is not made within
 54.31 ten days of service of the demand, the commissioner may charge and collect the wages
 54.32 earned at the employee's rate or rates of pay or at the rate or rates required by law, including
 54.33 any applicable statute, regulation, rule, ordinance, government resolution or policy, contract,
 54.34 or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the

55.1 employee's average daily earnings at the same rate or rates, not exceeding 20 days total,
55.2 for each day beyond the ten-day limit following the demand. If payment of commissions is
55.3 not made within ten days of service of the demand, the commissioner may charge and collect
55.4 the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid,
55.5 not exceeding 20 days total, for each day beyond the ten-day limit. Money collected by the
55.6 commissioner must be paid to the employee concerned. This section does not prevent an
55.7 employee from prosecuting a claim for wages. This section does not prevent a school district,
55.8 other public school entity, or other school, as defined under section 120A.22, from paying
55.9 any wages earned by its employees during a school year on regular paydays in the manner
55.10 provided by an applicable contract or collective bargaining agreement, or a personnel policy
55.11 adopted by the governing board. For purposes of this section, "employee" includes a person
55.12 who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes
55.13 of this section, wages are earned on the day an employee works. This section provides a
55.14 substantive right for employees to the payment of wages, including salary, earnings, and
55.15 gratuities, as well as commissions, in addition to the right to be paid at certain times.

55.16 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision
55.17 10, a member of an organized first responder squad that is formally recognized by a political
55.18 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages
55.19 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant
55.20 at least once every 31 days, unless the employer and the employee mutually agree upon
55.21 payment at longer intervals.

55.22 Sec. 15. Minnesota Statutes 2020, section 268.18, is amended by adding a subdivision to
55.23 read:

55.24 Subd. 7. **Overpayments; report to legislature.** Beginning January 15, 2023, and each
55.25 January 15 thereafter, the commissioner must report to the chairs and ranking minority
55.26 members of the committees of the house of representatives and the senate having jurisdiction
55.27 over unemployment insurance for the previous calendar year, to the extent that the following
55.28 information is not classified as not public under chapter 13 or 268:

55.29 (1) the number and total dollar amount of overpayments made by the department,
55.30 regardless of whether the improper recipient of the overpayment was identified by the
55.31 department;

55.32 (2) the number and total dollar amount of overpayments as a percentage of total claims
55.33 paid over the same period;

- 56.1 (3) for each overpayment, the dollar amount of the overpayment and information as to
 56.2 whether the overpayment was made due to:
- 56.3 (i) misrepresentation by a legitimate applicant;
 56.4 (ii) fraud attempt through identity theft; or
 56.5 (iii) other fraud attempt by an unidentified imposter or hijacker;
- 56.6 (4) information regarding the number of suspected fraud attempts by imposters or
 56.7 hijackers that the department identified and stopped prior to issuing an overpayment; and
 56.8 (5) the number of times the department referred fraud cases to law enforcement.

56.9 Sec. 16. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 1,
 56.10 is amended to read:

56.11 Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program
 56.12 to make forgivable loans to eligible remote recreational businesses that experienced a loss
 56.13 in revenue that is greater than 30 percent during the period between March 15, ~~2020~~ 2021,
 56.14 and March 15, ~~2021~~ 2022, as compared with ~~the previous year~~ March 15, 2019, and March
 56.15 15, 2020.

56.16 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

56.17 Sec. 17. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 3,
 56.18 is amended to read:

56.19 Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business
 56.20 must:

- 56.21 (1) have been in operation on March 15, ~~2020~~ 2021;
- 56.22 (2) show that the closure and ongoing COVID-19-related requirements of the United
 56.23 States and Canadian border restricted the ability of American customers to access the location
 56.24 of the remote recreational business; and
- 56.25 (3) not have received a grant under the Main Street COVID-19 relief grant program.

56.26 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

57.1 Sec. 18. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 4,
57.2 is amended to read:

57.3 Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures
57.4 for soliciting and reviewing applications for loans under this section.

57.5 (b) Loans shall be made before ~~April 1, 2022~~ December 30, 2022. Any funds not spent
57.6 by April 1, ~~2022~~ 2023, must be returned to the state general fund.

57.7 (c) If there are insufficient funds to fund all claims in full, the county shall distribute
57.8 funds on a prorated basis.

57.9 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

57.10 Sec. 19. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 5,
57.11 is amended to read:

57.12 Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75
57.13 percent of the remote recreational business's gross annual receipts for fiscal ~~year~~ years 2020
57.14 and 2021, not to exceed \$500,000 per eligible remote recreational business.

57.15 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

57.16 Sec. 20. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 7,
57.17 is amended to read:

57.18 Subd. 7. **Report to legislature.** By ~~January 15~~ April 30, 2023, Lake of the Woods County
57.19 shall report to the legislative committees with jurisdiction over economic development
57.20 policy and finance on the loans provided to remote recreational businesses under this section.

57.21 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

57.22 Sec. 21. **PAY FOR PERFORMANCE.**

57.23 Of the amounts appropriated in law from the workforce development fund for grants to
57.24 pass-through entities, 25 percent in fiscal year 2024 and 50 percent in fiscal year 2025 are
57.25 for performance grants under Minnesota Statutes, section 116J.8747.

57.26 ARTICLE 4

57.27 LABOR APPROPRIATIONS

57.28 Section 1. **APPROPRIATIONS.**

57.29 The sums shown in the columns under "Appropriations" are added to the appropriations
57.30 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The

59.1 (c) **Doors in nursing homes and hospitals.** The State Building Code may not require
59.2 that each door entering a sleeping or patient's room from a corridor in a nursing home or
59.3 hospital with an approved complete standard automatic fire extinguishing system be
59.4 constructed or maintained as self-closing or automatically closing.

59.5 (d) **Child care facilities in churches; ground level exit.** A licensed day care center
59.6 serving fewer than 30 preschool age persons and which is located in a belowground space
59.7 in a church building is exempt from the State Building Code requirement for a ground level
59.8 exit when the center has more than two stairways to the ground level and its exit.

59.9 (e) **Family and group family day care.** Until the legislature enacts legislation specifying
59.10 appropriate standards, the definition of dwellings constructed in accordance with the
59.11 International Residential Code as adopted as part of the State Building Code applies to
59.12 family and group family day care homes licensed by the Department of Human Services
59.13 under Minnesota Rules, chapter 9502.

59.14 (f) **Enclosed stairways.** No provision of the code or any appendix chapter of the code
59.15 may require stairways of existing multiple dwelling buildings of two stories or less to be
59.16 enclosed.

59.17 (g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of
59.18 the code may prohibit double cylinder dead bolt locks in existing single-family homes,
59.19 townhouses, and first floor duplexes used exclusively as a residential dwelling. Any
59.20 recommendation or promotion of double cylinder dead bolt locks must include a warning
59.21 about their potential fire danger and procedures to minimize the danger.

59.22 (h) **Relocated residential buildings.** A residential building relocated within or into a
59.23 political subdivision of the state need not comply with the State Energy Code or section
59.24 326B.439 provided that, where available, an energy audit is conducted on the relocated
59.25 building.

59.26 (i) **Automatic garage door opening systems.** The code must require all residential
59.27 buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82
59.28 and 325F.83.

59.29 (j) **Exterior wood decks, patios, and balconies.** The code must permit the decking
59.30 surface and upper portions of exterior wood decks, patios, and balconies to be constructed
59.31 of (1) heartwood from species of wood having natural resistance to decay or termites,
59.32 including redwood and cedars, (2) grades of lumber which contain sapwood from species
59.33 of wood having natural resistance to decay or termites, including redwood and cedars, or
59.34 (3) treated wood. The species and grades of wood products used to construct the decking

60.1 surface and upper portions of exterior decks, patios, and balconies must be made available
60.2 to the building official on request before final construction approval.

60.3 (k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be
60.4 imposed by municipalities under the State Building Code, except as required under section
60.5 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92
60.6 administered by the Department of Labor and Industry. All data regarding the material
60.7 production processes, including the bioprocess system's structural design and layout, are
60.8 nonpublic data as provided by section 13.7911.

60.9 (l) **Use of ungraded lumber.** The code must allow the use of ungraded lumber in
60.10 geographic areas of the state where the code did not generally apply as of April 1, 2008, to
60.11 the same extent that ungraded lumber could be used in that area before April 1, 2008.

60.12 (m) **Window cleaning safety.** ~~The code must require the installation of dedicated~~
60.13 ~~anchorages for the purpose of suspended window cleaning on (1) new buildings four stories~~
60.14 ~~or greater; and (2) buildings four stories or greater, only on those areas undergoing~~
60.15 ~~reconstruction, alteration, or repair that includes the exposure of primary structural~~
60.16 ~~components of the roof~~ The code shall incorporate by reference nationally recognized safety
60.17 standards for window cleaning developed by the International Window Cleaning Association
60.18 (IWCA) and approved by the American National Standards Institute (ANSI). Such standards
60.19 shall require that window cleaning safety features be provided for all windows on:

60.20 (1) new buildings where determined by the standard; and

60.21 (2) existing buildings undergoing alterations where both of the following conditions are
60.22 met:

60.23 (i) the windows do not currently have safe window cleaning features; and

60.24 (ii) the proposed work area being altered can include provisions for safe window cleaning.

60.25 ~~The commissioner may waive all or a portion of the requirements of this paragraph~~
60.26 ~~related to reconstruction, alteration, or repair, if the installation of dedicated anchorages~~
60.27 ~~would not result in significant safety improvements due to limits on the size of the project,~~
60.28 ~~or other factors as determined by the commissioner.~~

60.29 Sec. 2. Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1, is amended
60.30 to read:

60.31 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required
60.32 in section 326B.107 include:

- 61.1 (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality;
 61.2 and
- 61.3 (2) the surcharge required by section 326B.148.
- 61.4 (b) The total valuation and fee schedule is:
- 61.5 (1) \$1 to \$500, ~~\$29.50~~ \$21;
- 61.6 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
 61.7 or fraction thereof, to and including \$2,000;
- 61.8 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
 61.9 additional \$1,000 or fraction thereof, to and including \$25,000;
- 61.10 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
 61.11 additional \$1,000 or fraction thereof, to and including \$50,000;
- 61.12 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
 61.13 each additional \$1,000 or fraction thereof, to and including \$100,000;
- 61.14 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
 61.15 each additional \$1,000 or fraction thereof, to and including \$500,000;
- 61.16 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
 61.17 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and
- 61.18 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
 61.19 for each additional \$1,000 or fraction thereof.
- 61.20 (c) Other inspections and fees are:
- 61.21 (1) inspections outside of normal business hours (minimum charge two hours), \$63.25
 61.22 per hour;
- 61.23 (2) reinspection fees, \$63.25 per hour;
- 61.24 (3) inspections for which no fee is specifically indicated (minimum charge one-half
 61.25 hour), \$63.25 per hour; and
- 61.26 (4) additional plan review required by changes, additions, or revisions to approved plans
 61.27 (minimum charge one-half hour), \$63.25 per hour.
- 61.28 (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25,
 61.29 then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment,
 61.30 hourly wages, and fringe benefits of the employees involved.

62.1 **EFFECTIVE DATE.** This section is effective retroactively from October 1, 2021.

62.2 Sec. 3. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

62.3 Subd. 5. **Elevator.** As used in this chapter, "elevator" means moving walks and vertical
62.4 transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters,
62.5 hand-powered elevators, endless belt lifts, and ~~wheelchair~~ platform lifts. Elevator does not
62.6 include external temporary material lifts or temporary construction personnel elevators at
62.7 sites of construction of new or remodeled buildings.

62.8 Sec. 4. Minnesota Statutes 2020, section 326B.163, is amended by adding a subdivision
62.9 to read:

62.10 Subd. 5a. **Platform lift.** As used in this chapter, "platform lift" means a powered hoisting
62.11 and lowering device designed to transport mobility-impaired persons on a guided platform.

62.12 Sec. 5. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

62.13 Subd. 13. **Exemption from licensing.** (a) Employees of a licensed elevator contractor
62.14 or licensed limited elevator contractor are not required to hold or obtain a license under this
62.15 section or be provided with direct supervision by a licensed master elevator constructor,
62.16 licensed limited master elevator constructor, licensed elevator constructor, or licensed limited
62.17 elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts.
62.18 Unlicensed employees performing elevator work under this exemption must comply with
62.19 subdivision 5. This exemption does not include the installation, maintenance, repair, or
62.20 replacement of electrical wiring for elevator equipment.

62.21 (b) Contractors or individuals shall not be required to hold or obtain a license under this
62.22 section when performing work on:

62.23 (1) conveyors, including vertical reciprocating conveyors;

62.24 (2) platform lifts not covered under section 326B.163, subdivision 5a; or

62.25 (3) dock levelers.

62.26 Sec. 6. Minnesota Statutes 2020, section 326B.36, subdivision 7, is amended to read:

62.27 Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall not
62.28 be subject to inspection under sections 326B.31 to 326B.399:

63.1 (1) when owned or leased, operated and maintained by any employer whose maintenance
63.2 electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing
63.3 electrical maintenance work only as defined by rule;

63.4 (2) when owned or leased, and operated and maintained by any electrical,
63.5 communications, or railway utility, cable communications company as defined in section
63.6 238.02, or telephone company as defined under section 237.01, in the exercise of its utility,
63.7 antenna, or telephone function; and

63.8 (i) are used exclusively for the generations, transformation, distribution, transmission,
63.9 load control, or metering of electric current, or the operation of railway signals, or the
63.10 transmission of intelligence, and do not have as a principal function the consumption or use
63.11 of electric current by or for the benefit of any person other than such utility, cable
63.12 communications company, or telephone company; and

63.13 (ii) are generally accessible only to employees of such utility, cable communications
63.14 company, or telephone company or persons acting under its control or direction; and

63.15 (iii) are not on the load side of the service point or point of entrance for communication
63.16 systems;

63.17 (3) when used in the street lighting operations of an electrical utility;

63.18 (4) when used as outdoor area lights which are owned and operated by an electrical
63.19 utility and which are connected directly to its distribution system and located upon the
63.20 utility's distribution poles, and which are generally accessible only to employees of such
63.21 utility or persons acting under its control or direction;

63.22 (5) when the installation, material, and equipment are in facilities subject to the
63.23 jurisdiction of the federal Mine Safety and Health Act; or

63.24 (6) when the installation, material, and equipment is part of an elevator installation for
63.25 which the elevator contractor, licensed under section 326B.164, is required to obtain a permit
63.26 from the authority having jurisdiction as provided by section 326B.184, and the inspection
63.27 has been or will be performed by an elevator inspector certified and licensed by the
63.28 department. This exemption shall apply only to installations, material, and equipment
63.29 permitted or required to be connected on the load side of the disconnecting means required
63.30 for elevator equipment under National Electrical Code Article 620, and elevator
63.31 communications and alarm systems within the machine room, car, hoistway, or elevator
63.32 lobby.

64.1 Sec. 7. Minnesota Statutes 2020, section 326B.36, is amended by adding a subdivision to
64.2 read:

64.3 Subd. 8. **Electric utility exemptions; additional requirements.** For exemptions to
64.4 inspections exclusively for load control allowed for electrical utilities under subdivision 7,
64.5 clause (2), item (i), the following requirements apply:

64.6 (1) the exempted work must be conducted by a Class A electrical contractor. If a
64.7 deficiency or code violation is found when conducting such work, the electrical contractor
64.8 or other designee must report the deficiency or code violation to the electric utility; and

64.9 (2) the electric utility must, within ten calendar days of discovering the need for repair,
64.10 inform the owner:

64.11 (i) of the location of the materials or equipment that need repair;

64.12 (ii) that a permit is required for the work; and

64.13 (iii) of a time frame for the repair to be complete, not to exceed six months, after which
64.14 time the utility must disconnect the materials or equipment.

64.15 Sec. 8. Minnesota Statutes 2020, section 326B.42, subdivision 1b, is amended to read:

64.16 Subd. 1b. **Backflow prevention rebuilder.** (a) A "backflow prevention rebuilder" is an
64.17 individual who is qualified by training prescribed by the Plumbing Board and possesses a
64.18 master or journeyworker plumber's license to engage in the testing, maintenance, and
64.19 rebuilding of ~~reduced pressure zone type~~ backflow prevention assemblies as regulated by
64.20 the Plumbing Code.

64.21 (b) For the purposes of this section and section 326B.437, a backflow prevention rebuilder
64.22 who is qualified by training prescribed by the Plumbing Board and engages in rebuilding
64.23 of backflow prevention assemblies limited to systems used to apply water to soil and plant
64.24 materials or provide water to landscape features is exempt from the licensing requirements
64.25 of paragraph (a). Nothing in this paragraph allows an employee or delegate of the backflow
64.26 prevention rebuilder or tester to engage in the testing, maintenance, and rebuilding of
64.27 backflow prevention assemblies as regulated by the Plumbing Code, unless the employee
64.28 or delegate has the requisite backflow prevention tester or rebuilder training prescribed by
64.29 the Plumbing Board.

65.1 Sec. 9. Minnesota Statutes 2020, section 326B.42, subdivision 1c, is amended to read:

65.2 Subd. 1c. **Backflow prevention tester.** A "backflow prevention tester" is an individual
 65.3 who is qualified by training prescribed by the Plumbing Board to engage in the testing of
 65.4 ~~reduced pressure zone type~~ backflow prevention assemblies as regulated by the Plumbing
 65.5 Code.

65.6 Sec. 10. Minnesota Statutes 2020, section 326B.437, is amended to read:

65.7 **326B.437 REDUCED PRESSURE BACKFLOW PREVENTION REBUILDERS**
 65.8 **AND TESTERS.**

65.9 (a) No person shall perform or offer to perform the installation, ~~maintenance, repair, or~~
 65.10 replacement, ~~or rebuilding of reduced pressure zone~~ of backflow prevention assemblies
 65.11 unless the person obtains a plumbing contractor's license. An individual shall not engage
 65.12 in the testing, maintenance, ~~repair,~~ or rebuilding of ~~reduced pressure zone~~ backflow
 65.13 prevention assemblies, as regulated by the Plumbing Code, unless the individual is certified
 65.14 by the commissioner as a backflow prevention rebuilder.

65.15 (b) An individual shall not engage in testing of a ~~reduced pressure zone~~ backflow
 65.16 prevention assembly, as regulated by the Plumbing Code, unless the individual possesses
 65.17 a backflow prevention rebuilder certificate or is certified by the commissioner as a backflow
 65.18 prevention tester.

65.19 (c) Certificates are issued for an initial period of two years and must be renewed every
 65.20 two years thereafter for as long as the certificate holder ~~installs, maintains, repairs,~~ rebuilds,
 65.21 or tests ~~reduced pressure zone~~ backflow prevention assemblies. For purposes of calculating
 65.22 fees under section 326B.092, an initial or renewed backflow prevention rebuilder or tester
 65.23 certificate shall be considered an entry level license.

65.24 ~~(d) The Plumbing Board shall adopt expedited rules under section 14.389 that are related~~
 65.25 ~~to the certification of backflow prevention rebuilders and backflow prevention testers.~~
 65.26 ~~Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the 18-month~~
 65.27 ~~limitation under section 14.125, this authority expires on December 31, 2014.~~

65.28 ~~(e) The department shall recognize certification programs that are a minimum of 16~~
 65.29 ~~contact hours and include the passage of an examination. The examination must consist of~~
 65.30 ~~a practical and a written component. This paragraph expires when the Plumbing Board~~
 65.31 ~~adopts rules under paragraph (d).~~

66.1 Sec. 11. Minnesota Statutes 2020, section 326B.46, subdivision 2, is amended to read:

66.2 Subd. 2. **Bond; insurance.** (a) The bond and insurance requirements of paragraphs (b)
66.3 and (c) apply to each person who performs or offers to perform plumbing work within the
66.4 state, including any person who offers to perform or performs sewer or water service
66.5 installation or backflow prevention testing or rebuilding as described under subdivision 1b,
66.6 paragraph (b), without a contractor's license. If the person performs or offers to perform
66.7 any plumbing work other than sewer or water service installation or backflow prevention
66.8 testing or rebuilding as described under subdivision 1b, paragraph (b), then the person must
66.9 meet the requirements of paragraphs (b) and (c) as a condition of holding a contractor's
66.10 license.

66.11 (b) Each person who performs or offers to perform plumbing work within the state shall
66.12 give and maintain bond to the state in the penal sum of at least \$25,000 for (1) all plumbing
66.13 work entered into within the state or (2) all plumbing work and subsurface sewage treatment
66.14 work entered into within the state. The bond must comply with section 326B.0921. If the
66.15 bond is for both plumbing work and subsurface sewage treatment work, the bond must
66.16 comply with the requirements of this section and section 115.56, subdivision 2, paragraph
66.17 (e).

66.18 (c) Each person who performs or offers to perform plumbing work within the state shall
66.19 have and maintain in effect public liability insurance, including products liability insurance
66.20 with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage
66.21 insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed
66.22 to do business in the state of Minnesota. Each person who performs or offers to perform
66.23 plumbing work within the state shall maintain on file with the commissioner a certificate
66.24 evidencing the insurance. In the event of a policy cancellation, the insurer shall send written
66.25 notice to the commissioner at the same time that a cancellation request is received from or
66.26 a notice is sent to the insured.

66.27 Sec. 12. Laws 2021, First Special Session chapter 10, article 3, section 14, subdivision 1,
66.28 is amended to read:

66.29 Subdivision 1. **License required.** (a) No individual shall engage in or work at the business
66.30 of a master plumber, restricted master plumber, journeyworker plumber, and restricted
66.31 journeyworker plumber unless licensed to do so by the commissioner. A license is not
66.32 required for individuals performing building sewer or water service installation who have
66.33 completed pipe laying training as prescribed by the commissioner. A license is not required
66.34 for individuals servicing or installing a commercial chemical dispensing system or servicing

67.1 or replacing a commercial dishwashing machine, including connecting a commercial chemical
67.2 dispensing system or commercial dishwashing machine to a water line or drain line, provided
67.3 that:

67.4 (1) the individual servicing or installing the commercial chemical dispensing system or
67.5 servicing or replacing the commercial dishwashing machine is an employee of the
67.6 manufacturer or distributor of the commercial chemical dispensing system or commercial
67.7 dishwashing machine;

67.8 (2) the individual servicing or installing the commercial chemical dispensing system or
67.9 servicing or replacing the commercial dishwashing machine has a minimum of 25 hours of
67.10 classroom or laboratory training, a minimum of 20 hours of in-field training with a qualified
67.11 technician on the types of systems being installed, followed by a minimum of 100 hours of
67.12 supervised field experience. The training and experience curriculum required under this
67.13 clause must be approved by the commissioner, in consultation with the manufacturer or
67.14 distributor, but the commissioner shall not require training or experience hours in excess
67.15 of the amounts specified in this clause;

67.16 (3) the manufacturer or distributor of the commercial chemical dispensing system or
67.17 commercial dishwashing machine must meet the insurance requirements of section 326B.46,
67.18 subdivision 2, paragraph (c);

67.19 (4) the connection is a push fit fitting, compression fitting, or threaded pipe fitting to an
67.20 existing water line or drain, which has been initially installed by a licensed plumber; and

67.21 (5) the commercial chemical dispensing system complies with ASSE 1055 or contains
67.22 code-approved integral backflow protection.

67.23 A license is not required for individuals performing backflow prevention rebuilding as
67.24 described under subdivision 1b, paragraph (b), provided that the individual: (1) has completed
67.25 backflow prevention rebuilder training as prescribed by the Plumbing Board; and (2) has
67.26 obtained a nationally recognized third-party accredited professional irrigation certification
67.27 and any such professional certifications have been approved by the commissioner.

67.28 A master plumber may also work as a journeyworker plumber, a restricted journeyworker
67.29 plumber, and a restricted master plumber. A journeyworker plumber may also work as a
67.30 restricted journeyworker plumber. Anyone not so licensed may do plumbing work which
67.31 complies with the provisions of the minimum standards prescribed by the Plumbing Board
67.32 on premises or that part of premises owned and actually occupied by the worker as a
67.33 residence, unless otherwise forbidden to do so by a local ordinance.

68.1 (b) No person shall engage in the business of planning, superintending, or installing
 68.2 plumbing or shall install plumbing in connection with the dealing in and selling of plumbing
 68.3 material and supplies unless at all times a licensed master plumber, or in cities and towns
 68.4 with a population of fewer than 5,000 according to the last federal census, a restricted master
 68.5 plumber, who shall be responsible for proper installation, is in charge of the plumbing work
 68.6 of the person.

68.7 (c) Except as provided in subdivision 1a, no person shall perform or offer to perform
 68.8 plumbing work with or without compensation unless the person obtains a contractor's license.
 68.9 A contractor's license does not of itself qualify its holder to perform the plumbing work
 68.10 authorized by holding a master, journeyworker, restricted master, or restricted journeyworker
 68.11 license.

68.12 **Sec. 13. LAWS CHAPTER 32 EFFECTIVE DATE.**

68.13 Notwithstanding any other law to the contrary, Laws 2022, chapter 32, articles 1 and 2,
 68.14 sections 1 to 12, are effective the day following final enactment, and Laws 2022, chapter
 68.15 32, article 1, section 1, applies to appointments made on or after that date.

68.16 **ARTICLE 6**

68.17 **FRONTLINE WORKER PREMIUM PAY**

68.18 **Section 1. FRONTLINE WORKER PREMIUM PAY PROGRAM.**

68.19 Subdivision 1. **Program established; payments authorized.** The commissioner of
 68.20 revenue, to the extent feasible, shall make premium payments to eligible frontline workers
 68.21 as provided in this section.

68.22 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
 68.23 meanings given.

68.24 (b) "First responder or other emergency frontline worker" means a person who performs
 68.25 service for hire for an employer for one day or more as one of the following:

68.26 (1) law enforcement personnel;

68.27 (2) firefighter;

68.28 (3) corrections officer at congregate living settings;

68.29 (4) paramedic;

68.30 (5) ambulance service personnel; and

69.1 (6) emergency medical technician or other first responder whose primary responsibility
 69.2 is to respond to medical emergencies before the arrival of a licensed ambulance service.

69.3 (c) "Long-term or other health care frontline worker" means a person who performs
 69.4 service for hire for an employer for one day or more as one of the following:

69.5 (1) long-term care facility worker;

69.6 (2) outpatient care worker;

69.7 (3) home care worker;

69.8 (4) personal assistance provider;

69.9 (5) home health provider;

69.10 (6) home delivered meal provider;

69.11 (7) nurse;

69.12 (8) nursing assistant;

69.13 (9) nursing aide;

69.14 (10) medical resident;

69.15 (11) pharmacy staff;

69.16 (12) phlebotomist;

69.17 (13) hospice provider;

69.18 (14) respiratory therapist; or

69.19 (15) worker providing direct patient care in inpatient and outpatient dialysis facilities.

69.20 Subd. 3. **Eligibility.** A first responder or other emergency frontline worker or a long-term
 69.21 or other health care frontline worker is eligible to receive frontline worker premium pay as
 69.22 provided under this section if the first responder or other emergency frontline worker or
 69.23 long-term or other health care frontline worker:

69.24 (1) was employed as of March 15, 2020, in a position that did not allow for remote work;

69.25 (2) worked at least 1,200 hours in a position as a first responder or other emergency
 69.26 frontline worker or a long-term or other health care frontline worker during the period
 69.27 between March 15, 2020, and December 31, 2020;

69.28 (3) did not collect unemployment benefits for more than four weeks on a cumulative
 69.29 basis for the period between March 15, 2020, and December 31, 2020; and

70.1 (4) is a resident of Minnesota.

70.2 Subd. 4. **Application; verification of eligibility.** (a) An eligible first responder or other
70.3 emergency frontline worker or an eligible long-term or other health care frontline worker
70.4 may apply to the commissioner of revenue in the form and manner determined by the
70.5 commissioner for a payment under this section.

70.6 (b) The commissioner must begin accepting applications from eligible applicants on
70.7 May 16, 2022. The commissioner must not accept applications submitted after June 17,
70.8 2022.

70.9 (c) The commissioner must verify each applicant's eligibility for a payment under this
70.10 section.

70.11 Subd. 5. **Use of information.** The commissioner of revenue may consult with the
70.12 commissioner of employment and economic development and disclose information to the
70.13 extent necessary to verify eligibility and administer the payments under this section.

70.14 Subd. 6. **Payments; amounts.** (a) As soon as practicable, the commissioner of revenue
70.15 must make payments to verified applicants in the order in which the application was received.

70.16 (b) The payment for a verified eligible first responder or other emergency frontline
70.17 worker or a verified eligible long-term or other health care frontline worker equals \$1,200.

70.18 Subd. 7. **Report.** By January 15, 2023, the commissioner of revenue shall report to the
70.19 legislative committees with jurisdiction over taxes and economic development policy and
70.20 finance on the program under this section.

70.21 Subd. 8. **Appropriation.** (a) \$250,000,000 in fiscal year 2022 is appropriated from the
70.22 general fund to the commissioner of revenue to make the payments required under this
70.23 section. This is a onetime appropriation.

70.24 (b) Any unexpended amount from the appropriation in paragraph (a) remaining after
70.25 June 30, 2023, is canceled.

70.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

70.27 Sec. 2. **TAX TREATMENT OF FRONTLINE WORKER PREMIUM PAYMENTS.**

70.28 (a) For the purposes of this section, "subtraction" has the meaning given in Minnesota
70.29 Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this
70.30 section.

71.1 (b) The amount of frontline worker premium payments received under section 1 is a
71.2 subtraction.

71.3 (c) For purposes of Minnesota Statutes, section 290.0674, subdivision 2a, paragraph (b),
71.4 "income" does not include frontline worker premium payments received under section 1.

71.5 (d) For purposes of Minnesota Statutes, section 290A.03, subdivision 3, paragraph (b),
71.6 "income" does not include frontline worker premium payments received under section 1.

71.7 **EFFECTIVE DATE.** This section is effective for taxable years in which a taxpayer
71.8 received a frontline worker premium payment.

APPENDIX
Repealed Minnesota Session Laws: S4091-3

Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9

Sec. 9. Laws 2005, chapter 97, article 10, section 3, is amended to read:

Sec. 3. **SUNSET.**

Sections 1 and 2 shall expire on June 30, 2023.

Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 3

Sec. 3. **DEPARTMENT OF COMMERCE**

Subd. 3. Third-Party Evaluator

\$500,000 each year is for costs associated with any third-party expert evaluation of a proposal submitted in response to a request for proposal to the Renewable Development Advisory Group under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (1). No portion of this appropriation may be expended or retained by the commissioner of commerce. Any money appropriated under this paragraph that is unexpended at the end of a fiscal year cancels to the renewable development account.