

A bill for an act

1.1 relating to state government; appropriating money for higher education and
1.2 economic development; establishing and modifying certain grants and programs;
1.3 making technical changes; regulating certain activities and practices; providing
1.4 penalties; establishing and amending certain scholarships; providing a tuition
1.5 guarantee; regulating board member and trustee nominations and elections;
1.6 establishing working groups; regulating unemployment insurance; regulating
1.7 labor standards and wages; providing for licensing and fees; amending Iron
1.8 Range resources provisions; amending Minnesota Statutes 2008, sections 15.75,
1.9 subdivision 5; 16B.54, subdivision 2; 84.94, subdivision 3; 85.0146, subdivision
1.10 1; 89A.08, subdivision 1; 115C.08, subdivision 4; 116J.035, subdivisions
1.11 1, 6; 116J.401, subdivision 2; 116J.424; 116J.431, subdivisions 1, 2, 4, 6, by
1.12 adding a subdivision; 116J.554, subdivision 1; 116J.555, subdivision 1; 116J.68,
1.13 subdivision 2; 116J.8731, subdivisions 2, 3; 116L.03, subdivision 5; 116L.05,
1.14 subdivision 5; 116L.20, subdivision 1; 116L.362, subdivision 1; 116L.364,
1.15 subdivision 3; 116L.871, subdivision 1; 116L.96; 116O.115, subdivisions 2,
1.16 4; 123A.08, subdivision 1; 124D.49, subdivision 3; 135A.08, subdivision 1;
1.17 135A.17, subdivision 2; 135A.25, subdivision 4; 136A.06; 136A.08, subdivision
1.18 1, by adding a subdivision; 136A.101, subdivision 4; 136A.121, subdivisions
1.19 5, 6, 9; 136A.1701, subdivision 10; 136F.02, subdivision 1; 136F.04; 136F.045;
1.20 136F.46, subdivision 3; 137.0246, subdivision 2; 137.025, subdivision 1; 137.63,
1.21 subdivision 1; 137.64, subdivisions 1, 2, 3, 4, 5; 154.001; 154.19; 154.44,
1.22 subdivision 1; 154.51; 160.276, subdivision 8; 177.30; 177.31; 177.32; 177.42,
1.23 subdivision 6, by adding a subdivision; 177.43, subdivisions 3, 6a; 178.02,
1.24 subdivision 2; 179A.03, subdivision 14; 182.656, subdivision 3; 201.061,
1.25 subdivisions 1, 3; 201.071, subdivision 1; 201.091, by adding a subdivision;
1.26 214.01, subdivision 3; 214.04, subdivision 3; 216B.1612, subdivision 2; 241.27,
1.27 subdivision 1; 248.061, subdivision 3; 248.07, subdivisions 7, 8; 256J.626,
1.28 subdivision 4; 256J.66, subdivision 1; 268.031; 268.035, subdivisions 2, 17, by
1.29 adding subdivisions; 268.042, subdivision 3; 268.043; 268.044, subdivision 2;
1.30 268.047, subdivisions 1, 2; 268.051, subdivisions 1, 4; 268.052, subdivision 2;
1.31 268.053, subdivision 1; 268.057, subdivisions 4, 5; 268.0625, subdivision 1;
1.32 268.066; 268.067; 268.069, subdivisions 1, 2; 268.07, subdivisions 1, 2, 3, 3b;
1.33 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095, subdivisions
1.34 1, 2, 10, 11; 268.101, subdivisions 1, 2; 268.103, subdivision 1, by adding
1.35 a subdivision; 268.105, subdivisions 1, 2, 3a, 4, 5; 268.115, subdivision 5;
1.36 268.125, subdivision 5; 268.135, subdivision 4; 268.145, subdivision 1; 268.18,
1.37 subdivisions 1, 2, 4a; 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211;
1.38 268A.06, subdivision 1; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221;
1.39

2.1 298.2211, subdivision 3; 298.2213, subdivisions 4, 5; 298.2214, subdivision 1,
2.2 by adding a subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292,
2.3 subdivision 2; 298.294; 298.296, subdivision 2; 298.2961; 298.297; 299A.45,
2.4 subdivision 4; 326B.33, subdivision 19; 326B.46, subdivision 4; 326B.475,
2.5 subdivisions 4, 7; 326B.49, subdivision 1; 326B.56, subdivision 4; 326B.58;
2.6 326B.815, subdivision 1; 326B.821, subdivision 2; 326B.86, subdivision 1;
2.7 326B.885, subdivision 2; 326B.89, subdivisions 3, 16; 326B.94, subdivision
2.8 4; 326B.972; 326B.986, subdivisions 2, 5, 8; 327B.04, subdivisions 7, 8, by
2.9 adding a subdivision; 340A.404, subdivision 4a; 469.169, subdivision 3; Laws
2.10 1998, chapter 404, section 23, subdivision 6, as amended; Laws 2007, chapter
2.11 135, article 1, section 16; proposing coding for new law in Minnesota Statutes,
2.12 chapters 90; 116J; 135A; 136A; 136F; 137; 155A; 181; 268; 298; 326B; repealing
2.13 Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431, subdivision 5;
2.14 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; 116U.65;
2.15 136A.127; 136F.03; 137.0245; 176.135, subdivision 1b; 268.085, subdivision
2.16 14; 268.086, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; Minnesota Rules, part 1350.8300.

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

2.18 **ARTICLE 1**

2.19 **HIGHER EDUCATION APPROPRIATIONS**

2.20 Section 1. **SUMMARY OF APPROPRIATIONS.**

2.21 Subdivision 1. Summary by fund. The amounts shown in this section summarize
2.22 direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
2.23 <u>General</u>	\$ 1,388,543,000	\$ 1,383,285,000	\$ 2,771,828,000
2.24 <u>Health Care Access</u>	2,157,000	2,157,000	4,314,000
2.25 <u>Federal Stabilization</u>	180,920,000	180,920,000	361,840,000
2.26 <u>Total</u>	\$ 1,571,620,000	\$ 1,566,362,000	\$ 3,137,982,000

2.28 Subd. 2. Summary by agency - all funds. The amounts shown in this subdivision
2.29 summarize direct appropriations, by agency, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
2.30 <u>Minnesota Office of Higher</u>			
2.31 <u>Education</u>	\$ 195,358,000	\$ 190,049,000	\$ 385,407,000
2.32 <u>Board of Trustees of the</u>			
2.33 <u>Minnesota State Colleges and</u>			
2.34 <u>Universities</u>	665,883,000	665,883,000	1,331,766,000
2.35 <u>Board of Regents of the</u>			
2.36 <u>University of Minnesota</u>	709,079,000	709,079,000	1,418,158,000
2.37 <u>Mayo Medical Foundation</u>	1,300,000	1,351,000	2,651,000
2.38 <u>Total</u>	\$ 1,571,620,000	\$ 1,566,362,000	\$ 3,137,982,000

2.40 Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

2.41 The sums shown in the columns marked "Appropriations" are appropriated to the
2.42 agencies and for the purposes specified in this article. The appropriations are from the

3.1 general fund, or another named fund, and are available for the fiscal years indicated
 3.2 for each purpose. The figures "2010" and "2011" used in this article mean that the
 3.3 appropriations listed under them are available for the fiscal year ending June 30, 2009,
 3.4 June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The
 3.5 second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

3.6		<u>APPROPRIATIONS</u>	
3.7		<u>Available for the Year</u>	
3.8		<u>Ending June 30</u>	
3.9		<u>2010</u>	<u>2011</u>

3.10 **Sec. 3. MINNESOTA OFFICE OF HIGHER**
 3.11 **EDUCATION**

3.12	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 195,358,000</u>	<u>\$ 190,049,000</u>
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3.13 The amounts that may be spent for each
 3.14 purpose are specified in the following
 3.15 subdivisions.

3.16	<u>Subd. 2. State Grants</u>	<u>149,721,000</u>	<u>144,618,000</u>
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3.17 If the appropriation in this subdivision for
 3.18 either year is insufficient, the appropriation
 3.19 for the other year is available for it.

3.20 The legislature intends that the Office of
 3.21 Higher Education make full grant awards in
 3.22 each year of the biennium.

3.23 For the biennium, the tuition maximum for
 3.24 students in four-year programs is \$9,938 in
 3.25 each year.

3.26 This appropriation sets the living and
 3.27 miscellaneous expense allowance at \$6,900
 3.28 each year.

3.29	<u>Subd. 3. Safety Officers' Survivors</u>	<u>100,000</u>	<u>100,000</u>
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3.30 This appropriation is to provide educational
 3.31 benefits under Minnesota Statutes, section
 3.32 299A.45, to dependent children under age 23
 3.33 and to the spouses of public safety officers
 3.34 killed in the line of duty.

H.F. No. 869, 1st Committee Engrossment - 86th Legislative Session (2009-2010)
[CEH0869-1]

4.1 If the appropriation in this subdivision for
4.2 either year is insufficient, the appropriation
4.3 for the other year is available for it.

4.4 Subd. 4. **Interstate Tuition Reciprocity** 2,750,000 2,750,000

4.5 If the appropriation in this subdivision for
4.6 either year is insufficient, the appropriation
4.7 for the other year is available to meet
4.8 reciprocity contract obligations.

4.9 Subd. 5. **State Work Study** 15,500,000 15,500,000

4.10 Subd. 6. **Child Care Grants** 6,675,000 6,675,000

4.11 Subd. 7. **Indian Scholarships** 2,375,000 2,375,000

4.12 The director of the Minnesota Office of
4.13 Higher Education must contract with at least
4.14 one knowledgeable person residing in or
4.15 near the city of Bemidji to assist students
4.16 with the scholarships under Minnesota
4.17 Statutes, section 136A.126, and with other
4.18 information about financial aid for which
4.19 the students may be eligible. Bemidji State
4.20 University must provide office space at
4.21 no cost to the Minnesota Office of Higher
4.22 Education for purposes of administering the
4.23 American Indian scholarship program under
4.24 Minnesota Statutes, section 136A.126.

4.25 Subd. 8. **Minitex** 5,631,000 5,631,000

4.26 Subd. 9. **MnLINK Gateway** 400,000 400,000

4.27 Subd. 10. **Learning Network of Minnesota** 4,800,000 4,800,000

4.28 Subd. 11. **Minnesota College Savings Plan** 700,000 700,000

4.29 Subd. 12. **Midwest Higher Education Compact** 95,000 95,000

4.30 Subd. 13. **Other Small Programs** 853,000 853,000

4.31 This appropriation includes funding for
4.32 student and parent information, information

5.1	<u>for college attendance, and minority</u>		
5.2	<u>education programs.</u>		
5.3	<u>Subd. 14. TEACH Program</u>	<u>300,000</u>	<u>300,000</u>
5.4	<u>For the teacher education and compensation</u>		
5.5	<u>helps (TEACH) and the Minnesota early</u>		
5.6	<u>childhood teacher retention programs in</u>		
5.7	<u>Minnesota Statutes, section 136A.126. This</u>		
5.8	<u>is a onetime appropriation.</u>		
5.9	<u>Subd. 15. Power of You</u>	<u>2,000,000</u>	<u>2,000,000</u>
5.10	<u>For transfer to MnSCU for the existing</u>		
5.11	<u>Power of You program and for pilot sites</u>		
5.12	<u>under article 2, section 41.</u>		
5.13	<u>Subd. 16. Technical and Community College</u>		
5.14	<u>Emergency Grants</u>	<u>100,000</u>	<u>100,000</u>
5.15	<u>For transfer to the financial aid offices</u>		
5.16	<u>at each of the colleges of the Minnesota</u>		
5.17	<u>State Colleges and Universities to provide</u>		
5.18	<u>emergency aid grants to technical and</u>		
5.19	<u>community college students who are</u>		
5.20	<u>experiencing extraordinary economic</u>		
5.21	<u>circumstances that may result in the students</u>		
5.22	<u>dropping out of school without completing</u>		
5.23	<u>the term or their program.</u>		
5.24	<u>Subd. 17. Veterinary Loan Forgiveness</u>	<u>225,000</u>	
5.25	<u>For the large animal loan forgiveness</u>		
5.26	<u>program under Minnesota Statutes, section</u>		
5.27	<u>136A.1795. This appropriation is available</u>		
5.28	<u>until expended.</u>		
5.29	<u>Subd. 18. Agency Administration</u>	<u>2,685,000</u>	<u>2,685,000</u>
5.30	<u>Subd. 19. Balances Forward</u>		
5.31	<u>A balance in the first year under this section</u>		
5.32	<u>does not cancel, but is available for the</u>		
5.33	<u>second year.</u>		

6.1 Subd. 20. Transfers

6.2 The Minnesota Office of Higher Education
6.3 may transfer unencumbered balances from
6.4 the appropriations in subdivisions 2 to 7
6.5 and 11 to the state grant appropriation, the
6.6 safety officer survivors appropriation, the
6.7 interstate tuition reciprocity appropriation,
6.8 the Minnesota college savings plan
6.9 appropriation, the child care appropriation,
6.10 and the state work study appropriation.

6.11 Subd. 21. United Family Medicine Residency
6.12 Program

448,000

467,000

6.13 For a grant to the united family medicine
6.14 residency program. This appropriation
6.15 must be used to support up to 18 resident
6.16 physicians each year in family practice at
6.17 united family medicine residency programs
6.18 and must prepare doctors to practice family
6.19 care medicine in underserved rural and
6.20 urban areas of the state. At least seven
6.21 of the resident physicians must be at a
6.22 publicly owned rural hospital that has an
6.23 attached nursing home. The legislature
6.24 intends for this program to improve health
6.25 care in underserved communities, provide
6.26 affordable access to appropriate medical
6.27 care, and manage the treatment of patients in
6.28 a more cost-effective manner.

6.29 Subd. 22. TANF Work-Study

6.30 Notwithstanding any rule to the contrary,
6.31 work-study jobs funded by a TANF
6.32 appropriation do not require employer
6.33 matching funds.

6.34 Subd. 23. Reporting

8.1 (a) It is the intention of the legislature to
8.2 increase the amount of funding distributed
8.3 to colleges and universities through the
8.4 allocation model to provide direct support of
8.5 instruction and related functions necessary
8.6 to protect the core mission of educating
8.7 students.

8.8 (b) Allocations to campuses from
8.9 appropriations under this section must
8.10 not be reduced below the allocations for
8.11 the biennium ending June 30, 2009, after
8.12 deducting any amount unallotted in the
8.13 biennium.

8.14 (c) The Board of Trustees shall submit
8.15 expenditure reduction plans by March 15,
8.16 2010, to the committees of the legislature
8.17 with responsibility for higher education
8.18 finance to achieve the 2012-2013 base
8.19 established in this section at the central
8.20 office and at each institution. The plan
8.21 submitted by the board must be based on
8.22 plans developed at each institution detailing
8.23 reductions to achieve lower base allocations
8.24 at that institution. Each plan must focus on
8.25 protecting direct instruction while reducing
8.26 peripheral programs and services that may
8.27 benefit students and institutions but are
8.28 not necessary to the education of students
8.29 seeking certificates, diplomas, and degrees.

8.30 (d) During the biennium ending June 30,
8.31 2011, the board must not fill administrative
8.32 and managerial vacancies, existing on the
8.33 effective date of this section, in the central
8.34 office or at any of the campuses of the
8.35 Minnesota State Colleges and Universities

9.1 or use a search firm for any hiring. The
9.2 board must not authorize any increase in
9.3 salaries for administrative and managerial
9.4 positions in the Minnesota State Colleges
9.5 and Universities in the biennium ending June
9.6 30, 2011. The board must not charge any
9.7 of the institutions for reductions under this
9.8 section to the central office.

9.9 (e) For the biennium ending June 30, 2011,
9.10 the board must not reserve or expend
9.11 appropriations under this subdivision for
9.12 competitive salaries, awards of excellence,
9.13 campus and technology initiatives outside the
9.14 allocation model, or other board or chancellor
9.15 initiatives. All amounts saved under this
9.16 paragraph must be added to the allocation
9.17 model and distributed to the institutions.

9.18 (f) For the biennium ending June 30,
9.19 2011, expenditures under this subdivision
9.20 must not exceed \$40,000,000 for
9.21 technology initiatives, including technology
9.22 infrastructure improvements, and \$5,000,000
9.23 for initiatives to recruit and retain
9.24 traditionally underrepresented students. All
9.25 amounts saved under this paragraph must be
9.26 added to the allocation model and distributed
9.27 to the institutions.

9.28 (g) \$40,000 each year is for the Cook
9.29 County Higher Education Board to provide
9.30 educational programs and academic support
9.31 services.

9.32 (h) \$1,000,000 each year is for the Northeast
9.33 Minnesota Higher Education District and
9.34 high schools in its area. Students from area
9.35 high schools may also access the facilities

10.1 and faculty of the Northeast Minnesota
10.2 Higher Education District for state-of-the-art
10.3 technical education opportunities, including
10.4 MnSCU's 2+2 Pathways initiative.

10.5 (i) \$225,000 each year is to enhance eFolio
10.6 Minnesota and for a center to provide on-site
10.7 and Internet-based support and technical
10.8 assistance to users of the state's eFolio
10.9 Minnesota system to promote workforce and
10.10 economic development and to enable access
10.11 to workforce information generated through
10.12 the eFolio Minnesota system.

10.13 (j) For fiscal years 2012 and 2013 the base for
10.14 operations and maintenance is \$609,631,000
10.15 each year.

10.16 Subd. 4. **Federal Stimulus Appropriation** 65,189,000 65,189,000

10.17 (a) This appropriation is from the fiscal
10.18 stabilization account in the federal fund and
10.19 may be used for modernization, renovation,
10.20 or repair of facilities that are primarily used
10.21 for instruction, research, or student housing
10.22 but may not be used for maintenance of
10.23 systems, equipment, or facilities. Amounts
10.24 in this subdivision must not be allocated
10.25 to modernization, renovation, or repair of
10.26 stadiums or other facilities primarily used
10.27 for athletic contests or exhibitions or other
10.28 events for which admission is charged to the
10.29 general public and must not be allocated to
10.30 any facility used for sectarian instruction or
10.31 religious worship or in which a substantial
10.32 portion of the functions of the facilities are
10.33 subsumed in a religious mission. No amount
10.34 from this appropriation may be allocated to
10.35 increase endowment funds.

11.1 (b) Appropriations under this subdivision
11.2 must be used as a bridge for budget
11.3 reductions in the biennium ending June 30,
11.4 2013, and may be used to retain faculty
11.5 and staff jobs, to provide severance and for
11.6 early retirement incentives, and to mitigate
11.7 the rising costs of attendance through
11.8 minimizing tuition increases and the support
11.9 of student employment opportunities.

11.10 (c) The legislature intends that the
11.11 tuition increase for a Minnesota resident
11.12 undergraduate student in the Minnesota State
11.13 Colleges and Universities, must not exceed
11.14 five percent per year for the biennium ending
11.15 June 30, 2011. Federal stimulus money
11.16 under this subdivision must be used to buy
11.17 down the tuition increase to no more than
11.18 two percent per year for these students.

11.19 (d) An additional \$3,469,000 is appropriated
11.20 in fiscal year 2009 from the fiscal stabilization
11.21 account in the federal fund.

11.22 **Subd. 5. System Improvements**

11.23 To increase efficiencies and equity for
11.24 faculty and staff, the Board of Trustees is
11.25 encouraged to place a priority on identifying
11.26 and implementing measures to improve
11.27 the human resources system used by the
11.28 Minnesota State Colleges and Universities.

11.29 One of the goals of improving the human
11.30 resources system is to provide seamless
11.31 information on faculty and employees to
11.32 facilitate transfers between institutions.

11.33 **Sec. 5. BOARD OF REGENTS OF THE**
11.34 **UNIVERSITY OF MINNESOTA**

11.35 **Subdivision 1. Total Appropriation** **\$** **709,079,000** **\$** **709,079,000**

12.1	<u>The amounts that may be spent for each</u>		
12.2	<u>purpose are specified in the following</u>		
12.3	<u>subdivisions.</u>		
12.4	<u>Subd. 2. Operations and Maintenance</u>	<u>517,623,000</u>	<u>517,623,000</u>
12.5	<u>(a) In the biennium ending June 30, 2011, the</u>		
12.6	<u>board must not use appropriations under this</u>		
12.7	<u>section to create or fund new administrative</u>		
12.8	<u>positions at the University of Minnesota or to</u>		
12.9	<u>increase salaries for administrative positions.</u>		
12.10	<u>(b) Appropriations under this subdivision</u>		
12.11	<u>may be used for a new scholarship under</u>		
12.12	<u>Minnesota Statutes, section 137.0225, to</u>		
12.13	<u>complement the University's Founders</u>		
12.14	<u>scholarship.</u>		
12.15	<u>(c) This appropriation includes amounts for</u>		
12.16	<u>an Ojibwe Indian language program on the</u>		
12.17	<u>Duluth campus.</u>		
12.18	<u>(d) This appropriation includes money for the</u>		
12.19	<u>Dakota language teacher training immersion</u>		
12.20	<u>program on the Twin Cities campus to</u>		
12.21	<u>prepare teachers to teach in Dakota language</u>		
12.22	<u>immersion programs.</u>		
12.23	<u>(e) This appropriation includes \$600,000</u>		
12.24	<u>each year for the Veterinary Diagnostic</u>		
12.25	<u>Laboratory.</u>		
12.26	<u>(f) For fiscal years 2012 and 2013, the</u>		
12.27	<u>base for operations and maintenance is</u>		
12.28	<u>\$598,124,000 each year.</u>		
12.29	<u>Subd. 3. Health Care Access Fund</u>	<u>2,157,000</u>	<u>2,157,000</u>
12.30	<u>This appropriation is from the health care</u>		
12.31	<u>access fund and is for primary care education</u>		
12.32	<u>initiatives.</u>		
12.33	<u>Subd. 4. Special Appropriation</u>	<u>73,468,000</u>	<u>73,468,000</u>

13.1	<u>(a) Agriculture and Extension Service</u>	<u>52,255,000</u>	<u>52,255,000</u>
13.2	<u>(1) This appropriation is for agricultural</u>		
13.3	<u>research and extension activities as provided</u>		
13.4	<u>in this paragraph.</u>		
13.5	<u>(2) The Agricultural Experiment Stations</u>		
13.6	<u>and Minnesota Extension Service must</u>		
13.7	<u>convene agricultural advisory groups to</u>		
13.8	<u>focus research, education, and extension</u>		
13.9	<u>activities on producer needs and implement</u>		
13.10	<u>an outreach strategy that more effectively</u>		
13.11	<u>and rapidly transfers research results and best</u>		
13.12	<u>practices to producers throughout the state.</u>		
13.13	<u>(3) This appropriation includes funding</u>		
13.14	<u>for research efforts that demonstrate a</u>		
13.15	<u>renewed emphasis on the needs of the state's</u>		
13.16	<u>production agriculture community. The</u>		
13.17	<u>following areas should be prioritized and</u>		
13.18	<u>carried out in consultation with Minnesota</u>		
13.19	<u>producer organizations:</u>		
13.20	<u>(i) vegetable crop research;</u>		
13.21	<u>(ii) fertilizer and soil fertility research and</u>		
13.22	<u>development;</u>		
13.23	<u>(iii) soil, groundwater, and surface water</u>		
13.24	<u>conservation practices and contaminant</u>		
13.25	<u>reduction research;</u>		
13.26	<u>(iv) discovering and developing plant</u>		
13.27	<u>varieties that use nutrients more efficiently;</u>		
13.28	<u>(v) breeding and development of turf seed</u>		
13.29	<u>and other biomass resources in all three</u>		
13.30	<u>Minnesota biomes;</u>		
13.31	<u>(vi) development of new disease-resistant</u>		
13.32	<u>and pest-resistant varieties of turf and</u>		
13.33	<u>agronomic crops;</u>		

- 14.1 (vii) utilizing plant and livestock cells to treat
14.2 and cure human diseases;
- 14.3 (viii) the development of dairy coproducts;
- 14.4 (ix) a rapid agricultural response fund for
14.5 current or emerging animal, plant, and insect
14.6 problems affecting production or food safety;
- 14.7 (x) crop pest and animal disease research;
- 14.8 (xi) developing animal agriculture that is
14.9 capable of sustainably feeding the world;
- 14.10 (xii) consumer food safety education and
14.11 outreach; and
- 14.12 (xiii) programs to meet the research and
14.13 outreach needs of sustainable and organic
14.14 livestock and crop farmers.
- 14.15 (4) This appropriation includes funding for
14.16 research and outreach on the production of
14.17 renewable energy from Minnesota biomass
14.18 resources. The following areas should be
14.19 prioritized and carried out in consultation
14.20 with Minnesota producer and bioenergy
14.21 organizations:
- 14.22 (i) biofuel and other energy production from
14.23 perennial crops, small grains, row crops,
14.24 and forestry products in conjunction with
14.25 the Natural Resources Research Institute
14.26 (NRRI);
- 14.27 (ii) alternative bioenergy crops and cropping
14.28 systems; and
- 14.29 (iii) biofuel coproducts used for livestock
14.30 feed.
- 14.31 (5) This appropriation includes funding
14.32 for analysis of livestock facility siting and
14.33 regulatory models from other states and

15.1 countries and the following aspects of
15.2 ethanol production in Minnesota:
15.3 (i) water use trends as compared to other
15.4 industries and activities;
15.5 (ii) the carbon balance of ethanol production;
15.6 (iii) the effect of ethanol blending
15.7 requirements on transportation fuel prices;
15.8 and
15.9 (iv) the economic impacts of ethanol
15.10 production and use including such measures
15.11 as employment, economic output, and state
15.12 and local tax revenues.
15.13 (6) This appropriation may be used to
15.14 establish and maintain a statewide organic
15.15 research and education initiative, secure
15.16 a facility and retain current faculty levels
15.17 for poultry research currently conducted at
15.18 UMore Park, develop and implement a dairy
15.19 producer continuing education program
15.20 and for scoping a new dairy research and
15.21 teaching facility.
15.22 (7) By February 1, 2011, the Board of
15.23 Regents must submit a report to the
15.24 legislative committees with responsibility
15.25 for agriculture and higher education finance
15.26 on the status and outcomes of research and
15.27 initiatives funded in this section.
15.28 **(b) Health Sciences**

5,275,000

5,275,000

15.29 \$346,000 each year is to support up to 12
15.30 resident physicians each year in the St.
15.31 Cloud Hospital family practice residency
15.32 program. The program must prepare doctors
15.33 to practice primary care medicine in the rural
15.34 areas of the state. The legislature intends for

16.1 this program to improve health care in rural
16.2 communities, provide affordable access to
16.3 appropriate medical care, and manage the
16.4 treatment of patients in a more cost-effective
16.5 manner.

16.6 The remainder of this appropriation is for
16.7 the rural physicians associates program, the
16.8 Veterinary Diagnostic Laboratory, health
16.9 sciences research, dental care, and the
16.10 Biomedical Engineering Center.

16.11 **(c) Institute of Technology** 1,387,000 1,387,000

16.12 For the Geological Survey and the talented
16.13 youth mathematics program.

16.14 **(d) System Specials** 6,551,000 6,551,000

16.15 For general research, student loans matching
16.16 money, industrial relations education,
16.17 Natural Resources Research Institute, Center
16.18 for Urban and Regional Affairs, and the Bell
16.19 Museum of Natural History.

16.20 **(e) University of Minnesota and Mayo**
16.21 **Foundation Partnership** 8,000,000 8,000,000

16.22 For the direct and indirect expenses of the
16.23 collaborative research partnership between
16.24 the University of Minnesota and the Mayo
16.25 Foundation for research in biotechnology
16.26 and medical genomics. This appropriation
16.27 is available until expended. All parties to
16.28 the partnership and chairs of the senate
16.29 and house of representatives committees
16.30 responsible for higher education finance
16.31 must be consulted before the Board of
16.32 Regents reduces the amount allocated to the
16.33 partnership under this paragraph during the
16.34 biennium ending June 30, 2011. An annual
16.35 report on the expenditure of these funds must

17.1 be submitted to the governor and the chairs
17.2 of the senate and house of representatives
17.3 committees responsible for higher education
17.4 and economic development by June 30 of
17.5 each fiscal year.

17.6 **Subd. 5. Federal Stimulus Appropriation** 115,731,000 115,731,000

17.7 (a) This appropriation is from the fiscal
17.8 stabilization account in the federal fund and
17.9 may be used for modernization, renovation,
17.10 or repair of facilities that are primarily used
17.11 for instruction, research, or student housing
17.12 but may not be used for maintenance of
17.13 systems, equipment, or facilities. Amounts
17.14 in this subdivision must not be allocated
17.15 to modernization, renovation, or repair of
17.16 stadiums or other facilities primarily used
17.17 for athletic contests or exhibitions or other
17.18 events for which admission is charged to the
17.19 general public and must not be allocated to
17.20 any facility used for sectarian instruction or
17.21 religious worship or in which a substantial
17.22 portion of the functions of the facilities are
17.23 subsumed in a religious mission. No amount
17.24 from this appropriation may be allocated to
17.25 increase endowment funds.

17.26 (b) Appropriations under this subdivision
17.27 must be used as a bridge for budget
17.28 reductions in the biennium ending June 30,
17.29 2013, and may be used to retain faculty and
17.30 staff jobs, to provide severance and for early
17.31 retirement incentives and to mitigate rising
17.32 costs of attendance through minimizing
17.33 tuition increases and support of student
17.34 employment opportunities.

- 18.1 (c) The legislature intends that the net
18.2 tuition increase for a Minnesota resident
18.3 undergraduate student at the University of
18.4 Minnesota must not exceed \$300 per year
18.5 for the biennium ending June 30, 2011.
18.6 Appropriations of federal stimulus money
18.7 under this subdivision must be used to
18.8 accomplish this goal.
- 18.9 (d) An additional \$27,080,000 is appropriated
18.10 in fiscal year 2009 from the stabilization
18.11 account in the federal fund.
- 18.12 **Subd. 6. Academic Health Center**
- 18.13 The appropriation for Academic Health
18.14 Center funding under Minnesota Statutes,
18.15 section 297F.10, is \$22,250,000 each year.
- 18.16 **Subd. 7. NRRI Research**
- 18.17 Notwithstanding Minnesota Statutes, section
18.18 137.022, subdivision 4, the board may
18.19 use up to \$150,000 of the income credited
18.20 to the permanent university fund from
18.21 royalties from mining under state mineral
18.22 leases to fund research at the Coleraine
18.23 Minerals Research Laboratory of the Natural
18.24 Resources Research Institute by taconite
18.25 engineers who have been laid off by the
18.26 mining industry.
- 18.27 **Subd. 8. Enrollment Increases**
- 18.28 Over the biennium ending June 30, 2011,
18.29 the Board of Regents must increase
18.30 the enrollment of Minnesota resident
18.31 freshmen with the goal of reaching at
18.32 least the proportion of Minnesota resident
18.33 undergraduates enrolled in the University of
18.34 Minnesota in the 2006-2007 academic year.

20.1 Sec. 2. Minnesota Statutes 2008, section 135A.17, subdivision 2, is amended to read:

20.2 Subd. 2. **Residential housing list.** ~~All postsecondary institutions that enroll students~~
20.3 ~~accepting state or federal financial aid may~~ (a) Institutions within the Minnesota State
20.4 Colleges and Universities system must prepare a current list of students enrolled in the
20.5 institution and residing in the institution's housing or within ten miles of the institution's
20.6 campus Minnesota. The list shall must include each student's name and current address
20.7 as permitted by applicable privacy laws. The list shall must be certified and sent to the
20.8 appropriate county auditor or auditors secretary of state no earlier than 30 and no later than
20.9 25 days prior to the November general election, in an electronic format specified by the
20.10 secretary of state, for use in election day registration as provided under section 201.061,
20.11 subdivision 3. The certification must be dated and signed by the chief officer or designee
20.12 of the postsecondary educational institution, or for institutions within the Minnesota
20.13 State Colleges and Universities system, by the chancellor, and must state that the list is
20.14 current and accurate and includes only the names of currently enrolled students residing in
20.15 Minnesota as of the date of certification. The secretary of state must combine the data
20.16 received from each postsecondary educational institution under this subdivision and must
20.17 process the data to locate the precinct in which the address provided for each student is
20.18 located. If the data submitted by the postsecondary educational institution is insufficient
20.19 for the secretary of state to locate the proper precinct, the associated student name must
20.20 not appear in any list forwarded to a county auditor under this subdivision.

20.21 (b) At least 14 days prior to the November general election, the secretary of state
20.22 must forward to the appropriate county auditor lists of students containing the students'
20.23 names and addresses for which precinct determinations have been made along with their
20.24 postsecondary educational institutions. If a written agreement specifying the medium
20.25 is signed by the secretary of state and the county auditor at least 90 days before the
20.26 November general election, the list must be sorted by precinct and student last name and
20.27 must be forwarded in an electronic format specified by the secretary of state or other
20.28 mutually agreed upon medium. A written agreement is effective for all elections until
20.29 rescinded by either the secretary of state or the county auditor.

20.30 (c) Other postsecondary institutions may provide lists as provided by this subdivision
20.31 or as provided by the rules of the secretary of state. The University of Minnesota is
20.32 requested to comply with this subdivision.

20.33 (d) A residential housing list provided under this subdivision may not be used or
20.34 disseminated by a county auditor or the secretary of state for any other purpose.

20.35 Sec. 3. Minnesota Statutes 2008, section 135A.25, subdivision 4, is amended to read:

21.1 Subd. 4. **Minnesota Office of Higher Education responsibilities.** (a) For private
21.2 postsecondary institutions, the Minnesota Office of Higher Education must develop
21.3 educational materials considering the recommendations by the Minnesota Office of Higher
21.4 Education and others and at least annually convene and sponsor meetings and workshops
21.5 and provide educational strategies for faculty, students, administrators, institutions, and
21.6 bookstores to inform all interested parties on strategies for reducing the costs of course
21.7 materials for students attending postsecondary institutions.

21.8 ~~(b) The Minnesota Office of Higher Education must identify methods to compile and~~
21.9 ~~distribute information on publishers that sell or distribute course material for classroom use~~
21.10 ~~in postsecondary institutions in a manner that meets the requirements and complies with~~
21.11 ~~subdivision 2. The Minnesota Office of Higher Education must also evaluate ways to make~~
21.12 ~~this information available for use by students and faculty in postsecondary institutions.~~

21.13 Sec. 4. **[135A.26] AMERICAN MADE CLOTHING IN COLLEGE**
21.14 **BOOKSTORES.**

21.15 A bookstore located on the campus of a public college or university in Minnesota
21.16 must only offer for sale clothing or articles of apparel that are manufactured in the United
21.17 States of America.

21.18 Sec. 5. Minnesota Statutes 2008, section 136A.06, is amended to read:

21.19 **136A.06 FEDERAL FUNDS.**

21.20 The Minnesota Office of Higher Education is designated the state agency to apply
21.21 for, receive, accept, and disburse to both public and private institutions of higher education
21.22 all federal funds which are allocated to the state of Minnesota to support higher education
21.23 programs, construction, or other activities and which require administration by a state
21.24 higher education agency under the Higher Education Facilities Act of 1963, and any
21.25 amendments thereof, the Higher Education Act of 1965, and any amendments thereof, and
21.26 any other law which provides funds for higher education and requires administration by a
21.27 state higher education agency as enacted or may be enacted by the Congress of the United
21.28 States; provided that no commitment shall be made that shall bind the legislature to make
21.29 appropriations beyond current allocations of funds. The office may apply for, receive,
21.30 accept, and disburse all administrative funds available to the office for administering
21.31 federal funds to support higher education programs, construction, or other activities. The
21.32 office also may apply for, receive, accept, and disburse any research, planning, or program
21.33 funds which are available for purposes consistent with the provisions of this chapter. In
21.34 making application for and administering federal funds the office may comply with any

22.1 and all requirements of federal law and federal rules and regulations to enable it to receive
22.2 and accept such funds. The expenditure of any such funds received shall be governed by
22.3 the laws of the state, except insofar as federal regulations may otherwise provide. The
22.4 office may contract with both public and private institutions in administering federal
22.5 funds, and such contracts shall not be subject to the provisions of chapter 16C. All such
22.6 money received by the office shall be deposited in the state treasury and, subject to section
22.7 3.3005, are hereby appropriated to it annually for the purpose for which such funds are
22.8 received. None of such moneys shall cancel but shall be available until expended.

22.9 Sec. 6. Minnesota Statutes 2008, section 136A.08, subdivision 1, is amended to read:

22.10 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
22.11 have the meanings given them.

22.12 (b) "Province" and "provincial" mean the Canadian province of Manitoba.

22.13 (c) "Resident of this state" means a resident student as defined in section 136A.101,
22.14 subdivision 8.

22.15 Sec. 7. Minnesota Statutes 2008, section 136A.08, is amended by adding a subdivision
22.16 to read:

22.17 Subd. 9. **Appeal; resident status.** A student who does not meet the definition of
22.18 resident after residing in Minnesota for 12 months may appeal to the director by providing
22.19 documentation on the student's reasons for residing in Minnesota. The director may
22.20 grant resident status to the student upon determining the documentation establishes that
22.21 postsecondary education was not the student's principle reason for residing in Minnesota.

22.22 Sec. 8. Minnesota Statutes 2008, section 136A.101, subdivision 4, is amended to read:

22.23 Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary
22.24 educational institution located in this state or in a state with which the office has entered
22.25 into a higher education reciprocity agreement on state student aid programs that (1)
22.26 requires, as a condition of enrollment, that each entering Minnesota resident student must
22.27 complete the federal application for student aid (FAFSA), and is either (2) operated by
22.28 this state or the Board of Regents of the University of Minnesota, or ~~(2)~~ (3) is operated
22.29 privately and, as determined by the office, meets all of the following: (i) maintains
22.30 academic standards substantially equivalent to those of comparable institutions operated
22.31 in this state; (ii) is licensed or registered as a postsecondary institution by the office or
22.32 another state agency; and (iii) by July 1, 2011, is participating in the federal Pell Grant
22.33 program under Title IV of the Higher Education Act of 1965, as amended.

23.1 Sec. 9. Minnesota Statutes 2008, section 136A.121, subdivision 5, is amended to read:

23.2 Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of
23.3 responsibility for covering the recognized cost of attendance by the applicant, the
23.4 applicant's family, and the government. The amount of a financial stipend must not
23.5 exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after
23.6 deducting the following:

23.7 (1) the assigned student responsibility of at least ~~46~~ 45 percent of the cost of
23.8 attending the institution of the applicant's choosing;

23.9 (2) the assigned family responsibility as defined in section 136A.101; and

23.10 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

23.11 The minimum financial stipend is \$100 per academic year.

23.12 Sec. 10. Minnesota Statutes 2008, section 136A.121, subdivision 6, is amended to read:

23.13 Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of
23.14 allowances specified in law for living and miscellaneous expenses, and an allowance for
23.15 tuition and fees equal to the lesser of the average tuition and fees charged by the institution,
23.16 or the tuition and fee maximums ~~established in law~~. The tuition and fee maximum for a
23.17 student enrolled in a two-year program is the maximum tuition and fee amount charged at
23.18 a two-year college within the Minnesota State Colleges and Universities. The tuition and
23.19 fee maximum for a student enrolled in a four-year program shall be set in law.

23.20 (b) For a student registering for less than full time, the office shall prorate the cost of
23.21 attendance to the actual number of credits for which the student is enrolled.

23.22 (c) The recognized cost of attendance for a student who is confined to a Minnesota
23.23 correctional institution shall consist of the tuition and fee component in paragraph (a),
23.24 with no allowance for living and miscellaneous expenses.

23.25 (d) For the purpose of this subdivision, "fees" include only those fees that are
23.26 mandatory and charged to full-time resident students attending the institution. Fees do
23.27 not include charges for tools, equipment, computers, or other similar materials where the
23.28 student retains ownership. Fees include charges for these materials if the institution retains
23.29 ownership. Fees do not include optional or punitive fees.

23.30 Sec. 11. Minnesota Statutes 2008, section 136A.121, subdivision 9, is amended to read:

23.31 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements
23.32 is eligible to apply for and receive a grant in any year of undergraduate study unless the
23.33 student has obtained a baccalaureate degree or previously has been enrolled full time or
23.34 the equivalent for ~~eight~~ ten semesters or the equivalent, excluding courses taken from a

24.1 Minnesota school or postsecondary institution which is not participating in the state grant
24.2 program and from which a student transferred no credit. A student who withdraws from
24.3 enrollment for active military service is entitled to an additional semester or the equivalent
24.4 of grant eligibility. A student enrolled in a two-year program at a four-year institution is
24.5 only eligible for the tuition and fee maximums established by law for two-year institutions.

24.6 Sec. 12. Minnesota Statutes 2008, section 136A.1701, subdivision 10, is amended to
24.7 read:

24.8 Subd. 10. **Prohibition on use of state money.** Except as provided in section
24.9 136A.1787, paragraph (a), no money originating from state sources in the state treasury
24.10 shall be made available for student loans under this section and all student loans shall be
24.11 made from money originating from nonstate sources.

24.12 Sec. 13. **[136A.1787] SELF LOAN REVENUE BONDS ANNUAL CERTIFICATE**
24.13 **OF NEED.**

24.14 (a) In order to ensure the payment of the principal of and interest on bonds and
24.15 notes of the office and the continued maintenance of the loan capital fund under section
24.16 136A.1785, the office shall annually determine and certify to the governor, on or before
24.17 December 1, the amount, if any:

24.18 (1) needed to restore the loan capital fund to the minimum amount required by a
24.19 resolution or indenture relating to any bonds or notes of the office, not exceeding the
24.20 maximum amount of principal and interest to become due and payable in any subsequent
24.21 year on all bonds or notes which are then outstanding;

24.22 (2) determined by the office to be needed in the immediately ensuing fiscal year, with
24.23 other funds pledged and estimated to be received during that year, for the payment of the
24.24 principal and interest due and payable in that year on all outstanding bonds and notes; and

24.25 (3) needed to restore any debt service fund securing any outstanding bonds or
24.26 notes of the office to the amount required in a resolution or indenture relating to such
24.27 outstanding bonds or notes.

24.28 (b) The governor shall include and submit the amounts certified by the office in
24.29 accordance with this section to the legislature in the budget for the following fiscal year, or
24.30 in a supplemental budget if the regular budget for that year has previously been approved.

24.31 Sec. 14. **[136A.1795] LARGE ANIMAL VETERINARIAN LOAN**
24.32 **FORGIVENESS PROGRAM.**

25.1 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
25.2 have the meanings given.

25.3 (b) "Veterinarian" means an individual who has been awarded a doctor of veterinary
25.4 medicine degree from the College of Veterinary Medicine, University of Minnesota.

25.5 (c) "Designated rural area" means an area in Minnesota outside the counties of
25.6 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of
25.7 Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

25.8 (d) "Emergency circumstances" means those conditions that make it impossible for
25.9 the participant to fulfill the service commitment, including death, total and permanent
25.10 disability, or temporary disability lasting more than two years.

25.11 (e) "Qualified educational loan" means a government, commercial, or foundation
25.12 loan for actual costs paid for tuition, reasonable education expenses, and reasonable living
25.13 expenses related to the education of a veterinarian.

25.14 Subd. 2. **Establishment; administration.** (a) The director of the Minnesota Office
25.15 of Higher Education shall establish and administer a loan forgiveness program for large
25.16 animal veterinarians who:

25.17 (1) agree to practice in designated rural areas that are considered underserved; and

25.18 (2) work full time in a practice that is at least 50 percent involved with the care of
25.19 food animals.

25.20 (b) Appropriations made to the program do not cancel and are available until
25.21 expended.

25.22 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program,
25.23 an individual must:

25.24 (1) be a veterinarian who has been awarded a veterinary medicine degree within
25.25 three years of submitting an application under this section, or be enrolled in the
25.26 veterinarian degree program and making satisfactory progress in the College of Veterinary
25.27 Medicine, University of Minnesota; and

25.28 (2) submit an application to the director of the Minnesota Office of Higher Education
25.29 in the form and manner prescribed by the director.

25.30 (b) An applicant selected to participate must sign a contract agreeing to complete a
25.31 five-year service obligation to practice as required under subdivision 2, paragraph (a).

25.32 Subd. 4. **Loan forgiveness.** (a) The director of the Minnesota Office of Higher
25.33 Education may select a maximum of five applicants each year for participation in the loan
25.34 forgiveness program, within the limits of available funding. Applicants are responsible for
25.35 securing their own qualified educational loans.

26.1 (b) The director must select participants based on their suitability for practice serving
26.2 the designated rural area, as indicated by experience or training. The director must give
26.3 preference to applicants closest to completing their training.

26.4 (c) The director must make annual disbursements directly to the participant of
26.5 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,
26.6 for each year that a participant meets the service obligation required under subdivision 3,
26.7 paragraph (b), up to a maximum of five years.

26.8 (d) Before receiving loan repayment disbursements and as requested, the participant
26.9 must complete and return to the director an affidavit of practice form provided by the
26.10 director verifying that the participant is practicing as required under subdivision 2,
26.11 paragraph (a). The participant must provide the director with verification that the full
26.12 amount of loan repayment disbursement received by the participant has been applied
26.13 toward the designated loans. After each disbursement, verification must be received by
26.14 the director and approved before the next loan repayment disbursement is made.

26.15 (e) Participants who move their practice remain eligible for loan repayment as long
26.16 as they practice as required under subdivision 2, paragraph (a).

26.17 Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required
26.18 minimum commitment of service required under subdivision 3, paragraph (b), the director
26.19 of the Minnesota Office of Higher Education must collect from the participant the total
26.20 amount paid to the participant under the loan forgiveness program plus interest at a rate
26.21 established according to section 270C.40. The director must deposit the money collected
26.22 in the state general fund. The director must allow waivers of all or part of the money owed
26.23 the director as a result of a nonfulfillment penalty if emergency circumstances prevented
26.24 fulfillment of the service obligation.

26.25 Subd. 6. **Rules.** The director may adopt rules to implement this section.

26.26 Sec. 15. Minnesota Statutes 2008, section 136F.02, subdivision 1, is amended to read:

26.27 Subdivision 1. **Membership.** The board consists of 15 members ~~appointed by the~~
26.28 ~~governor~~ elected by the legislature in a joint convention, including three members who are
26.29 students who have attended an institution for at least one year and are currently enrolled at
26.30 least half time in a degree, diploma, or certificate program in an institution governed by
26.31 the board. The student members shall include one member from a community college, one
26.32 member from a state university, and one member from a technical college. ~~One member~~
26.33 ~~representing labor must be appointed after considering the recommendations made under~~
26.34 ~~section 136F.045. The governor is not bound by the recommendations. Appointments to~~
26.35 ~~the board are with the advice and consent of the senate.~~ At least one member of the board

27.1 must be a resident of each congressional district. All other members must be ~~appointed~~
27.2 elected to represent the state at large. ~~In selecting appointees, the governor must consider~~
27.3 ~~the needs of the board of trustees and the balance of the board membership with respect to~~
27.4 ~~labor and business representation and racial, gender, geographic, and ethnic composition.~~

27.5 Sec. 16. Minnesota Statutes 2008, section 136F.04, is amended to read:

27.6 **136F.04 STUDENT BOARD MEMBER SELECTION.**

27.7 Subdivision 1. **Responsibility.** ~~Notwithstanding section 136F.03,~~ The State
27.8 University Student Association and the State College Student Association shall each have
27.9 the responsibility for recruiting, screening, and recommending qualified candidates to the
27.10 joint committee for their student members of the board.

27.11 Subd. 2. **Criteria.** ~~After consulting with the Board of Trustees Candidate Advisory~~
27.12 ~~Council,~~ The student associations shall jointly develop a statement of the selection criteria
27.13 to be applied to potential candidates.

27.14 Subd. 3. **Recruiting and screening.** Each student association shall develop
27.15 processes for identifying and recruiting qualified candidates and for screening those
27.16 candidates.

27.17 Subd. 4. **Recommendations.** Each student association shall recommend at least
27.18 two and not more than four candidates for its student member. By ~~April 15~~ February 15
27.19 of the even-numbered year in which its members' term expires, each student association
27.20 shall submit its recommendations to the governor joint committee. ~~The governor is not~~
27.21 ~~bound by these recommendations.~~

27.22 Sec. 17. Minnesota Statutes 2008, section 136F.045, is amended to read:

27.23 **136F.045 LABOR ORGANIZATION BOARD MEMBER SELECTION**
27.24 **PROCESS.**

27.25 The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to be
27.26 recommended to the ~~governor for appointment~~ joint committee for election to the board.
27.27 The organization must develop a process for selecting candidates, and a statement of
27.28 selection criteria for board membership that is consistent with the requirements under
27.29 section 136F.02, subdivision 1. The organization must recommend at least two and no
27.30 more than four candidates to the governor joint committee beginning in 2010 and every
27.31 six years thereafter. Recommendations must be made by ~~April 15~~ February 15 of the
27.32 even-numbered year in which the ~~governor makes appointments~~ joint committee makes
27.33 recommendations for candidates to be elected to the board. ~~The governor is not bound~~
27.34 ~~by the recommendations.~~

28.1 Sec. 18. [136F.047] TRUSTEE NOMINATION AND ELECTION.

28.2 Subdivision 1. **Joint legislative committee.** The joint legislative committee consists
28.3 of the members of the higher education budget and policy divisions in each body of the
28.4 legislature. The chairs of the divisions from each body shall be cochairs of the joint
28.5 legislative committee. A majority of the members from each body is a quorum of the
28.6 joint committee.

28.7 Subd. 2. **Meeting.** By March 15 of each odd-numbered year, or at a date agreed
28.8 to by concurrent resolution, the joint legislative committee shall meet to consider
28.9 recommendations for trustee of the Minnesota State Colleges and Universities for
28.10 possible presentation to a joint convention of the legislature. The joint committee
28.11 must meet as many times as necessary for the purpose of interviewing candidates,
28.12 recommending candidates for the joint committee to consider, and voting for candidates
28.13 for recommendation to the joint convention.

28.14 Subd. 3. **Recommendations** The joint committee may recommend to the joint
28.15 convention candidates nominated by the joint committee. If a vacancy exists for a
28.16 student board member or a member recommended under this section, the joint committee
28.17 must consider the recommendations made by the responsible organizations to the joint
28.18 committee for those vacancies. Candidates for any vacancy may be nominated for
28.19 consideration by the joint committee only if the nomination receives the support of at least
28.20 three house of representatives members of the committee and two senate members of the
28.21 committee. A candidate must receive a majority vote of members from the house of
28.22 representatives on the joint committee and from the senate on the joint committee to be
28.23 recommended to the joint convention. The joint committee may recommend no more than
28.24 two candidates for each vacancy. In recommending candidates to the joint convention, the
28.25 joint committee must consider the needs of the board of trustees and the balance of the
28.26 board membership with respect to gender, racial, and ethnic composition.

28.27 Sec. 19. Minnesota Statutes 2008, section 136F.46, subdivision 3, is amended to read:

28.28 Subd. 3. **Solicitation.** Efforts to secure payroll deductions authorized in subdivision
28.29 1 may not interfere with, require a modification of, nor be conducted during the period of
28.30 a payroll deduction fund drive for employees authorized by section ~~309.501~~ 43A.50.

28.31 Sec. 20. [136F.705] UNDERGRADUATE TUITION GUARANTEE.

28.32 (a) A Minnesota resident student who first enrolls in a degree program at a state
28.33 college or university beginning in the fall of 2010 or later is guaranteed a stable tuition
28.34 for up to four consecutive academic years.

29.1 (b) For an undergraduate student enrolled in a baccalaureate degree program at a
29.2 state university, the tuition charged to the student for each semester of enrollment during
29.3 a four-year period, beginning with the first semester of enrollment, must not exceed the
29.4 amount of tuition that the student was charged for the first semester of enrollment. For a
29.5 student who continues to be enrolled after four consecutive academic years, the tuition
29.6 rate for each semester in excess of four years is equal to the tuition rate paid by new
29.7 enrollees at the state university.

29.8 (c) For an undergraduate student enrolled in an associate degree program at a college,
29.9 the tuition charged to the student for each semester of enrollment during a two-year period,
29.10 beginning with the first semester of enrollment, must not exceed the amount of tuition that
29.11 the student was charged for the first semester of enrollment. For a student who continues
29.12 to be enrolled after two consecutive academic years, the tuition rate for each semester in
29.13 excess of two years is equal to the tuition rate for new enrollees at the college.

29.14 Sec. 21. [137.0225] UNIVERSITY SCHOLARSHIP.

29.15 The Board of Regents may establish a scholarship to help offset the impact of
29.16 rising tuition for Minnesota students from middle-income families. To be eligible for a
29.17 scholarship under this section, a student must be a Minnesota resident undergraduate
29.18 from a family that is not Pell eligible with an annual adjusted gross income not to exceed
29.19 \$100,000.

29.20 Sec. 22. Minnesota Statutes 2008, section 137.0246, subdivision 2, is amended to read:

29.21 Subd. 2. **Regent nomination joint committee.** (a) The joint legislative committee
29.22 consists of the members of the higher education budget and policy divisions in each house
29.23 of the legislature. The chairs of the divisions from each body shall be cochairs of the
29.24 joint legislative committee. A majority of the members from each house is a quorum of
29.25 the joint committee.

29.26 (b) By February 28 of each odd-numbered year, or at a date agreed to by concurrent
29.27 resolution, the joint legislative committee shall meet to consider ~~the advisory council's~~
29.28 recommendations for regent of the University of Minnesota for possible presentation to a
29.29 joint convention of the legislature.

29.30 (c) The joint committee may recommend to the joint convention candidates
29.31 ~~recommended by the advisory council and the other candidates~~ nominated by the joint
29.32 committee. A candidate ~~other than those recommended by the advisory council~~ may be
29.33 nominated for consideration by the joint committee only if the nomination receives the
29.34 support of at least three house of representatives members of the committee and two senate

30.1 members of the committee. A candidate must receive a majority vote of members from the
30.2 house of representatives and from the senate on the joint committee to be recommended to
30.3 the joint convention. The joint committee may recommend no more than ~~one candidate~~
30.4 two candidates for each vacancy. In recommending nominees, the joint committee must
30.5 consider the needs of the board of regents and the balance of the board membership with
30.6 respect to gender, racial, and ethnic composition.

30.7 ~~(d) The joint committee must meet twice, approximately one week apart. The first~~
30.8 ~~meeting is for the purpose of interviewing candidates and recommending candidates for~~
30.9 ~~the joint committee to consider. The second meeting is for the purpose of voting for~~
30.10 ~~candidates for recommendation to the joint convention.~~

30.11 Sec. 23. Minnesota Statutes 2008, section 137.025, subdivision 1, is amended to read:

30.12 Subdivision 1. **Appropriations not for buildings.** ~~The commissioner of finance~~
30.13 ~~shall pay no money to the University of Minnesota pursuant to a direct appropriation, other~~
30.14 ~~than an appropriation for buildings, until the university first certifies to the commissioner~~
30.15 ~~of finance that its aggregate balances in the temporary investment pool, cash, or separate~~
30.16 ~~investments, resulting from all state maintenance and special appropriations do not~~
30.17 ~~exceed \$7,000,000, or any other amount specified in the act making the appropriation,~~
30.18 ~~plus one-third of all tuition and fee payments from the previous fiscal year. Upon this~~
30.19 ~~certification, The commissioner of finance shall pay 1/12 of the annual appropriation to~~
30.20 ~~the university shall be paid at the beginning on the 21st day of each month. Additional~~
30.21 ~~payments shall be made by the commissioner of finance whenever the state appropriations~~
30.22 ~~and tuition aggregate balances in the temporary investment pool, cash, or separate~~
30.23 ~~investments are reduced below the indicated levels. If the 21st day of the month falls on~~
30.24 a Saturday or Sunday, the monthly payment shall be made on the Monday immediately
30.25 following the 21st.

30.26 Sec. 24. **[137.105] UNDERGRADUATE TUITION GUARANTEE.**

30.27 A Minnesota resident student who first enrolls in a degree program at the University
30.28 of Minnesota beginning in the fall of 2010 or later is guaranteed a stable tuition for up to
30.29 four consecutive academic years. For an undergraduate student enrolled in a baccalaureate
30.30 degree program, the tuition charged to the student for each semester of enrollment during
30.31 a four-year period, beginning with the first semester of enrollment, must not exceed the
30.32 amount of tuition that the student was charged for the first semester of enrollment. For a
30.33 student who continues to be enrolled after four consecutive academic years, the tuition

31.1 rate for each semester in excess of four years is equal to the tuition rate paid by new
31.2 enrollees at the University of Minnesota.

31.3 Sec. 25. Minnesota Statutes 2008, section 137.63, subdivision 1, is amended to read:

31.4 Subdivision 1. **Program established.** A biomedical science research facilities
31.5 funding program is established to provide appropriations to the Board of Regents of the
31.6 University of Minnesota for up to 75 percent of the project costs for ~~each of four projects~~
31.7 a project approved by the Board of Regents under section 137.64.

31.8 Sec. 26. Minnesota Statutes 2008, section 137.64, subdivision 1, is amended to read:

31.9 Subdivision 1. **Certifications.** Before the commissioner may make any payments
31.10 authorized in this section to the Board of Regents for a biomedical science research
31.11 facility project, the commissioner must certify that the board has, by board resolution,
31.12 approved the maximum project cost for the project and complied with the requirements
31.13 of section 137.63, subdivision 2. For ~~each~~ the project approved by the board, the board
31.14 must certify to the commissioner the amount of the annual payments of principal and
31.15 interest required to service each series of bonds issued by the University of Minnesota
31.16 for the project, and the actual amount of the state's annual payment to the University of
31.17 Minnesota under subdivision 2. The annual payment must not exceed the amount required
31.18 to pay debt service on the bonds issued to finance 75 percent of the project costs.

31.19 Sec. 27. Minnesota Statutes 2008, section 137.64, subdivision 2, is amended to read:

31.20 Subd. 2. **Payments.** On July 15 of each year after the certification under subdivision
31.21 1, but no earlier than July 15, 2009, and for so long thereafter as any bonds issued by the
31.22 board for the construction of ~~a~~ the project are outstanding, the state must transfer to the
31.23 board annual payments as certified under subdivision 1, up to the maximum amounts
31.24 in the appropriation schedule under subdivision 3. Payments under this section are to
31.25 reimburse the Board of Regents for the state's share of the project costs for the biomedical
31.26 science research facility ~~projects~~ project, provided that the principal amount of bonds
31.27 issued by the University of Minnesota to pay the state's share of the costs must not exceed
31.28 ~~\$219,000,000~~ \$40,000,000.

31.29 Sec. 28. Minnesota Statutes 2008, section 137.64, subdivision 3, is amended to read:

31.30 Subd. 3. **Appropriations.** Annual appropriations are made from the general fund to
31.31 the commissioner of finance for transfer to the Board of Regents, as follows:

31.32 (1) up to \$850,000 is appropriated in fiscal year 2010;

32.1 (2) up to ~~\$3,650,000~~ \$2,265,000 is appropriated in fiscal year 2011; and
32.2 (3) up to ~~\$7,825,000~~ \$2,831,000 is appropriated in fiscal year 2012;
32.3 ~~(4) up to \$12,100,000 is appropriated in fiscal year 2013;~~
32.4 ~~(5) up to \$14,825,000 is appropriated in fiscal year 2014; and~~
32.5 ~~(6) up to \$15,550,000 is appropriated in fiscal year 2015 and each year thereafter, up~~
32.6 to 25 years following the certification of the last project by the commissioner.

32.7 Sec. 29. Minnesota Statutes 2008, section 137.64, subdivision 4, is amended to read:

32.8 Subd. 4. **Report to legislature.** The Board of Regents must report to the committees
32.9 of the legislature with responsibility for capital investment by January 15 of each
32.10 even-numbered year on the biomedical science research facility ~~projects~~ project authorized
32.11 under this section. The project report must at a minimum include ~~for each project,~~ the
32.12 total cost, the number of researchers, research grants, and the amount of debt issued
32.13 by the board.

32.14 Sec. 30. Minnesota Statutes 2008, section 137.64, subdivision 5, is amended to read:

32.15 Subd. 5. **Reinvestment.** The Board of Regents must, to the extent permitted under
32.16 federal law and University of Minnesota policies, place a priority on reducing the state's
32.17 share of project costs by dedicating a share of the proceeds from any commercialization or
32.18 licensing revenues attributable to research conducted in the biomedical science ~~facilities~~
32.19 facility to reducing the appropriations needed under subdivision 3.

32.20 Sec. 31. **[137.701] UNIVERSITY NEIGHBORHOOD DEVELOPMENT.**

32.21 Subdivision 1. **Purpose.** In order to support and create environments surrounding
32.22 the campuses of the University of Minnesota in Minneapolis and Duluth that are
32.23 conducive to the purposes of higher education and vital communities, the Board of
32.24 Regents, the city of Minneapolis, and the city of Duluth are requested to create with
32.25 surrounding neighborhoods an appropriate organization in each city, to cooperate in the
32.26 development of those neighborhoods. The purpose of each organization is to improve
32.27 the university's Minneapolis and Duluth campus area neighborhoods including, without
32.28 limitation, the following:

32.29 (1) providing and supporting the development of good quality university
32.30 neighborhood housing, including housing for students, faculty, employees, alumni, and
32.31 others who may wish to live in the university area neighborhoods;

32.32 (2) encouraging and assisting university faculty, staff, students, and others to live in
32.33 the neighborhood as long-term residents;

33.1 (3) supporting and assisting appropriate business development in commercial areas
33.2 of the neighborhood; and

33.3 (4) cooperating and coordinating planning and development in all matters affecting
33.4 the neighborhood with local government, businesses, residents, and other stakeholders in
33.5 the neighborhood.

33.6 Subd. 2. **Membership.** The organization created by the Board of Regents and
33.7 the city of Minneapolis shall include representatives from the organizations currently
33.8 represented on the University District Alliance Steering Committee. The Board of
33.9 Regents and the city of Duluth may establish the membership of an organization for the
33.10 purposes of subdivision 1.

33.11 Subd. 3. **Report.** The Board of Regents, the city of Minneapolis, and the city
33.12 of Duluth are requested to report by January 15, 2010, to the chairs of the legislative
33.13 committees with primary jurisdiction over higher education policy and finance on the
33.14 status and activities of the organization that is created.

33.15 Sec. 32. Minnesota Statutes 2008, section 179A.03, subdivision 14, is amended to read:

33.16 Subd. 14. **Public employee or employee.** "Public employee" or "employee" means
33.17 any person appointed or employed by a public employer except:

33.18 (a) elected public officials;

33.19 (b) election officers;

33.20 (c) commissioned or enlisted personnel of the Minnesota National Guard;

33.21 (d) emergency employees who are employed for emergency work caused by natural
33.22 disaster;

33.23 (e) part-time employees whose service does not exceed the lesser of 14 hours per
33.24 week or 35 percent of the normal work week in the employee's appropriate unit;

33.25 (f) employees whose positions are basically temporary or seasonal in character and:

33.26 (1) are not for more than 67 working days in any calendar year; or (2) are not for more
33.27 than 100 working days in any calendar year and the employees are under the age of 22, are
33.28 full-time students enrolled in a nonprofit or public educational institution prior to being
33.29 hired by the employer, and have indicated, either in an application for employment or by
33.30 being enrolled at an educational institution for the next academic year or term, an intention
33.31 to continue as students during or after their temporary employment;

33.32 (g) employees providing services for not more than two consecutive quarters to the
33.33 Board of Trustees of the Minnesota State Colleges and Universities under the terms of a
33.34 professional or technical services contract as defined in section 16C.08, subdivision 1;

33.35 (h) employees of charitable hospitals as defined by section 179.35, subdivision 3;

34.1 (i) full-time undergraduate students employed by the school which they attend under
34.2 a work-study program or in connection with the receipt of financial aid, irrespective
34.3 of number of hours of service per week;

34.4 (j) an individual who is employed for less than 300 hours in a fiscal year as an
34.5 instructor in an adult vocational education program;

34.6 (k) an individual hired by the Board of Trustees of the Minnesota State Colleges and
34.7 Universities to teach one course for three or fewer credits for one semester in a year;

34.8 (l) with respect to court employees:

34.9 (1) personal secretaries to judges;

34.10 (2) law clerks;

34.11 (3) managerial employees;

34.12 (4) confidential employees; and

34.13 (5) supervisory employees;

34.14 (m) with respect to employees of Hennepin Healthcare System, Inc., managerial,
34.15 supervisory, and confidential employees.

34.16 The following individuals are public employees regardless of the exclusions of
34.17 clauses (e) and (f):

34.18 (i) An employee hired by a school district or the Board of Trustees of the Minnesota
34.19 State Colleges and Universities except at the university established in ~~section 136F.13~~
34.20 the Twin Cities metropolitan area under section 136F.10 or for community services or
34.21 community education instruction offered on a noncredit basis: (A) to replace an absent
34.22 teacher or faculty member who is a public employee, where the replacement employee
34.23 is employed more than 30 working days as a replacement for that teacher or faculty
34.24 member; or (B) to take a teaching position created due to increased enrollment, curriculum
34.25 expansion, courses which are a part of the curriculum whether offered annually or not, or
34.26 other appropriate reasons;

34.27 (ii) An employee hired for a position under clause (f)(1) if that same position has
34.28 already been filled under clause (f)(1) in the same calendar year and the cumulative
34.29 number of days worked in that same position by all employees exceeds 67 calendar days
34.30 in that year. For the purpose of this paragraph, "same position" includes a substantially
34.31 equivalent position if it is not the same position solely due to a change in the classification
34.32 or title of the position; and

34.33 (iii) an early childhood family education teacher employed by a school district.

34.34 Sec. 33. Minnesota Statutes 2008, section 201.061, subdivision 1, is amended to read:

35.1 Subdivision 1. **Prior to election day.** At any time except during the 20 days
35.2 immediately preceding any regularly scheduled election, an eligible voter or any
35.3 individual who will be an eligible voter at the time of the next election may register to vote
35.4 in the precinct in which the voter maintains residence by completing a voter registration
35.5 application as described in section 201.071, subdivision 1, and submitting it in person or
35.6 by mail to the county auditor of that county or to the Secretary of State's Office. If the Web
35.7 site maintained by the secretary of state provides a process for it, an individual who has
35.8 a Minnesota driver's license, identification card, or learner's permit may register online.
35.9 A registration that is received no later than 5:00 p.m. on the 21st day preceding any
35.10 election shall be accepted. An improperly addressed or delivered registration application
35.11 shall be forwarded within two working days after receipt to the county auditor of the
35.12 county where the voter maintains residence. A state or local agency or an individual that
35.13 accepts completed voter registration applications from a voter must submit the completed
35.14 applications to the secretary of state or the appropriate county auditor within ten days
35.15 after the applications are dated by the voter.

35.16 For purposes of this section, mail registration is defined as a voter registration
35.17 application delivered to the secretary of state, county auditor, or municipal clerk by the
35.18 United States Postal Service or a commercial carrier.

35.19 Sec. 34. Minnesota Statutes 2008, section 201.061, subdivision 3, is amended to read:

35.20 Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may
35.21 register on election day by appearing in person at the polling place for the precinct in
35.22 which the individual maintains residence, by completing a registration application, making
35.23 an oath in the form prescribed by the secretary of state and providing proof of residence.
35.24 An individual may prove residence for purposes of registering by:

35.25 (1) presenting a driver's license or Minnesota identification card issued pursuant
35.26 to section 171.07;

35.27 (2) presenting any document approved by the secretary of state as proper
35.28 identification;

35.29 (3) presenting one of the following:

35.30 (i) a current valid student identification card from a postsecondary educational
35.31 institution in Minnesota, if a list of students from that institution has been prepared under
35.32 section 135A.17 ~~and certified to the county auditor~~ or in the manner provided in rules of
35.33 the secretary of state; or

35.34 (ii) a current student fee statement that contains the student's valid address in the
35.35 precinct together with a picture identification card; or

36.1 (4) having a voter who is registered to vote in the precinct, or who is an employee
36.2 employed by and working in a residential facility in the precinct and vouching for a
36.3 resident in the facility, sign an oath in the presence of the election judge vouching that the
36.4 voter or employee personally knows that the individual is a resident of the precinct. A
36.5 voter who has been vouched for on election day may not sign a proof of residence oath
36.6 vouching for any other individual on that election day. A voter who is registered to vote in
36.7 the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation
36.8 does not apply to an employee of a residential facility described in this clause. The
36.9 secretary of state shall provide a form for election judges to use in recording the number
36.10 of individuals for whom a voter signs proof-of-residence oaths on election day. The
36.11 form must include space for the maximum number of individuals for whom a voter may
36.12 sign proof-of-residence oaths. For each proof-of-residence oath, the form must include
36.13 a statement that the voter is registered to vote in the precinct, personally knows that the
36.14 individual is a resident of the precinct, and is making the statement on oath. The form must
36.15 include a space for the voter's printed name, signature, telephone number, and address.

36.16 The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be
36.17 attached to the voter registration application.

36.18 (b) The operator of a residential facility shall prepare a list of the names of its
36.19 employees currently working in the residential facility and the address of the residential
36.20 facility. The operator shall certify the list and provide it to the appropriate county auditor
36.21 no less than 20 days before each election for use in election day registration.

36.22 (c) "Residential facility" means transitional housing as defined in section 256E.33,
36.23 subdivision 1; a supervised living facility licensed by the commissioner of health under
36.24 section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision
36.25 5; a residence registered with the commissioner of health as a housing with services
36.26 establishment as defined in section 144D.01, subdivision 4; a veterans home operated by
36.27 the board of directors of the Minnesota Veterans Homes under chapter 198; a residence
36.28 licensed by the commissioner of human services to provide a residential program as
36.29 defined in section 245A.02, subdivision 14; a residential facility for persons with a
36.30 developmental disability licensed by the commissioner of human services under section
36.31 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter
36.32 for battered women as defined in section 611A.37, subdivision 4; or a supervised
36.33 publicly or privately operated shelter or dwelling designed to provide temporary living
36.34 accommodations for the homeless.

36.35 (d) For tribal band members, an individual may prove residence for purposes of
36.36 registering by:

37.1 (1) presenting an identification card issued by the tribal government of a tribe
37.2 recognized by the Bureau of Indian Affairs, United States Department of the Interior, that
37.3 contains the name, address, signature, and picture of the individual; or

37.4 (2) presenting an identification card issued by the tribal government of a tribe
37.5 recognized by the Bureau of Indian Affairs, United States Department of the Interior, that
37.6 contains the name, signature, and picture of the individual and also presenting one of the
37.7 documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

37.8 (e) A county, school district, or municipality may require that an election judge
37.9 responsible for election day registration initial each completed registration application.

37.10 Sec. 35. Minnesota Statutes 2008, section 201.071, subdivision 1, is amended to read:

37.11 Subdivision 1. **Form.** A voter registration application must ~~be of suitable size and~~
37.12 ~~weight for mailing and~~ contain spaces for the following required information: voter's first
37.13 name, middle name, and last name; voter's previous name, if any; voter's current address;
37.14 voter's previous address, if any; voter's date of birth; voter's municipality and county of
37.15 residence; voter's telephone number, if provided by the voter; date of registration; current
37.16 and valid Minnesota driver's license number or Minnesota state identification number,
37.17 or if the voter has no current and valid Minnesota driver's license or Minnesota state
37.18 identification, and the last four digits of the voter's Social Security number, ~~and voter's~~
37.19 ~~signature.~~ The registration application may include the voter's e-mail address, if provided
37.20 by the voter, and the voter's interest in serving as an election judge, if indicated by the
37.21 voter. The application must also contain the following certification of voter eligibility:

37.22 "I certify that I:

37.23 (1) will be at least 18 years old on election day;

37.24 (2) am a citizen of the United States;

37.25 (3) will have resided in Minnesota for 20 days immediately preceding election day;

37.26 (4) maintain residence at the address given on the registration form;

37.27 (5) am not under court-ordered guardianship in which the court order revokes my
37.28 right to vote;

37.29 (6) have not been found by a court to be legally incompetent to vote;

37.30 (7) have the right to vote because, if I have been convicted of a felony, my felony
37.31 sentence has expired (been completed) or I have been discharged from my sentence; and

37.32 (8) have read and understand the following statement: that giving false information
37.33 is a felony punishable by not more than five years imprisonment or a fine of not more
37.34 than \$10,000, or both."

38.1 The certification must include boxes for the voter to respond to the following
38.2 questions:

38.3 "(1) Are you a citizen of the United States?" and

38.4 "(2) Will you be 18 years old on or before election day?"

38.5 And the instruction:

38.6 "If you checked 'no' to either of these questions, do not complete this form."

38.7 The form of the voter registration application and the certification of voter eligibility
38.8 must be as provided in this subdivision and approved by the secretary of state. Voter
38.9 registration forms authorized by the National Voter Registration Act must also be accepted
38.10 as valid. The federal postcard application form must also be accepted as valid if it is not
38.11 deficient and the voter is eligible to register in Minnesota.

38.12 An individual may use a voter registration application to apply to register to vote in
38.13 Minnesota or to change information on an existing registration.

38.14 A paper voter registration application must include space for the voter's signature.
38.15 Paper voter registration applications, other than those used for election day registration,
38.16 must be of suitable size and weight for mailing.

38.17 Sec. 36. Minnesota Statutes 2008, section 201.091, is amended by adding a subdivision
38.18 to read:

38.19 Subd. 5a. **Registration confirmation to registered voter.** The secretary of state
38.20 must ensure that the secretary of state's Web site is capable of providing voter registration
38.21 confirmation to a registered voter. An individual requesting registration confirmation must
38.22 provide the individual's name, address, and date of birth. If the information provided by
38.23 the individual completely matches an active voter record in the statewide voter registration
38.24 system, the Web site must inform the individual that the individual is a registered voter and
38.25 must provide the individual with the individual's polling place location. If the information
38.26 provided by the individual does not completely match an active voter record in the
38.27 statewide voter registration system, the Web site must inform the individual that a voter
38.28 record with that name and date of birth at the address provided cannot be confirmed and the
38.29 Web site must advise the individual to contact the county auditor for further information.

38.30 **EFFECTIVE DATE.** This section is not effective until the secretary of state has
38.31 certified that the Web site has been tested, has been shown to properly retrieve information
38.32 from the correct voter's record, and can handle the expected volume of use.

38.33 Sec. 37. Minnesota Statutes 2008, section 299A.45, subdivision 4, is amended to read:

39.1 Subd. 4. **Renewal.** Each award must be given for one academic year and is
39.2 renewable for a maximum of ~~eight~~ ten semesters or the equivalent. A student who
39.3 withdraws from enrollment for active military service is entitled to an additional semester
39.4 or the equivalent of grant eligibility. An award must not be given to a dependent child
39.5 who is 23 years of age or older on the first day of the academic year.

39.6 Sec. 38. Minnesota Statutes 2008, section 340A.404, subdivision 4a, is amended to
39.7 read:

39.8 Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any
39.9 other law, local ordinance, or charter provision, the commissioner may issue on-sale
39.10 intoxicating liquor licenses:

39.11 (1) to the state agency administratively responsible for, or to an entity holding a
39.12 concession or facility management contract with such agency for beverage sales at, the
39.13 premises of any Giants Ridge Recreation Area building or recreational improvement area
39.14 owned by the state in the ~~town of White~~ city of Biwabik, St. Louis County;

39.15 (2) to the state agency administratively responsible for, or to an entity holding a
39.16 concession or facility management contract with such agency for beverage sales at, the
39.17 premises of any Ironworld Discovery Center building or facility owned by the state at
39.18 Chisholm; and

39.19 (3) to the Board of Regents of the University of Minnesota for events at Northrop
39.20 Auditorium, the intercollegiate football stadium, or at no more than seven other locations
39.21 within the boundaries of the University of Minnesota, provided that the Board of Regents
39.22 has approved an application for a license for the specified location and provided that
39.23 the application for a stadium or arena location allows for the legal sale of intoxicating
39.24 liquor throughout the stadium or arena and does not limit the sale of intoxicating liquor to
39.25 premium seating areas or suites.

39.26 The commissioner shall charge a fee for licenses issued under this subdivision in an
39.27 amount comparable to the fee for comparable licenses issued in surrounding cities.

39.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
39.29 and applies to applications for an on-sale liquor license made after December 1, 2008.

39.30 Sec. 39. **REPORT; FEDERAL TEXTBOOK INFORMATION**
39.31 **REQUIREMENTS.**

39.32 By January 15, 2010, the Minnesota Office of Higher Education must report
39.33 to the committees of the legislature responsible for higher education finance on the
39.34 implementation of textbook information requirements under United States Code, title 20,

40.1 section 1015b, effective July 1, 2010. In preparing the report, the office must work with
40.2 representatives of textbook publishers, the Student Advisory Council, Minnesota State
40.3 Colleges and Universities, the University of Minnesota, and the Private College Council.
40.4 At a minimum, the report must include a template that publishers may use to provide
40.5 the required information in a consistent format to all Minnesota campuses, and make
40.6 recommendations of methods to disseminate pricing information to support students and
40.7 faculty in making well informed decisions about course materials.

40.8 Sec. 40. **MINNESOTA STATE COLLEGE - SOUTHEAST TECHNICAL;**
40.9 **AVIATION TRAINING CENTER.**

40.10 Notwithstanding Minnesota Statutes, section 136F.60, subdivision 5, the net
40.11 proceeds of the sale or disposition of the Aviation Training Center in Winona operated by
40.12 Minnesota State College - Southeast Technical, after paying all expenses incurred in selling
40.13 the property and retiring any remaining debt attributable to the project, are appropriated to
40.14 the Board of Trustees of the Minnesota State Colleges and Universities for use in a capital
40.15 project at the Winona campus and need not be paid to the commissioner of finance, as
40.16 would otherwise be required by Minnesota Statutes, section 16A.695, subdivision 3.

40.17 When the sale is complete and the sale proceeds have been applied as provided in
40.18 this section, Minnesota Statutes, section 16A.695, no longer applies to the property and
40.19 the property is no longer state bond financed property.

40.20 Sec. 41. **MINNESOTA STATE COLLEGES AND UNIVERSITIES DEGREE**
40.21 **REQUIREMENTS.**

40.22 Until July 2, 2012, an associate of applied science degree offered by a college in
40.23 the Minnesota State Colleges and Universities system is exempt from the 60-semester
40.24 credit length limit for an associate degree specified in the Minnesota State Colleges and
40.25 Universities Board Policy number 3.36, part 3, subpart C. The chancellor may consider
40.26 criteria for waiving the credit length limits under this board policy for emerging or
40.27 innovative programs. By January 2, 2012, the Minnesota State College Faculty and the
40.28 Minnesota State College Student Association must present a joint report to the house of
40.29 representatives and senate committees with jurisdiction over higher education policy on a
40.30 process for reviewing the credit requirements for an associate of applied science degree.

40.31 **EFFECTIVE DATE.** This section is effective the day following final enactment
40.32 and applies to associate of applied science degrees whether first offered before, on, or
40.33 after that date.

41.1 Sec. 42. **POWER OF YOU PILOT PROGRAMS.**

41.2 Subdivision 1. Power of you pilot programs. The Board of Trustees of the
41.3 Minnesota State Colleges and Universities shall establish power of you pilot programs in
41.4 suburban and rural sites. The pilots shall comply with Minnesota Statutes, section 136F.19.

41.5 Subd. 2. Suburban pilot selection. By July 1, 2009, the board of trustees shall
41.6 select one technical college and one community college or community-technical college
41.7 in the Minneapolis-St. Paul suburban area to develop a new power of you pilot program
41.8 in conjunction with Metropolitan State University. Each college in the pilot program
41.9 must work with a high school partner selected by the board in the Minneapolis-St. Paul
41.10 suburban area.

41.11 Subd. 3. Rural pilot selection. By July 1, 2009, the Board of Trustees shall select
41.12 two rural colleges to participate in the power of you pilot programs. One of the pilot
41.13 programs must be a multicampus college in an agricultural part of the state and the other a
41.14 multicampus college in a nonagricultural part of the state dependent on natural resources.
41.15 Each college in the pilot program must work with a high school partner selected by the
41.16 board.

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

41.18 Sec. 43. **REPEALER.**

41.19 Minnesota Statutes 2008, sections 136A.127; 136F.03; and 137.0245, are repealed.

41.20 Sec. 44. **EFFECTIVE DATE.**

41.21 Sections 1 to 6 are effective the day following final enactment.

41.22 **ARTICLE 3**

41.23 **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS**

41.24 Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

41.25 The amounts shown in this section summarize direct appropriations, by fund, made
41.26 in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
41.28	<u>General</u>	\$	<u>44,032,000</u>	\$	<u>44,032,000</u>	<u>88,064,000</u>
41.29	<u>Workforce Development</u>		<u>26,208,000</u>		<u>25,358,000</u>	<u>51,566,000</u>
41.30	<u>Remediation</u>		<u>700,000</u>		<u>700,000</u>	<u>1,400,000</u>
41.31	<u>Workers' Compensation</u>		<u>22,574,000</u>		<u>22,574,000</u>	<u>45,148,000</u>
41.32	<u>Total</u>	\$	<u>95,317,000</u>	\$	<u>94,467,000</u>	<u>189,784,000</u>

42.1 **Sec. 2. JOBS AND ECONOMIC DEVELOPMENT.**

42.2 The sums shown in the columns marked "Appropriations" are appropriated to the
 42.3 agencies and for the purposes specified in this article. The appropriations are from the
 42.4 general fund, or another named fund, and are available for the fiscal years indicated
 42.5 for each purpose. The figures "2010" and "2011" used in this article mean that the
 42.6 appropriations listed under them are available for the fiscal year ending June 30, 2010, or
 42.7 June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal
 42.8 year 2011. "The biennium" is fiscal years 2010 and 2011.

	<u>APPROPRIATIONS</u>
	<u>Available for the Year</u>
	<u>Ending June 30</u>
	<u>2010</u> <u>2011</u>

42.13 **Sec. 3. DEPARTMENT OF EMPLOYMENT**
 42.14 **AND ECONOMIC DEVELOPMENT**

42.15 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>65,064,000</u>	<u>\$</u>	<u>64,214,000</u>
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	<u>Appropriations by Fund</u>		
	<u>2010</u>	<u>2011</u>	
42.18 <u>General</u>	<u>39,185,000</u>	<u>39,185,000</u>	
42.19 <u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	
42.20 <u>Workforce</u>			
42.21 <u>Development</u>	<u>25,179,000</u>	<u>24,329,000</u>	

42.22 The amounts that may be spent for each
 42.23 purpose are specified in the following
 42.24 subdivisions.

42.25 <u>Subd. 2. Business and Community</u> 42.26 <u>Development</u>	<u>8,015,000</u>	<u>8,015,000</u>
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	<u>Appropriations by Fund</u>		
42.28 <u>General</u>	<u>6,926,000</u>	<u>6,926,000</u>	
42.29 <u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	
42.30 <u>Workforce</u>			
42.31 <u>Development</u>	<u>389,000</u>	<u>389,000</u>	

42.32 (a) \$700,000 each year is from the
 42.33 remediation fund for contaminated site
 42.34 cleanup and development grants under
 42.35 Minnesota Statutes, section 116J.554. This
 42.36 appropriation is available until expended.

43.1 (b)(1) \$150,000 each year is from the
43.2 workforce development fund for a grant
43.3 under Minnesota Statutes, section 116J.421,
43.4 to the Rural Policy and Development
43.5 Center at St. Peter, Minnesota. The grant
43.6 shall be used for research and policy
43.7 analysis on emerging economic and social
43.8 issues in rural Minnesota, to serve as a
43.9 policy resource center for rural Minnesota
43.10 communities, to encourage collaboration
43.11 across higher education institutions, to
43.12 provide interdisciplinary team approaches
43.13 to research and problem-solving in rural
43.14 communities, and to administer overall
43.15 operations of the center.

43.16 (2) The grant shall be provided upon the
43.17 condition that each state-appropriated
43.18 dollar be matched with a nonstate dollar.
43.19 Acceptable matching funds are nonstate
43.20 contributions that the center has received and
43.21 have not been used to match previous state
43.22 grants. Any funds not spent the first year are
43.23 available the second year.

43.24 (c) \$225,000 each year is from the general
43.25 fund for a grant to WomenVenture for
43.26 women's business development programs
43.27 and for programs that encourage and assist
43.28 women to enter nontraditional careers in the
43.29 trades; manual and technical occupations;
43.30 science, technology, engineering, and
43.31 mathematics-related occupations; and green
43.32 jobs. This appropriation may be matched
43.33 dollar for dollar with any resources available
43.34 from the federal government for these
43.35 purposes with priority given to initiatives
43.36 that have a goal of increasing by at least ten

44.1 percent the number of women in occupations
44.2 where women currently comprise less than 25
44.3 percent of the workforce. The appropriation
44.4 is available until expended.

44.5 (d) \$105,000 each year is from the general
44.6 fund and \$50,000 each year is from the
44.7 workforce development fund for a grant to
44.8 the Metropolitan Economic Development
44.9 Association for continuing minority business
44.10 development programs in the metropolitan
44.11 area and for contract procurement support
44.12 to businesses in northeast and southwest
44.13 Minnesota.

44.14 (e) \$50,000 each year is from the general
44.15 fund for a grant to the Minnesota Inventors
44.16 Congress, of which at least \$5,000 must be
44.17 used for youth inventors.

44.18 (f)(1) \$100,000 each year is from the general
44.19 fund for a grant to BioBusiness Alliance
44.20 of Minnesota for bioscience business
44.21 development programs to promote and
44.22 position the state as a global leader in
44.23 bioscience business activities. This is a
44.24 onetime appropriation. These funds may be
44.25 used to create, recruit, retain, and expand
44.26 biobusiness activity in Minnesota; implement
44.27 the destination 2025 statewide plan; update
44.28 a statewide assessment of the bioscience
44.29 industry and the competitive position of
44.30 Minnesota-based bioscience businesses
44.31 relative to other states and other nations;
44.32 and develop and implement business and
44.33 scenario-planning models to create, recruit,
44.34 retain, and expand biobusiness activity in
44.35 Minnesota.

45.1 (2) The BioBusiness Alliance must report
45.2 each year by February 15 to the committees
45.3 of the house of representatives and the senate
45.4 having jurisdiction over bioscience industry
45.5 activity in Minnesota on the use of funds;
45.6 the number of bioscience businesses and
45.7 jobs created, recruited, retained, or expanded
45.8 in the state since the last reporting period;
45.9 the competitive position of the biobusiness
45.10 industry; and utilization rates and results of
45.11 the business and scenario-planning models
45.12 and outcomes resulting from utilization of
45.13 the business and scenario-planning models.

45.14 (g) Notwithstanding Minnesota Statutes,
45.15 section 268.18, subdivision 2, \$500,000 of
45.16 funds collected for unemployment insurance
45.17 administration under this subdivision is
45.18 appropriated as follows: \$250,000 to the city
45.19 of Hugo for reimbursement of tornado relief
45.20 efforts and \$250,000 to Lake County for ice
45.21 storm damage; and \$70,000 the first year is
45.22 from the general fund for tornado relief for
45.23 the city of Hugo.

45.24 (h) \$1,000,000 in the first year is from the
45.25 21st Century Minerals Fund to the Board of
45.26 Trustees of the Minnesota State Colleges
45.27 and Universities for a grant to the Northeast
45.28 Higher Education District for planning,
45.29 design, and construction of classrooms and
45.30 housing facilities for upper division students
45.31 in the engineering program.

45.32 (i)(1) \$189,000 each year is appropriated
45.33 from the general fund for grants of \$63,000
45.34 to eligible organizations each year to assist in
45.35 the development of entrepreneurs and small

46.1 businesses. Each state grant dollar must be
46.2 matched with \$1 of nonstate funds. Any
46.3 balance in the first year does not cancel but is
46.4 available in the second year.

46.5 (2) Three grants must be awarded to
46.6 continue or to develop a program. One
46.7 grant must be awarded to the Riverbend
46.8 Center for Entrepreneurial Facilitation
46.9 in Blue Earth County, and two to other
46.10 organizations serving Faribault and Martin
46.11 Counties. Grant recipients must report to the
46.12 commissioner by February 1 of each year
46.13 that the organization receives a grant with the
46.14 number of customers served; the number of
46.15 businesses started, stabilized, or expanded;
46.16 the number of jobs created and retained; and
46.17 business success rates. The commissioner
46.18 must report to the house of representatives
46.19 and senate committees with jurisdiction
46.20 over economic development finance on the
46.21 effectiveness of these programs for assisting
46.22 in the development of entrepreneurs and
46.23 small businesses.

46.24 (j) Of the amount appropriated in Laws 2008,
46.25 chapter 179, section 21, subdivision 3, from
46.26 the bond proceeds fund to the commissioner
46.27 of employment and economic development
46.28 for bioscience business development public
46.29 infrastructure grants under Minnesota
46.30 Statutes, section 116J.435, up to \$2,000,000
46.31 may be used for a grant to the city of Pine
46.32 Island for the design and construction
46.33 of publicly owned water and sewer
46.34 infrastructure at the Elk Run Bioscience
46.35 Park. Notwithstanding Minnesota Statutes,
46.36 section 116J.435, the grant under this section

47.1 may be used for public infrastructure to
 47.2 support residential, industrial, office, or
 47.3 research park development. The limits
 47.4 under Minnesota Statutes, section 116J.435,
 47.5 subdivision 3, paragraph (b), apply to the
 47.6 grant under this section.

47.7 **Subd. 3. Workforce Development** 54,603,000 53,753,000

47.8	<u>Appropriations by Fund</u>		
47.9	<u>General</u>	<u>29,813,000</u>	<u>29,813,000</u>
47.10	<u>Workforce</u>		
47.11	<u>Development</u>	<u>24,790,000</u>	<u>23,940,000</u>

47.12 (a) \$4,562,000 each year is from the general
 47.13 fund for the Minnesota job skills partnership
 47.14 program under Minnesota Statutes, sections
 47.15 116L.01 to 116L.17. If the appropriation for
 47.16 either year is insufficient, the appropriation
 47.17 for the other year is available. This
 47.18 appropriation is available until spent.

47.19 (b) \$8,800,000 each year is from the general
 47.20 fund for the state's vocational rehabilitation
 47.21 program under Minnesota Statutes, chapter
 47.22 268A.

47.23 (c) \$5,986,000 each year is from the general
 47.24 fund for the state services for the blind
 47.25 activities.

47.26 (d) \$2,380,000 each year is from the general
 47.27 fund for grants to centers for independent
 47.28 living under Minnesota Statutes, section
 47.29 268A.11.

47.30 (e) \$350,000 each year is from the general
 47.31 fund and \$105,000 each year is from the
 47.32 workforce development fund for a grant
 47.33 under Minnesota Statutes, section 116J.8747,
 47.34 to Twin Cities RISE! to provide training to
 47.35 hard-to-train individuals. Funds unexpended

48.1 in the first year are available for expenditure
48.2 in the second year.

48.3 (f) \$150,000 each year is from the general
48.4 fund and \$50,000 each year is from the
48.5 workforce development fund for a grant
48.6 to Northern Connections in Perham to
48.7 implement and operate a pilot workforce
48.8 program that provides one-stop supportive
48.9 services to individuals as they transition into
48.10 the workforce.

48.11 (g) \$150,000 each year is from the general
48.12 fund for a grant to Advocating Change
48.13 Together for training, technical assistance,
48.14 and resource materials for persons with
48.15 developmental and mental illness disabilities.

48.16 (h) \$5,627,000 each year is from the general
48.17 fund and \$6,920,000 each year is from the
48.18 workforce development fund for extended
48.19 employment services for persons with severe
48.20 disabilities or related conditions under
48.21 Minnesota Statutes, section 268A.15. Of
48.22 the general fund appropriation, \$125,000
48.23 each year is to supplement funds paid for
48.24 wage incentives for the community support
48.25 fund established in Minnesota Rules, part
48.26 3300.2045.

48.27 (i) \$1,613,000 each year is from the general
48.28 fund for grants to programs that provide
48.29 employment support services to persons with
48.30 mental illness under Minnesota Statutes,
48.31 sections 268A.13 and 268A.14. Grants
48.32 may be used for special projects for young
48.33 people with mental illness transitioning from
48.34 school to work and people with serious
48.35 mental illness receiving services through

- 49.1 a mental health court or civil commitment
49.2 court. Special projects must demonstrate
49.3 interagency collaboration.
- 49.4 (j) \$145,000 each year is from the general
49.5 fund and \$175,000 each year is from the
49.6 workforce development fund for a grant
49.7 under Minnesota Statutes, section 268A.03,
49.8 to Rise, Inc. for the Minnesota Employment
49.9 Center for People Who are Deaf or Hard of
49.10 Hearing. Money not expended the first year
49.11 is available the second year.
- 49.12 (k) \$50,000 each year is from the general
49.13 fund and \$250,000 each year is from the
49.14 workforce development fund for a grant to
49.15 Lifetrack Resources for its immigrant and
49.16 refugee collaborative program, including
49.17 those related to job-seeking skills and
49.18 workplace orientation, intensive job
49.19 development, functional work English, and
49.20 on-site job coaching. This appropriation may
49.21 also be used in Rochester.
- 49.22 (l) \$3,500,000 each year is from the
49.23 workforce development fund for the
49.24 Minnesota youth program under Minnesota
49.25 Statutes, sections 116L.56 and 116L.561.
- 49.26 (m) \$1,375,000 each year is from the
49.27 workforce development fund for the
49.28 Opportunities Industrialization Center
49.29 programs.
- 49.30 (n) \$1,250,000 each year is from the
49.31 workforce development fund for grants for
49.32 the Minneapolis summer youth employment
49.33 program. The grants shall be used to fund
49.34 up to 500 jobs for youth each summer. Of
49.35 this appropriation, \$310,000 each year is for

50.1 a grant to the learn-to-earn summer youth
50.2 employment program. The commissioner
50.3 shall establish criteria for awarding the
50.4 grants. This appropriation is available in
50.5 either year of the biennium and is available
50.6 until spent.

50.7 (o) \$575,000 each year is from the workforce
50.8 development fund for grants to fund summer
50.9 youth employment in St. Paul. The grants
50.10 shall be used to fund up to 500 jobs for
50.11 youth each summer. The commissioner shall
50.12 establish criteria for awarding the grants.
50.13 This appropriation is available in either year
50.14 of the biennium and is available until spent.

50.15 (p) \$1,000,000 each year is from the
50.16 workforce development fund for the
50.17 youthbuild program under Minnesota
50.18 Statutes, sections 116L.361 to 116L.366.

50.19 (q) \$100,000 each year is from the
50.20 workforce development fund for grants
50.21 for the indigenous earthkeepers program
50.22 for American Indian youth environmental
50.23 education and training. Funds must be
50.24 used to provide summer programming
50.25 for up to 80 American Indian youth ages
50.26 14 to 19 for up to eight weeks. The
50.27 indigenous earthkeepers program must
50.28 use the environment, with native language
50.29 as its primary core, to develop student
50.30 academic skills and knowledge at Center
50.31 School and Healthy Nations Program of the
50.32 Minneapolis American Indian Center. The
50.33 program must foster a sense of civic and
50.34 environmental responsibility by providing
50.35 youth the opportunity to serve on small,

51.1 natural, and urban resource crews in the
51.2 Twin Cities metropolitan area and outside of
51.3 the metropolitan area. In addition, it must
51.4 build the capacity of these youths to improve
51.5 their lives in an indigenous-inspired and
51.6 culturally relevant manner. At a minimum,
51.7 the program curriculum must include water
51.8 studies, identification of waterway cleanup
51.9 sites, cleanup of waterways significant to
51.10 indigenous culture and education, plant
51.11 identification, gardening, and indigenous
51.12 language components. This is a onetime
51.13 appropriation.

51.14 (r) \$340,000 each year is from the workforce
51.15 development fund for grants to provide
51.16 interpreters for a regional transition program
51.17 that specializes in providing culturally
51.18 appropriate transition services leading to
51.19 employment for deaf, hard-of-hearing, and
51.20 deaf-blind students.

51.21 (s) The first \$1,450,000 deposited in each
51.22 year of the biennium into the contingent
51.23 account created under Minnesota Statutes,
51.24 section 268.199, shall be transferred
51.25 before the closing of each fiscal year to
51.26 the workforce development fund created
51.27 under Minnesota Statutes, section 116L.20.
51.28 Deposits in excess of \$1,450,000 shall be
51.29 transferred before the closing of each fiscal
51.30 year to the general fund.

51.31 (t) \$75,000 each year is from the workforce
51.32 development fund for a grant to the Ramsey
51.33 County Workforce Investment Board for the
51.34 development of the building lives program.
51.35 This is a onetime appropriation.

52.1 (u) \$75,000 each year is from the workforce
52.2 development fund for a grant to a nonprofit
52.3 organization. The nonprofit organization
52.4 must work on behalf of all licensed
52.5 vendors to coordinate their efforts to
52.6 respond to solicitations or other requests
52.7 from private and governmental units as
52.8 defined in Minnesota Statutes, section
52.9 471.59, subdivision 1, in order to increase
52.10 employment opportunities for persons with
52.11 disabilities. This is a onetime appropriation.

52.12 (v) \$500,000 each year from the workforce
52.13 development fund is for a grant to the
52.14 Minnesota Alliance of Boys and Girls
52.15 Clubs to administer a statewide project
52.16 of youth job skills development. This
52.17 project, which may have career guidance
52.18 components, including health and life skills,
52.19 is to encourage, train, and assist youth in
52.20 job-seeking skills, workplace orientation,
52.21 and job site knowledge through coaching.
52.22 This grant requires a 25 percent match from
52.23 nonstate resources.

52.24 (w) \$100,000 in the first year is from the
52.25 workforce development fund for a grant to the
52.26 Southeast Asian Collaborative in Hennepin
52.27 County for an intensive intervention
52.28 transitional employment training project
52.29 to move refugee and immigrant welfare
52.30 recipients into unsubsidized employment
52.31 leading to economic self-sufficiency. One
52.32 of the five partners in the collaborative
52.33 shall be chosen as the fiscal agent by the
52.34 commissioner of employment and economic
52.35 development. The primary effort must be
52.36 on intensive employment skills training,

53.1 including workplace English and overcoming
53.2 cultural barriers, and on specialized training
53.3 in fields of work which involve a credit-based
53.4 curriculum. For recipients without a high
53.5 school diploma or a GED, extra effort shall
53.6 be made to help the recipient meet the ability
53.7 to benefit test so the recipient can receive
53.8 financial aid for further training. During
53.9 the specialized training, efforts should be
53.10 made to involve the recipients with an
53.11 internship program and retention specialist.
53.12 This appropriation is not available until the
53.13 commissioner of finance has determined that
53.14 at least an equal amount has been committed
53.15 from nonstate funds.

53.16 (x) \$7,500,000 each year is from the
53.17 workforce development fund for grants to
53.18 establish two emergency employment pilot
53.19 projects in counties with high unemployment
53.20 rates. The grants may be used for wage
53.21 subsidies of up to 50 percent of the wage
53.22 paid. The maximum wage subsidy shall be
53.23 \$5 per hour. This is a onetime appropriation.

53.24 (y) \$1,000,000 each year is from reserve
53.25 funds allocated to the Department of
53.26 Employment and Economic Development
53.27 under the American Recovery and
53.28 Reinvestment Act, Public Law 115-5,
53.29 for Workforce Investment Act adult and
53.30 displaced worker programs for on-the-job
53.31 training for eligible persons in counties
53.32 with high unemployment. This is a onetime
53.33 appropriation.

53.34 (z) \$750,000 the first year is from the
53.35 workforce development fund to Enterprise

54.1 Minnesota, Inc. for the small business
54.2 growth acceleration program established
54.3 under Minnesota Statutes, section 116O.115.
54.4 (aa) \$150,000 each year is for a grant to the
54.5 nonprofit organization selected to administer
54.6 the demonstration project for high-risk adults
54.7 under Laws 2007, chapter 54, article 1,
54.8 section 19, in order to continue the project
54.9 for a second biennium. This is a onetime
54.10 appropriation.
54.11 (bb) Of the money available to Minnesota
54.12 from the American Recovery and
54.13 Reinvestment Act of 2009, Public Law
54.14 111-5, and allocated to the Department of
54.15 Employment and Economic Development
54.16 for state employment programs, \$500,000
54.17 is for a grant to an organization doing
54.18 business in St. Paul, Hibbing, and Grand
54.19 Rapids, Minnesota, that provides progressive
54.20 development and employment opportunities
54.21 in competitive business enterprises for people
54.22 with disabilities. The appropriation in this
54.23 section must be used to provide employee
54.24 and program services, and is available until
54.25 expended. No nonstate match is required for
54.26 this grant.
54.27 (cc) All Wagner-Peyser funds available to
54.28 the state for job seeker services under the
54.29 American Recovery and Reinvestment Act of
54.30 2009, Public Law 111-5, must be allocated to
54.31 workforce development centers for universal
54.32 job seeker services.
54.33 (dd) All Workforce Investment Act
54.34 discretionary funds available to the
54.35 commissioner for workforce development

55.1 under the American Recovery and
 55.2 Reinvestment Act of 2009, Public Law
 55.3 111-5, must first be allocated to replace
 55.4 reductions in state general fund or workforce
 55.5 development fund resources for employment
 55.6 and training or youth programs.

55.7 **Subd. 4. State-Funded Administration** 2,446,000 2,446,000

55.8 **Sec. 4. DEPARTMENT OF LABOR AND**
 55.9 **INDUSTRY**

55.10 **Subdivision 1. Total Appropriation** **\$ 22,780,000 \$ 22,780,000**

<u>Appropriations by Fund</u>		
	<u>2010</u>	<u>2011</u>
55.13 <u>General</u>	<u>880,000</u>	<u>880,000</u>
55.14 <u>Workers'</u>		
55.15 <u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
55.16 <u>Workforce</u>		
55.17 <u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

55.18 The amounts that may be spent for each
 55.19 purpose are specified in the following
 55.20 subdivisions.

55.21 **Subd. 2. Workers' Compensation** 14,890,000 14,890,000

55.22 This appropriation is from the workers'
 55.23 compensation fund.

55.24 \$200,000 each year is for grants to the
 55.25 Vinland Center for rehabilitation services.
 55.26 Grants shall be distributed as the department
 55.27 refers injured workers to the Vinland Center
 55.28 for rehabilitation services.

55.29 **Subd. 3. Labor Standards/Apprenticeship** 1,909,000 1,909,000

<u>Appropriations by Fund</u>		
55.31 <u>General</u>	<u>880,000</u>	<u>880,000</u>
55.32 <u>Workforce</u>		
55.33 <u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

55.34 (a) The appropriation from the workforce
 55.35 development fund is for the apprenticeship

56.1 program under Minnesota Statutes, chapter
 56.2 178, and includes \$100,000 each year for
 56.3 labor education and advancement program
 56.4 grants and to expand and promote registered
 56.5 apprenticeship training in nonconstruction
 56.6 trade programs.

56.7 (b) \$150,000 each year is from the workforce
 56.8 development fund for prevailing wage
 56.9 enforcement.

56.10 (c) \$200,000 the first year and \$200,000
 56.11 the second year are from the assigned risk
 56.12 safety account for independent contractor
 56.13 investigator services to ensure compliance
 56.14 with the state's independent contractor
 56.15 exemption certificate program under
 56.16 Minnesota Statutes, section 181.723.

56.17	<u>Subd. 4. General Support</u>	<u>5,981,000</u>		<u>5,981,000</u>
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56.18 This appropriation is from the workers'
 56.19 compensation fund.

56.20 **Sec. 5. BUREAU OF MEDIATION**
 56.21 **SERVICES**

56.22	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,683,000</u>	<u>\$</u>	<u>1,683,000</u>
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56.23 The amounts that may be spent for each
 56.24 purpose are specified in the following
 56.25 subdivisions.

56.26	<u>Subd. 2. Mediation Services</u>	<u>1,583,000</u>		<u>1,583,000</u>
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56.27	<u>Subd. 3. Labor Management Cooperation</u>			
56.28	<u>Grants</u>	<u>100,000</u>		<u>100,000</u>

56.29 \$100,000 each year is for grants to area labor
 56.30 management committees. Grants may be
 56.31 awarded for a 12-month period beginning
 56.32 July 1 each year. Any unencumbered balance
 56.33 remaining at the end of the first year does not
 56.34 cancel but is available for the second year.

57.1	Sec. 6. <u>WORKERS' COMPENSATION</u>			
57.2	<u>COURT OF APPEALS</u>	\$	<u>1,703,000</u>	\$ <u>1,703,000</u>
57.3	<u>This appropriation is from the workers'</u>			
57.4	<u>compensation fund.</u>			
57.5	Sec. 7. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>505,000</u>	\$ <u>505,000</u>
57.6	Sec. 8. <u>BOARD OF ARCHITECTURE,</u>			
57.7	<u>ENGINEERING, LAND SURVEYING,</u>			
57.8	<u>LANDSCAPE ARCHITECTURE,</u>			
57.9	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>815,000</u>	\$ <u>815,000</u>
57.10	Sec. 9. <u>BOARD OF BARBER AND</u>			
57.11	<u>COSMETOLOGIST EXAMINERS</u>	\$	<u>839,000</u>	\$ <u>839,000</u>
57.12	Sec. 10. <u>COMBATIVE SPORTS</u>			
57.13	<u>COMMISSION</u>	\$	<u>125,000</u>	\$ <u>125,000</u>
57.14	<u>The appropriation is to transition the</u>			
57.15	<u>commission to being a self-funded entity.</u>			
57.16	Sec. 11. <u>LEGISLATIVE COORDINATING</u>			
57.17	<u>COMMISSION</u>	\$	<u>70,000</u>	\$ <u>0</u>
57.18	<u>From the general fund to the Legislative</u>			
57.19	<u>Coordinating Commission under Minnesota</u>			
57.20	<u>Statutes, section 3.303, for fiscal year 2010</u>			
57.21	<u>for the economic development strategy</u>			
57.22	<u>working group established in article 4,</u>			
57.23	<u>section 40.</u>			
57.24	Sec. 12. Laws 1998, chapter 404, section 23, subdivision 6, as amended by Laws 2002,			
57.25	chapter 220, article 10, section 35, subdivision 6, is amended to read:			
57.26	Subd. 6. St. Paul RiverCentre Arena			65,000,000
57.27	This appropriation is from the general fund			
57.28	to the commissioner of finance for a loan to			
57.29	the city of St. Paul to demolish the existing			
57.30	St. Paul RiverCentre Arena and to design,			
57.31	construct, furnish, and equip a new arena.			
57.32	This appropriation is not available until the			

58.1 lessee to whom the city has leased the arena
58.2 has agreed to make rental or other payments
58.3 to the city under the terms set forth in this
58.4 subdivision. The loan is repayable solely
58.5 from and secured by the payments made
58.6 to the city by the lessee. The loan is not a
58.7 public debt and the full faith, credit, and
58.8 taxing powers of the city are not pledged for
58.9 its repayment.

58.10 (a) ~~\$48,000,000~~ \$15,250,000 of the loan
58.11 must be repaid to the commissioner, without
58.12 interest, within ~~20~~ 12 years from the date
58.13 of substantial completion of the arena in
58.14 accordance with the following schedule:

58.15 (1) no repayments are due in the first two
58.16 years from the date of substantial completion;

58.17 (2) in each of the years three to five, the
58.18 lessee must pay \$1,250,000;

58.19 (3) in each of the years six to ten, the lessee
58.20 must pay \$1,500,000; and

58.21 (4) in each of the years 11 to ~~13~~ 12, the lessee
58.22 must pay \$2,000,000; and

58.23 ~~(5) in year 14, the lessee must pay~~
58.24 ~~\$3,000,000;~~

58.25 ~~(6) in year 15, the lessee must pay~~
58.26 ~~\$4,000,000; and~~

58.27 ~~(7) in each of the years 16 to 20, the lessee~~
58.28 ~~must pay \$4,750,000.~~

58.29 (b) The commissioner must deposit the
58.30 repayments in the state treasury and credit
58.31 them to the general fund.

58.32 (c) The loan may not be made until the
58.33 commissioner has entered into an agreement
58.34 with the city of St. Paul identifying the rental

59.1 or other payments that will be made and
59.2 establishing the dates on and the amounts
59.3 in which the payments will be made to the
59.4 city and by the city to the commissioner. The
59.5 payments may include operating revenues
59.6 and additional payments to be made by the
59.7 lessee under agreements to be negotiated
59.8 between the commissioner, the city, and the
59.9 lessee. Those agreements may include, but
59.10 are not limited to, an agreement whereby the
59.11 lessee pledges to provide each year a letter
59.12 of credit sufficient to guarantee the payment
59.13 of the amount due for the next succeeding
59.14 year; an agreement whereby the lessee
59.15 agrees to maintain a net worth, certified each
59.16 year by a financial institution or accounting
59.17 firm satisfactory to the commissioner, that
59.18 is greater than the balance due under the
59.19 payment schedule in paragraph (a); and any
59.20 other agreements the commissioner may
59.21 deem necessary to ensure that the payments
59.22 are made as scheduled.

59.23 (d) The agreements must provide that the
59.24 failure of the lessee to make a payment due
59.25 to the city under the agreement is an event
59.26 of default under the lease between the city
59.27 and the lessee and that the state is entitled to
59.28 enforce the remedies of the lessor under the
59.29 lease in the event of default. Those remedies
59.30 must include, but need not be limited to, the
59.31 obligation of the lessee to pay the balance due
59.32 for the remainder of the payment schedule
59.33 in the event the lessee ceases to operate a
59.34 National Hockey League team in the arena.

59.35 (e) By January 1, 1999, the commissioner
59.36 shall report to the chair of the senate

60.1 committee on state government finance
60.2 and the chair of the house committee on
60.3 ways and means the terms of an agreement
60.4 between the lessee and the amateur sports
60.5 commission whereby the lessee agrees to
60.6 make the facilities of the arena available to
60.7 the commission on terms satisfactory to the
60.8 commission for amateur sports activities
60.9 consistent with the purposes of Minnesota
60.10 Statutes, chapter 240A, each year during the
60.11 time the loan is outstanding. The amateur
60.12 sports commission must negotiate in good
60.13 faith and may be required to pay no more
60.14 than actual out-of-pocket expenses for the
60.15 time it uses the arena. The agreement may
60.16 not become effective before February 1,
60.17 1999. During any calendar year after 1999
60.18 that an agreement under this paragraph is
60.19 not in effect and a payment is due under
60.20 the schedule, the lessee must pay to the
60.21 commissioner a penalty of \$750,000 for that
60.22 year. If the amateur sports commission has
60.23 not negotiated in good faith, no penalty is
60.24 due.

60.25 **EFFECTIVE DATE.** This section is effective the day after the city of St. Paul
60.26 issues up to \$40,000,000 in bonds for a community ice facility as authorized in law.

60.27 **ARTICLE 4**

60.28 **EMPLOYMENT AND ECONOMIC DEVELOPMENT-RELATED PROVISIONS**

60.29 Section 1. Minnesota Statutes 2008, section 15.75, subdivision 5, is amended to read:

60.30 Subd. 5. **Agreements with Department of Employment and Economic**
60.31 **Development.** The commissioner of employment and economic development may
60.32 enter into agreements with regional entities established under subdivision 4 to prepare
60.33 plans to ensure coordination of the department's business development, community
60.34 development, workforce development, and trade functions with programs of local units of

61.1 government and other public and private development agencies in the regions. The plans
61.2 will identify regional development priorities and serve as a guide for the implementation
61.3 of the department's programs in the regions.

61.4 Sec. 2. Minnesota Statutes 2008, section 16B.54, subdivision 2, is amended to read:

61.5 Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of
61.6 a passenger motor vehicle or truck currently assigned to it. The transfer must be made to
61.7 the commissioner for use in the central motor pool. The commissioner shall reimburse an
61.8 agency whose motor vehicles have been paid for with funds dedicated by the Constitution
61.9 for a special purpose and which are assigned to the central motor pool. The amount of
61.10 reimbursement for a motor vehicle is its average wholesale price as determined from the
61.11 midwest edition of the National Automobile Dealers Association official used car guide.

61.12 (b) To the extent that funds are available for the purpose, the commissioner may
61.13 purchase or otherwise acquire additional passenger motor vehicles and trucks necessary
61.14 for the central motor pool. The title to all motor vehicles assigned to or purchased or
61.15 acquired for the central motor pool is in the name of the Department of Administration.

61.16 (c) On the request of an agency, the commissioner may transfer to the central
61.17 motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The
61.18 department or agency transferring the vehicle or truck must be paid for it from the motor
61.19 pool revolving account established by this section in an amount equal to two-thirds of the
61.20 average wholesale price of the vehicle or truck as determined from the midwest edition of
61.21 the National Automobile Dealers Association official used car guide.

61.22 (d) The commissioner shall provide for the uniform marking of all motor vehicles.
61.23 Motor vehicle colors must be selected from the regular color chart provided by the
61.24 manufacturer each year. The commissioner may further provide for the use of motor
61.25 vehicles without marking by:

61.26 (1) the governor;

61.27 (2) the lieutenant governor;

61.28 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling
61.29 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of
61.30 Public Safety;

61.31 (4) the Financial Institutions Division and investigative staff of the Department
61.32 of Commerce;

61.33 (5) the Division of Disease Prevention and Control of the Department of Health;

61.34 (6) the State Lottery;

61.35 (7) criminal investigators of the Department of Revenue;

- 62.1 (8) state-owned community service facilities in the Department of Human Services;
62.2 ~~(9) the investigative staff of the Department of Employment and Economic~~
62.3 ~~Development;~~
62.4 ~~(10)~~ (9) the Office of the Attorney General; and
62.5 ~~(11)~~ (10) the investigative staff of the Gambling Control Board.

62.6 Sec. 3. Minnesota Statutes 2008, section 84.94, subdivision 3, is amended to read:

62.7 Subd. 3. **Identification and classification.** The Department of Natural Resources,
62.8 with the cooperation of the state Geological Survey, ~~Departments~~ the Department of
62.9 Transportation, and Energy, Planning and Development ~~the Department of Employment~~
62.10 ~~and Economic Development~~, outside of the metropolitan area as defined in section
62.11 473.121, shall conduct a program of identification and classification of potentially valuable
62.12 publicly or privately owned aggregate lands located outside of urban or developed areas
62.13 where aggregate mining is restricted, without consideration of their present land use. The
62.14 program shall give priority to identification and classification in areas of the state where
62.15 urbanization or other factors are or may be resulting in a loss of aggregate resources to
62.16 development. Lands shall be classified as:

- 62.17 (1) identified resources, being those containing significant aggregate deposits;
62.18 (2) potential resources, being those containing potentially significant deposits and
62.19 meriting further evaluation; or
62.20 (3) subeconomic resources, being those containing no significant deposits.

62.21 As lands are classified, the information on the classification shall be transmitted to
62.22 each of the departments and agencies named in this subdivision, to the planning authority
62.23 of the appropriate county and municipality, and to the appropriate county engineer. The
62.24 county planning authority shall notify owners of land classified under this subdivision by
62.25 publication in a newspaper of general circulation in the county or by mail.

62.26 Sec. 4. Minnesota Statutes 2008, section 115C.08, subdivision 4, is amended to read:

62.27 Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

- 62.28 (1) to administer the petroleum tank release cleanup program established in this
62.29 chapter;
62.30 (2) for agency administrative costs under sections 116.46 to 116.50, sections
62.31 115C.03 to 115C.06, and costs of corrective action taken by the agency under section
62.32 115C.03, including investigations;
62.33 (3) for costs of recovering expenses of corrective actions under section 115C.04;
62.34 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

63.1 (5) for agency administrative costs of enforcing rules governing the construction,
63.2 installation, operation, and closure of aboveground and underground petroleum storage
63.3 tanks;

63.4 (6) for reimbursement of the environmental response, compensation, and compliance
63.5 account under subdivision 5 and section 115B.26, subdivision 4;

63.6 (7) for administrative and staff costs as set by the board to administer the petroleum
63.7 tank release program established in this chapter;

63.8 (8) for corrective action performance audits under section 115C.093;

63.9 (9) for contamination cleanup grants, as provided in paragraph (c); and

63.10 (10) to assess and remove abandoned underground storage tanks under section
63.11 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor
63.12 services costs necessary to complete the tank removal project, including, but not limited
63.13 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an
63.14 excavation report.

63.15 (b) Except as provided in paragraph (c), money in the fund is appropriated to the
63.16 board to make reimbursements or payments under this section.

63.17 (c) \$6,200,000 is annually appropriated from the fund to the commissioner of
63.18 employment and economic development for contamination cleanup grants under section
63.19 116J.554. Of this amount, the commissioner may spend up to ~~\$180,000~~ \$225,000 annually
63.20 for administration of the contamination cleanup grant program. The appropriation does
63.21 not cancel and is available until expended. The appropriation shall not be withdrawn from
63.22 the fund nor the fund balance reduced until the funds are requested by the commissioner
63.23 of employment and economic development. The commissioner shall schedule requests
63.24 for withdrawals from the fund to minimize the necessity to impose the fee authorized by
63.25 subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be
63.26 used for:

63.27 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable
63.28 to petroleum contamination or new and used tar and tar-like substances, including but not
63.29 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist
63.30 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,
63.31 fractions or residues from the processing of petroleum crude or petroleum products as
63.32 defined in section 296A.01; and

63.33 (2) the costs of performing contamination investigation if there is a reasonable basis
63.34 to suspect the contamination is attributable to petroleum or new and used tar and tar-like
63.35 substances, including but not limited to bitumen and asphalt, but excluding bituminous or
63.36 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits

64.1 in the earth or are distillates, fractions, or residues from the processing of petroleum crude
64.2 or petroleum products as defined in section 296A.01.

64.3 Sec. 5. Minnesota Statutes 2008, section 116J.035, subdivision 1, is amended to read:

64.4 Subdivision 1. **Powers.** (a) The commissioner may:

64.5 (1) apply for, receive, and expend money from municipal, county, regional, and
64.6 other government agencies;

64.7 (2) apply for, accept, and disburse grants and other aids from other public or private
64.8 sources;

64.9 (3) contract for professional services if such work or services cannot be satisfactorily
64.10 performed by employees of the department or by any other state agency;

64.11 (4) enter into interstate compacts to jointly carry out such research and planning with
64.12 other states or the federal government where appropriate;

64.13 (5) distribute informational material at no cost to the public upon reasonable request;
64.14 and

64.15 (6) enter into contracts necessary for the performance of the commissioner's duties
64.16 with federal, state, regional, metropolitan, local, and other agencies or units of government;
64.17 educational institutions, including the University of Minnesota. Contracts made pursuant
64.18 to this section shall not be subject to the competitive bidding requirements of chapter 16C.

64.19 (b) The commissioner may apply for, receive, and expend money made available
64.20 from federal or other sources for the purpose of carrying out the duties and responsibilities
64.21 of the commissioner pursuant to this chapter.

64.22 (c) All moneys received by the commissioner pursuant to this chapter shall be
64.23 deposited in the state treasury and, subject to section 3.3005, are appropriated to the
64.24 commissioner for the purpose for which the moneys have been received. The money shall
64.25 not cancel and shall be available until expended.

64.26 Sec. 6. Minnesota Statutes 2008, section 116J.035, subdivision 6, is amended to read:

64.27 Subd. 6. **Receipt of gifts, money; appropriation.** (a) The commissioner may
64.28 ~~accept gifts, bequests, grants, payments for services, and other public and private money~~
64.29 ~~to help finance the activities of the department.;~~

64.30 (1) apply for, accept, and disburse gifts, bequests, grants, payments for services,
64.31 loans, or other property from the United States, the state, private foundations, or any
64.32 other source;

64.33 (2) enter into an agreement required for the gifts, grants, or loans; and

65.1 (3) hold, use, and dispose of its assets according to the terms of the gift, grant,
65.2 loan, or agreement.

65.3 (b) Money received by the commissioner under this subdivision must be deposited
65.4 in a separate account in the state treasury and invested by the State Board of Investment.
65.5 The amount deposited, including investment earnings, is appropriated to the commissioner
65.6 to carry out duties under this section.

65.7 Sec. 7. Minnesota Statutes 2008, section 116J.401, subdivision 2, is amended to read:

65.8 Subd. 2. **Duties; authorizations; limitations.** (a) The commissioner of employment
65.9 and economic development shall:

65.10 (1) provide regional development commissions, the Metropolitan Council, and
65.11 units of local government with information, technical assistance, training, and advice on
65.12 using federal and state programs;

65.13 (2) receive and administer the Small Cities Community Development Block Grant
65.14 Program authorized by Congress under the Housing and Community Development Act of
65.15 1974, as amended;

65.16 (3) receive and administer the section 107 technical assistance program grants
65.17 authorized by Congress under the Housing and Community Development Act of 1974, as
65.18 amended;

65.19 (4) receive, administer, and supervise other state and federal grants and grant
65.20 programs for planning, community affairs, community development purposes,
65.21 employment and training services, and other state and federal programs assigned to the
65.22 department by law or by the governor in accordance with section 4.07;

65.23 (5) receive applications for state and federal grants and grant programs for planning,
65.24 community affairs, and community development purposes, and other state and federal
65.25 programs assigned to the department by law or by the governor in accordance with section
65.26 4.07;

65.27 (6) act as the agent of, and cooperate with, the federal government in matters of
65.28 mutual concern, including the administration of any federal funds granted to the state to
65.29 aid in the performance of functions of the commissioner;

65.30 (7) provide consistent, integrated employment and training services across the state;

65.31 (8) administer the Wagner-Peyser Act, the Workforce Investment Act, and other
65.32 federal employment and training programs;

65.33 (9) establish the standards for all employment and training services administered
65.34 under this chapter and chapters 116L, 248, 268, and 268A;

66.1 (10) administer the aspects of the Minnesota family investment program, general
66.2 assistance, and food stamps that relate to employment and training services, subject to the
66.3 contract under section 116L.86, subdivision 1;

66.4 (11) obtain reports from local service units and service providers for the purpose of
66.5 evaluating the performance of employment and training services;

66.6 (12) as requested, certify employment and training services, and decertify services
66.7 that fail to comply with performance criteria according to standards established by the
66.8 commissioner;

66.9 (13) develop standards for the contents and structure of the local service unit plans
66.10 and plans for Indian tribe employment and training services, review and comment on those
66.11 plans, and approve or disapprove the plans;

66.12 (14) supervise the county boards of commissioners, local service units, and any other
66.13 units of government designated in federal or state law as responsible for employment and
66.14 training programs;

66.15 (15) establish administrative standards and payment conditions for providers of
66.16 employment and training services;

66.17 (16) enter into agreements with Indian tribes as necessary to provide employment
66.18 and training services as appropriate funds become available;

66.19 (17) cooperate with the federal government and its employment and training
66.20 agencies in any reasonable manner as necessary to qualify for federal aid for employment
66.21 and training services and money;

66.22 (18) administer and supervise all forms of unemployment insurance provided for
66.23 under federal and state laws;

66.24 (19) provide current state and substate labor market information and forecasts, in
66.25 cooperation with other agencies;

66.26 (20) require all general employment and training programs that receive state funds
66.27 to make available information about opportunities for women in nontraditional careers
66.28 in the trades and technical occupations;

66.29 (21) consult with the Rehabilitation Council for the Blind on matters pertaining to
66.30 programs and services for the blind and visually impaired;

66.31 (22) enter into agreements with other departments of the state and local units of
66.32 government as necessary; ~~and~~

66.33 (23) establish and maintain administrative units necessary to perform administrative
66.34 functions common to all divisions of the department;

67.1 (24) investigate, study, and undertake ways and means of promoting and encouraging
67.2 the prosperous development and protection of the legitimate interest and welfare of
67.3 Minnesota business, industry, and commerce, within and outside the state;

67.4 (25) locate markets for manufacturers and processors and aid merchants in locating
67.5 and contacting markets;

67.6 (26) as necessary or useful for the proper execution of the powers and duties of the
67.7 commissioner in promoting and developing Minnesota business, industry, and commerce,
67.8 both within and outside the state, investigate and study conditions affecting Minnesota
67.9 business, industry, and commerce; collect and disseminate information; and engage in
67.10 technical studies, scientific investigations, statistical research, and educational activities;

67.11 (27) plan and develop an effective business information service both for the direct
67.12 assistance of business and industry of the state and for the encouragement of business and
67.13 industry outside the state to use economic facilities within the state;

67.14 (28) compile, collect, and develop periodically, or otherwise make available,
67.15 information relating to current business conditions;

67.16 (29) conduct or encourage research designed to further new and more extensive uses
67.17 of the natural and other resources of the state and designed to develop new products
67.18 and industrial processes;

67.19 (30) study trends and developments in the industries of the state and analyze the
67.20 reasons underlying the trends;

67.21 (31) study costs and other factors affecting successful operation of businesses within
67.22 the state;

67.23 (32) make recommendations regarding circumstances promoting or hampering
67.24 business and industrial development;

67.25 (33) serve as a clearinghouse for business and industrial problems of the state;

67.26 (34) advise small business enterprises regarding improved methods of accounting
67.27 and bookkeeping;

67.28 (35) cooperate with interstate commissions engaged in formulating and promoting
67.29 the adoption of interstate compacts and agreements helpful to business, industry, and
67.30 commerce;

67.31 (36) cooperate with other state departments and with boards, commissions, and
67.32 other state agencies in the preparation and coordination of plans and policies for the
67.33 development of the state and for the use and conservation of its resources insofar as the
67.34 use, conservation, and development may be appropriately directed or influenced by a
67.35 state agency;

68.1 (37) in connection with state, county, and municipal public works projects, assemble
68.2 and coordinate information relative to the status, scope, cost, and employment possibilities
68.3 and availability of materials, equipment, and labor and recommend limitations on the
68.4 public works;

68.5 (38) gather current progress information with reference to public and private
68.6 works projects of the state and its political subdivisions with reference to conditions of
68.7 employment;

68.8 (39) inquire into and report to the governor, when requested by the governor, with
68.9 respect to any program of public state improvements and its financing; and request
68.10 and obtain information from other state departments or agencies as may be needed for
68.11 the report;

68.12 (40) study changes in population and current trends and prepare plans and suggest
68.13 policies for the development and conservation of the resources of the state;

68.14 (41) confer and cooperate with the executive, legislative, or planning authorities of
68.15 the United States, neighboring states and provinces, and the counties and municipalities
68.16 of neighboring states, for the purpose of bringing about a coordination between the
68.17 development of neighboring provinces, states, counties, and municipalities and the
68.18 development of this state;

68.19 (42) generally gather, compile, and make available statistical information relating to
68.20 business, trade, commerce, industry, transportation, communication, natural resources,
68.21 and other like subjects in this state, with authority to call upon other state departments for
68.22 statistical data and results obtained by them and to arrange and compile that statistical
68.23 information in a reasonable manner;

68.24 (43) publish documents and annually convene regional meetings to inform
68.25 businesses, local government units, assistance providers, and other interested persons of
68.26 changes in state and federal law related to economic development;

68.27 (44) annually convene conferences of providers of economic development-related
68.28 financial and technical assistance for the purposes of exchanging information on economic
68.29 development assistance, coordinating economic development activities, and formulating
68.30 economic development strategies;

68.31 (45) provide business with information on the economic benefits of energy
68.32 conservation and on the availability of energy conservation assistance;

68.33 (46) as part of the biennial budget process, prepare performance measures for each
68.34 business loan or grant program within the jurisdiction of the commissioner. Measures
68.35 include source of funds for each program, number of jobs proposed or promised at the
68.36 time of application and the number of jobs created, estimated number of jobs retained, the

69.1 average salary and benefits for the jobs resulting from the program, and the number of
69.2 projects approved;

69.3 (47) provide a continuous program of education for business people;

69.4 (48) publish, disseminate, and distribute information and statistics;

69.5 (49) promote and encourage the expansion and development of markets for
69.6 Minnesota products;

69.7 (50) promote and encourage the location and development of new businesses in the
69.8 state as well as the maintenance and expansion of existing businesses and for that purpose
69.9 cooperate with state and local agencies and individuals, both within and outside the state;

69.10 (51) advertise and disseminate information as to natural resources, desirable
69.11 locations, and other advantages for the purpose of attracting businesses to locate in this
69.12 state;

69.13 (52) aid the various communities in this state in attracting business to their
69.14 communities;

69.15 (53) advise and cooperate with municipal, county, regional, and other planning
69.16 agencies and planning groups within the state for the purpose of promoting coordination
69.17 between the state and localities as to plans and development in order to maintain a high
69.18 level of gainful employment in private profitable production and achieve commensurate
69.19 advancement in social and cultural welfare;

69.20 (54) coordinate the activities of statewide and local planning agencies, correlate
69.21 information secured from them and from state departments and disseminate information
69.22 and suggestions to the planning agencies;

69.23 (55) encourage and assist in the organization and functioning of local planning
69.24 agencies where none exist; and

69.25 (56) adopt measures calculated to promote public interest in and understanding of
69.26 the problems of planning and, to that end, may publish and distribute copies of any plan
69.27 or any report and may employ other means of publicity and education that will give full
69.28 effect to the provisions of sections 116J.58 to 116J.63.

69.29 (b) At the request of any governmental subdivision in paragraph (a), clause (53),
69.30 the commissioner may provide planning assistance, which includes but is not limited to
69.31 surveys, land use studies, urban renewal plans, technical services and other planning
69.32 work to any city or other municipality in the state or perform similar planning work in
69.33 any county, metropolitan area, or regional area in the state. The commissioner must not
69.34 perform the planning work with respect to a metropolitan or regional area which is under
69.35 the jurisdiction for planning purposes of a county, metropolitan, regional, or joint planning

70.1 body, except at the request or with the consent of the respective county, metropolitan,
70.2 regional, or joint planning body.

70.3 (c) The commissioner is authorized to:

70.4 (1) receive and expend money from municipal, county, regional, and other planning
70.5 agencies;

70.6 (2) accept and disburse grants and other aids for planning purposes from the federal
70.7 government and from other public or private sources;

70.8 (3) utilize money received under clause (2) for the employment of consultants and
70.9 other temporary personnel to assist in the supervision or performance of planning work
70.10 supported by money other than state-appropriated money;

70.11 (4) enter into contracts with agencies of the federal government, units of local
70.12 government or combinations thereof, and with private persons that are necessary in the
70.13 performance of the planning assistance function of the commissioner; and

70.14 (5) assist any local government unit in filling out application forms for the federal
70.15 grants-in-aid.

70.16 (d) In furtherance of its planning functions, any city or town, however organized,
70.17 may expend money and contract with agencies of the federal government, appropriate
70.18 departments of state government, other local units of government, and with private
70.19 persons.

70.20 Sec. 8. Minnesota Statutes 2008, section 116J.431, subdivision 1, is amended to read:

70.21 Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall
70.22 make grants to counties or cities to provide up to 50 percent of the capital costs of public
70.23 infrastructure necessary for an eligible economic development project. The county or city
70.24 receiving a grant must provide for the remainder of the costs of the project, either in cash
70.25 or in kind. In-kind contributions may include the value of site preparation other than the
70.26 public infrastructure needed for the project.

70.27 ~~For purposes of this section, "city" means a statutory or home rule charter city~~
70.28 ~~located outside the metropolitan area, as defined in section 473.121, subdivision 2.~~

70.29 ~~"Public infrastructure" means publicly owned physical infrastructure necessary to~~
70.30 ~~support economic development projects, including, but not limited to, sewers, water~~
70.31 ~~supply systems, utility extensions, streets, wastewater treatment systems, stormwater~~
70.32 ~~management systems, and facilities for pretreatment of wastewater to remove phosphorus.~~

70.33 (b) The purpose of the grants made under this section is to keep or enhance jobs in
70.34 the area, increase the tax base, or to expand or create new economic development.

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

71.1 Sec. 9. Minnesota Statutes 2008, section 116J.431, is amended by adding a subdivision
71.2 to read:

71.3 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have
71.4 the meanings given.

71.5 (b) "City" means a statutory or home rule charter city located outside the
71.6 metropolitan area, as defined in section 473.121, subdivision 2.

71.7 (c) "County" means a county located outside the metropolitan area, as defined in
71.8 section 473.121, subdivision 2.

71.9 (d) "Public infrastructure" means publicly owned physical infrastructure necessary
71.10 to support economic development projects, including, but not limited to, sewers, water
71.11 supply systems, utility extensions, streets, wastewater treatment systems, storm water
71.12 management systems, and facilities for pretreatment of wastewater to remove phosphorus.

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

71.14 Sec. 10. Minnesota Statutes 2008, section 116J.431, subdivision 2, is amended to read:

71.15 Subd. 2. **Eligible projects.** An economic development project for which a county or
71.16 city may be eligible to receive a grant under this section includes:

71.17 (1) manufacturing;

71.18 (2) technology;

71.19 (3) warehousing and distribution;

71.20 (4) research and development;

71.21 (5) agricultural processing, defined as transforming, packaging, sorting, or grading
71.22 livestock or livestock products into goods that are used for intermediate or final
71.23 consumption, including goods for nonfood use; or

71.24 (6) industrial park development that would be used by any other business listed
71.25 in this subdivision.

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

71.27 Sec. 11. Minnesota Statutes 2008, section 116J.431, subdivision 4, is amended to read:

71.28 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures
71.29 for soliciting and reviewing applications for grants under this section. At a minimum, a
71.30 county or city must include in its application a resolution of the county or city council
71.31 certifying that the required local match is available. The commissioner must evaluate
71.32 complete applications for eligible projects using the following criteria:

71.33 (1) the project is an eligible project as defined under subdivision 2;

72.1 (2) the project will result in substantial public and private capital investment and
72.2 provide substantial economic benefit to the county or city in which the project would
72.3 be located;

72.4 (3) the project is not relocating substantially the same operation from another
72.5 location in the state, unless the commissioner determines the project cannot be reasonably
72.6 accommodated within the county or city in which the business is currently located, or the
72.7 business would otherwise relocate to another state; and

72.8 (4) the project will create or maintain full-time jobs.

72.9 (b) The determination of whether to make a grant for a site is within the discretion of
72.10 the commissioner, subject to this section. The commissioner's decisions and application of
72.11 the priorities are not subject to judicial review, except for abuse of discretion.

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

72.13 Sec. 12. Minnesota Statutes 2008, section 116J.431, subdivision 6, is amended to read:

72.14 Subd. 6. **Maximum grant amount.** A county or city may receive no more than
72.15 \$1,000,000 in two years for one or more projects.

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

72.17 Sec. 13. **[116J.438] MINNESOTA GREEN ENTERPRISE ASSISTANCE.**

72.18 (a) The commissioner of employment and economic development shall lead a
72.19 multiagency project to advise, promote, market, and coordinate state agency collaboration
72.20 on green enterprise and green economy projects, as defined in section 116J.437. The
72.21 project must involve collaboration with state agencies, local governments, and the
72.22 business and agricultural communities. The objective of the project is to utilize existing
72.23 state resources to expedite the delivery of grants, licenses, permits, and other state
72.24 authorizations and approvals for green economy projects. The commissioner shall appoint
72.25 a lead person to coordinate green enterprise assistance activities.

72.26 (b) As part of the project, the commissioners of employment and economic
72.27 development, the Pollution Control Agency, natural resources, agriculture, transportation,
72.28 and commerce shall each assign sufficient employees to the project to carry out its purpose.

72.29 (c) The commissioner of employment and economic development shall seek out and
72.30 may appoint persons from the business community to represent the state at trade shows or
72.31 missions, as well as assisting the commissioner in project activities.

72.32 (d) The commissioner may accept gifts, contributions, and in-kind services for the
72.33 purposes of this section, under the authority provided in section 116J.035, subdivision

73.1 1. Any funds received must be placed in a special revenue account for the purposes of
73.2 this section.

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

73.4 Sec. 14. Minnesota Statutes 2008, section 116J.554, subdivision 1, is amended to read:

73.5 Subdivision 1. **Authority.** (a) The commissioner may make a grant to an applicant
73.6 development authority to pay for up to 75 percent of the project costs for a qualifying site.

73.7 (b) The commissioner may also make a grant to an applicant development authority
73.8 to pay up to 75 percent or \$50,000, whichever is less, toward the cost of performing
73.9 contaminant investigations and the development of a response action plan for a qualifying
73.10 site.

73.11 (c) The commissioner may also make a grant to an applicant to fill a site that would
73.12 represent more than 50 percent of the remaining land in a city suitable for industrial
73.13 development if it were properly filled.

73.14 (d) The determination of whether to make a grant for a qualifying site is within the
73.15 sole discretion of the commissioner, subject to the process provided by this section, and
73.16 available unencumbered money in the appropriation. The commissioner's decisions and
73.17 application of the priorities under section 116J.555 are not subject to judicial review,
73.18 except for abuse of discretion.

73.19 (e) The total amount of money provided in grants under paragraph (b) may not
73.20 exceed ~~\$250,000~~ \$500,000 per fiscal year.

73.21 (f) In making grants under paragraph (b), the commissioner shall give priority to
73.22 applicants that have not received a grant under paragraph (a) or section 473.252 during
73.23 the year ending on the date of application.

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

73.25 Sec. 15. Minnesota Statutes 2008, section 116J.555, subdivision 1, is amended to read:

73.26 Subdivision 1. **Priorities.** (a) The legislature expects that applications for grants
73.27 will exceed the available appropriations and the agency will be able to provide grants to
73.28 only some of the applicant development authorities.

73.29 (b) If applications for grants for qualified sites exceed the available appropriations,
73.30 the agency shall make grants for sites that, in the commissioner's judgment, provide
73.31 the highest return in public benefits for the public costs incurred and that meet all the
73.32 requirements provided by law. In making this judgment, the commissioner shall consider
73.33 the following factors:

74.1 (1) the recommendations or ranking of projects by the commissioner of the Pollution
74.2 Control Agency regarding the potential threat to public health and the environment that
74.3 would be reduced or eliminated by completion of each of the response action plans;

74.4 (2) the potential increase in the property tax base of the local taxing jurisdictions,
74.5 considered relative to the fiscal needs of the jurisdictions, that will result from
74.6 developments that will occur because of completion of each of the response action plans;

74.7 (3) the social value to the community of the cleanup and redevelopment of the site,
74.8 including the importance of development of the proposed public facilities on each of
74.9 the sites;

74.10 (4) the probability that each site will be cleaned up without use of government
74.11 money in the reasonably foreseeable future by considering but not limited to the current
74.12 market value of the site versus the cleanup cost;

74.13 (5) the amount of cleanup costs for each site; and

74.14 (6) the amount of the commitment of municipal or other local resources to pay for
74.15 the cleanup costs.

74.16 The factors are not listed in a rank order of priority; rather the commissioner may
74.17 weigh each factor, depending upon the facts and circumstances, as the commissioner
74.18 considers appropriate. The commissioner may consider other factors that affect the net
74.19 return of public benefits for completion of the response action plan. The commissioner,
74.20 notwithstanding the listing of priorities and the goal of maximizing the return of public
74.21 benefits, shall make grants that distribute available money to sites both within and outside
74.22 of the metropolitan area. The commissioner shall provide a written statement of the
74.23 supporting reasons for each grant. Unless sufficient applications are not received for
74.24 qualifying sites outside of the metropolitan area, at least ~~25~~ 50 percent of the money
74.25 provided as grants must be made for sites located outside of the metropolitan area.

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

74.27 Sec. 16. Minnesota Statutes 2008, section 116J.68, subdivision 2, is amended to read:

74.28 Subd. 2. **Duties.** The bureau shall:

74.29 ~~(a)~~ (1) provide information and assistance with respect to all aspects of business
74.30 planning and business management related to the start-up, operation, or expansion of
74.31 a small business in Minnesota;

74.32 ~~(b)~~ (2) refer persons interested in the start-up, operation, or expansion of a small
74.33 business in Minnesota to assistance programs sponsored by federal agencies, state
74.34 agencies, educational institutions, chambers of commerce, civic organizations, community
74.35 development groups, private industry associations, and other organizations ~~or to the~~

75.1 ~~business assistance referral system established by the Minnesota Project Outreach~~
75.2 ~~Corporation;~~

75.3 ~~(e)~~ (3) plan, develop, and implement a master file of information on small business
75.4 assistance programs of federal, state, and local governments, and other public and private
75.5 organizations so as to provide comprehensive, timely information to the bureau's clients;

75.6 ~~(d)~~ (4) employ staff with adequate and appropriate skills and education and training
75.7 for the delivery of information and assistance;

75.8 ~~(e)~~ (5) seek out and utilize, to the extent practicable, contributed expertise and
75.9 services of federal, state, and local governments, educational institutions, and other public
75.10 and private organizations;

75.11 ~~(f)~~ (6) maintain a close and continued relationship with the director of the
75.12 procurement program within the Department of Administration so as to facilitate the
75.13 department's duties and responsibilities under sections 16C.16 to 16C.19 relating to the
75.14 small targeted group business and economically disadvantaged business program of the
75.15 state;

75.16 ~~(g)~~ (7) develop an information system which will enable the commissioner and other
75.17 state agencies to efficiently store, retrieve, analyze, and exchange data regarding small
75.18 business development and growth in the state. All executive branch agencies of state
75.19 government and the secretary of state shall to the extent practicable, assist the bureau in
75.20 the development and implementation of the information system;

75.21 ~~(h)~~ (8) establish and maintain a toll free telephone number so that all small business
75.22 persons anywhere in the state can call the bureau office for assistance. An outreach
75.23 program shall be established to make the existence of the bureau well known to its
75.24 potential clientele throughout the state. If the small business person requires a referral to
75.25 another provider the bureau may use the business assistance referral system established by
75.26 the Minnesota Project Outreach Corporation;

75.27 ~~(i)~~ (9) conduct research and provide data as required by the state legislature;

75.28 ~~(j)~~ (10) develop and publish material on all aspects of the start-up, operation, or
75.29 expansion of a small business in Minnesota;

75.30 ~~(k)~~ (11) collect and disseminate information on state procurement opportunities,
75.31 including information on the procurement process;

75.32 ~~(l)~~ (12) develop a public awareness program through the use of newsletters, personal
75.33 contacts, and electronic and print news media advertising about state assistance programs
75.34 for small businesses, including those programs specifically for socially disadvantaged
75.35 small business persons;

76.1 ~~(m)~~ (13) enter into agreements with the federal government and other public and
76.2 private entities to serve as the statewide coordinator or host agency for the federal small
76.3 business development center program under United States Code, title 15, section 648; and
76.4 ~~(n)~~ (14) assist providers in the evaluation of their programs and the assessment of
76.5 their service area needs. The bureau may establish model evaluation techniques and
76.6 performance standards for providers to use.

76.7 Sec. 17. Minnesota Statutes 2008, section 116J.8731, subdivision 2, is amended to read:

76.8 Subd. 2. **Administration.** The commissioner shall administer the fund as part of
76.9 the Small Cities Development Block Grant Program. Funds shall be made available to
76.10 local communities and recognized Indian tribal governments in accordance with the rules
76.11 adopted for economic development grants in the small cities community development
76.12 block grant program, except that all units of general purpose local government are eligible
76.13 applicants for Minnesota investment funds. The commissioner may also make funds
76.14 available within the department for eligible expenditures under subdivision 3, clause
76.15 (2). A home rule charter or statutory city, county, or town may loan or grant money
76.16 received from repayment of funds awarded under this section to a regional development
76.17 commission, other regional entity, or statewide community capital fund as determined by
76.18 the commissioner, to capitalize or to provide the local match required for capitalization of
76.19 a regional or statewide revolving loan fund.

76.20 Sec. 18. Minnesota Statutes 2008, section 116J.8731, subdivision 3, is amended to read:

76.21 Subd. 3. **Eligible expenditures.** The money appropriated for this section may
76.22 be used to ~~provide~~ fund:

76.23 (1) grants for infrastructure, loans, loan guarantees, interest buy-downs, and other
76.24 forms of participation with private sources of financing, provided that a loan to a private
76.25 enterprise must be for a principal amount not to exceed one-half of the cost of the project
76.26 for which financing is sought; and

76.27 (2) strategic investments in renewable energy market development, such as low
76.28 interest loans for renewable energy equipment manufacturing, training grants to support
76.29 renewable energy workforce, development of a renewable energy supply chain that
76.30 represents and strengthens the industry throughout the state, and external marketing to
76.31 garner more national and international investment into Minnesota's renewable sector.
76.32 Expenditures in external marketing for renewable energy market development are not
76.33 subject to the limitations in clause (1).

77.1 Sec. 19. [116J.997] PROGRAM ACCOUNTABILITY REQUIREMENTS.

77.2 Subdivision 1. Accountability measurement. By October 1, 2009, the
77.3 commissioner of employment and economic development shall develop a uniform
77.4 accountability report for economic development or workforce-related programs funded in
77.5 whole or in part by state or federal funds. The commissioner shall also develop a formula
77.6 for measuring the return on investment for each program and a comparison of the return
77.7 on investment of all programs funded in whole or in part by state or federal funds. The
77.8 requirements of this section apply to programs administered directly by the commissioner
77.9 or administered by other organizations under a grant made by the department. The report
77.10 and formula required by this subdivision shall be submitted to the chairs of the committees
77.11 of the house of representatives and senate having jurisdiction over economic development
77.12 and workforce policy and finance by October 15, 2009, for review and comment.

77.13 Subd. 2. Report to the legislature. By December 31 of each even-numbered year
77.14 the commissioner must report to the committees of the house of representatives and the
77.15 senate having jurisdiction over economic development and workforce policy and finance
77.16 the following information for each program subject to the requirements of subdivision 1:

77.17 (1) the target population;

77.18 (2) the number of jobs affected by the program, including the number of net new
77.19 jobs created in the state and the average annual wage per job;

77.20 (3) the number of individuals leaving the unemployment compensation program as
77.21 a result of the program;

77.22 (4) the number of individuals leaving the Minnesota Family Investment Program
77.23 support as a result of the program;

77.24 (5) the region of the state in which the program operated;

77.25 (6) the amount of state or federal funds allocated to the program; and

77.26 (7) the return on investment as calculated by the formula developed by the
77.27 commissioner.

77.28 Subd. 3. Report to the commissioner. Before receiving additional state funds, a
77.29 recipient of a grant made by or through the department must report to the commissioner by
77.30 September 1 of each even-numbered year on each of the clauses in subdivision 2 for each
77.31 program it administers. The report must be in a format prescribed by the commissioner.

77.32 Beginning November 1, 2009, the commissioner shall provide notice to grant
77.33 applicants and recipients regarding the data collection and reporting requirements under
77.34 this subdivision and must provide technical assistance to applicants and recipients to assist
77.35 in complying with the requirements of this subdivision.

78.1 Subd. 4. **Biennial budget request.** The information collected and reported under
78.2 subdivisions 2 and 3 shall be included in budgets submitted to the legislature under
78.3 section 16A.11.

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

78.5 Sec. 20. Minnesota Statutes 2008, section 116L.03, subdivision 5, is amended to read:

78.6 Subd. 5. **Terms.** The terms of appointed members shall be for four years ~~except for~~
78.7 ~~the initial appointments. The initial appointments of the governor shall have the following~~
78.8 ~~terms: two members each for one, two, three, and four years.~~ No member shall serve
78.9 more than two terms, and no person shall be appointed after December 31, 2001, for any
78.10 term that would cause that person to serve a total of more than eight years on the board.
78.11 Compensation for board members is as provided in section 15.0575, subdivision 3.

78.12 Sec. 21. Minnesota Statutes 2008, section 116L.05, subdivision 5, is amended to read:

78.13 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,
78.14 the board may use workforce development funds for the purposes outlined in sections
78.15 116L.02, 116L.04₂, and 116L.10 to 116L.14, or to provide incumbent worker training
78.16 services under section 116L.18 if the following conditions have been met:

78.17 (1) the board examines relevant economic indicators, including the projected
78.18 number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of
78.19 declining and expanding industries, the number of initial applications for and the number
78.20 of exhaustions of unemployment benefits, job vacancy data, and any additional relevant
78.21 information brought to the board's attention;

78.22 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

78.23 (3) based on the past expenditures and projected revenue, the board estimates future
78.24 funding needs for services under section 116L.17 for the remainder of the current fiscal
78.25 year and the next fiscal year;

78.26 (4) the board determines there will be unspent funds after meeting the needs of
78.27 dislocated workers in the current fiscal year and there will be sufficient revenue to meet
78.28 the needs of dislocated workers in the next fiscal year; and

78.29 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
78.30 committees with jurisdiction over the workforce development fund, to the commissioners
78.31 of revenue and finance, and to the public.

78.32 Sec. 22. Minnesota Statutes 2008, section 116L.20, subdivision 1, is amended to read:

79.1 Subdivision 1. **Determination and collection of special assessment.** (a) In addition
79.2 to amounts due from an employer under the Minnesota unemployment insurance program,
79.3 each employer, except an employer making reimbursements is liable for a special
79.4 assessment levied at the rate of ~~10~~ .12 percent per year on all taxable wages, as defined in
79.5 section 268.035, subdivision 24, except that effective July 1, 2009, until June 30, 2011, the
79.6 special assessment shall be levied at a rate of .14 percent per year on all taxable wages as
79.7 defined in section 268.035, subdivision 24. The assessment shall become due and be paid
79.8 by each employer on the same schedule and in the same manner as other amounts due
79.9 from an employer under section 268.051, subdivision 1.

79.10 (b) The special assessment levied under this section shall be subject to the same
79.11 requirements and collection procedures as any amounts due from an employer under the
79.12 Minnesota unemployment insurance program.

79.13 Sec. 23. Minnesota Statutes 2008, section 116L.362, subdivision 1, is amended to read:

79.14 Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible
79.15 organizations for programs to provide education and training services to targeted youth.
79.16 The purpose of these programs is to provide specialized training and work experience for
79.17 targeted youth who have not been served effectively by the current educational system.
79.18 The programs are to include a work experience component with work projects that result
79.19 in the rehabilitation, improvement, or construction of (1) residential units for the homeless;
79.20 ~~or;~~ (2) improvements to the energy efficiency and environmental health of residential
79.21 units; (3) facilities to support community garden projects; or (4) education, social service,
79.22 or health facilities which are owned by a public agency or a private nonprofit organization.

79.23 (b) Eligible facilities must principally provide services to homeless or very low
79.24 income individuals and families, and include the following:

- 79.25 (1) Head Start or day care centers;
79.26 (2) homeless, battered women, or other shelters;
79.27 (3) transitional housing;
79.28 (4) youth or senior citizen centers; ~~and~~
79.29 (5) community health centers; and
79.30 (6) community garden facilities.

79.31 Two or more eligible organizations may jointly apply for a grant. The commissioner
79.32 shall administer the grant program.

79.33 Sec. 24. Minnesota Statutes 2008, section 116L.364, subdivision 3, is amended to read:

80.1 Subd. 3. **Work experience component.** A work experience component must be
80.2 included in each program. The work experience component must provide vocational skills
80.3 training in an industry where there is a viable expectation of job opportunities. A training
80.4 subsidy, living allowance, or stipend, not to exceed an amount equal to 100 percent of the
80.5 poverty line for a family of two as defined in United States Code, title 42, section 673,
80.6 paragraph (2), may be provided to program participants. The wage or stipend must be
80.7 provided to participants who are recipients of public assistance in a manner or amount
80.8 which will not reduce public assistance benefits. The work experience component must be
80.9 designed so that work projects result in (1) the expansion or improvement of residential
80.10 units for homeless persons and very low income families; ~~or~~; (2) improvements to the
80.11 energy efficiency and environmental health of residential units; (3) facilities to support
80.12 community garden projects; or (4) rehabilitation, improvement, or construction of eligible
80.13 education, social service, or health facilities that principally serve homeless or very low
80.14 income individuals and families. Any work project must include direct supervision by
80.15 individuals skilled in each specific vocation. Program participants may earn credits
80.16 toward the completion of their secondary education from their participation in the work
80.17 experience component.

80.18 Sec. 25. Minnesota Statutes 2008, section 116L.871, subdivision 1, is amended to read:

80.19 Subdivision 1. **Responsibility and certification.** (a) Unless prohibited by federal
80.20 law or otherwise determined by state law, a local service unit is responsible for the
80.21 delivery of employment and training services. ~~As of July 1, 1998,~~ Employment and
80.22 training services may be delivered by certified employment and training service providers.

80.23 (b) The local service unit's employment and training service provider must meet the
80.24 certification standards in this subdivision if the county requests that they be certified
80.25 to deliver any of the following employment and training services and programs: wage
80.26 subsidies; general assistance grant diversion; food stamp employment and training
80.27 programs; community work experience programs; and MFIP employment services.

80.28 (c) The commissioner shall certify a local service unit's service provider to provide
80.29 these employment and training services and programs if the commissioner determines
80.30 that the provider has:

80.31 (1) past experience in direct delivery of the programs specified in paragraph (b);

80.32 (2) staff capabilities and qualifications, including adequate staff to provide timely
80.33 and effective services to clients, and proven staff experience in providing specific services
80.34 such as assessments, career planning, job development, job placement, support services,
80.35 and knowledge of community services and educational resources;

81.1 (3) demonstrated effectiveness in providing services to public assistance recipients
81.2 and other economically disadvantaged clients; and

81.3 (4) demonstrated administrative capabilities, including adequate fiscal and
81.4 accounting procedures, financial management systems, participant data systems, and
81.5 record retention procedures.

81.6 (d) When the only service provider that meets the criterion in paragraph (c), clause
81.7 (1), has been decertified, according to subdivision 1a, in that local service unit, the
81.8 following criteria shall be substituted: past experience in direct delivery of multiple,
81.9 coordinated, nonduplicative services, including outreach, assessments, identification of
81.10 client barriers, employability development plans, and provision or referral to support
81.11 services.

81.12 Sec. 26. Minnesota Statutes 2008, section 116L.96, is amended to read:

81.13 **116L.96 DISPLACED HOMEMAKER PROGRAMS.**

81.14 The commissioner of ~~economic security~~ employment and economic development
81.15 may enter into arrangements with existing private or nonprofit organizations and agencies
81.16 with experience in dealing with displaced homemakers to provide counseling and
81.17 training services. The commissioner shall assist displaced homemakers in applying for
81.18 appropriate welfare programs and shall take welfare allowances received into account
81.19 in setting the stipend level. Income received as a stipend under these programs shall
81.20 be totally disregarded for purposes of determining eligibility for and the amount of a
81.21 general assistance grant.

81.22 Sec. 27. Minnesota Statutes 2008, section 116O.115, subdivision 2, is amended to read:

81.23 Subd. 2. **Qualified company.** A company is qualified to receive assistance under
81.24 the small business growth acceleration program if ~~it~~ the company is a manufacturing
81.25 company or a manufacturing-related service company that employs ~~100~~ 250 or fewer
81.26 full-time equivalent employees.

81.27 Sec. 28. Minnesota Statutes 2008, section 116O.115, subdivision 4, is amended to read:

81.28 Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish
81.29 procedures for determining which applicants for assistance under the small business
81.30 growth acceleration program will receive program funding. Funding shall be awarded
81.31 only to accelerate a qualified company's adoption of needed technology or business
81.32 improvements when the corporation concludes that it is unlikely the improvements could
81.33 be accomplished in any other way.

82.1 (b) The maximum amount of funds awarded to a qualified company under the small
82.2 business growth acceleration program for a particular project must not exceed ~~50~~ 75
82.3 percent of the total cost of a project and must not under any circumstances exceed \$25,000
82.4 during a calendar year. The corporation shall not award to a qualified company small
82.5 business growth acceleration program funds in excess of \$50,000 per year.

82.6 (c) Any funds awarded to a qualified company under the small business growth
82.7 acceleration program must be used for business services and products that will enhance the
82.8 operation of the company. These business services and products must come either directly
82.9 from the corporation or from a network of expert providers identified and approved by
82.10 the corporation. No company receiving small business growth acceleration program
82.11 funds may use the funds for refinancing, overhead costs, new construction, renovation,
82.12 equipment, or computer hardware.

82.13 (d) Any funds awarded must be disbursed to the qualified company as reimbursement
82.14 documented according to requirements of the corporation.

82.15 (e) Receipt of funds from an award under this section is contingent upon a
82.16 contribution of funds by the qualified company to the project, as follows:

82.17 (1) a company with under 50 employees must contribute one dollar for every three
82.18 dollars of program assistance awarded;

82.19 (2) a company with 50 to 100 employees must contribute one dollar for every one
82.20 dollar of program assistance awarded; and

82.21 (3) a company with 101 to 250 employees must contribute three dollars for every
82.22 one dollar of program assistance awarded.

82.23 Sec. 29. Minnesota Statutes 2008, section 123A.08, subdivision 1, is amended to read:

82.24 Subdivision 1. **Outside sources for resources and services.** A center may accept:

82.25 (1) resources and services from postsecondary institutions serving center pupils;

82.26 (2) resources from ~~Job Training Partnership Act~~ Workforce Investment Act of 1998,

82.27 Public Law 105-220 programs, including funding for jobs skills training for various
82.28 groups and the percentage reserved for education;

82.29 (3) resources from the Department of Human Services and county welfare funding;

82.30 (4) resources from a local education and employment transitions partnership; or

82.31 (5) private resources, foundation grants, gifts, corporate contributions, and other
82.32 grants.

82.33 Sec. 30. Minnesota Statutes 2008, section 124D.49, subdivision 3, is amended to read:

83.1 Subd. 3. **Local education and employment transitions systems.** A local education
83.2 and employment transitions partnership must assess the needs of employers, employees,
83.3 and learners, and develop a plan for implementing and achieving the objectives of a local
83.4 or regional education and employment transitions system. The plan must provide for a
83.5 comprehensive local system for assisting learners and workers in making the transition
83.6 from school to work or for retraining in a new vocational area. The objectives of a local
83.7 education and employment transitions system include:

83.8 (1) increasing the effectiveness of the educational programs and curriculum of
83.9 elementary, secondary, and postsecondary schools and the work site in preparing students
83.10 in the skills and knowledge needed to be successful in the workplace;

83.11 (2) implementing learner outcomes for students in grades kindergarten through 12
83.12 designed to introduce the world of work and to explore career opportunities, including
83.13 nontraditional career opportunities;

83.14 (3) eliminating barriers to providing effective integrated applied learning,
83.15 service-learning, or work-based curriculum;

83.16 (4) increasing opportunities to apply academic knowledge and skills, including
83.17 skills needed in the workplace, in local settings which include the school, school-based
83.18 enterprises, postsecondary institutions, the workplace, and the community;

83.19 (5) increasing applied instruction in the attitudes and skills essential for success in
83.20 the workplace, including cooperative working, leadership, problem-solving, and respect
83.21 for diversity;

83.22 (6) providing staff training for vocational guidance counselors, teachers, and other
83.23 appropriate staff in the importance of preparing learners for the transition to work, and in
83.24 methods of providing instruction that incorporate applied learning, work-based learning,
83.25 and service-learning experiences;

83.26 (7) identifying and enlisting local and regional employers who can effectively
83.27 provide work-based or service-learning opportunities, including, but not limited to,
83.28 apprenticeships, internships, and mentorships;

83.29 (8) recruiting community and workplace mentors including peers, parents, employers
83.30 and employed individuals from the community, and employers of high school students;

83.31 (9) identifying current and emerging educational, training, and employment needs of
83.32 the area or region, especially within industries with potential for job growth;

83.33 (10) improving the coordination and effectiveness of local vocational and job
83.34 training programs, including vocational education, adult basic education, tech prep,
83.35 apprenticeship, service-learning, youth entrepreneur, youth training and employment
83.36 programs administered by the commissioner of employment and economic development,

84.1 and local job training programs under the ~~Job Training Partnership Act, United States~~
84.2 ~~Code, title 29, section 1501, et seq.~~ Workforce Investment Act of 1998, Public Law
84.3 105-220;

84.4 (11) identifying and applying for federal, state, local, and private sources of funding
84.5 for vocational or applied learning programs;

84.6 (12) providing students with current information and counseling about career
84.7 opportunities, potential employment, educational opportunities in postsecondary
84.8 institutions, workplaces, and the community, and the skills and knowledge necessary to
84.9 succeed;

84.10 (13) providing educational technology, including interactive television networks
84.11 and other distance learning methods, to ensure access to a broad variety of work-based
84.12 learning opportunities;

84.13 (14) including students with disabilities in a district's vocational or applied learning
84.14 program and ways to serve at-risk learners through collaboration with area learning
84.15 centers under sections 123A.05 to 123A.09, or other alternative programs; and

84.16 (15) providing a warranty to employers, postsecondary education programs, and
84.17 other postsecondary training programs, that learners successfully completing a high school
84.18 work-based or applied learning program will be able to apply the knowledge and work
84.19 skills included in the program outcomes or graduation requirements. The warranty shall
84.20 require education and training programs to continue to work with those learners that need
84.21 additional skill development until they can demonstrate achievement of the program
84.22 outcomes or graduation requirements.

84.23 Sec. 31. Minnesota Statutes 2008, section 160.276, subdivision 8, is amended to read:

84.24 Subd. 8. **Revenue.** The agreement may provide that the vendor pay a portion of
84.25 the gross revenues derived from advertising. These revenues must be paid to the state for
84.26 deposit in the safety rest area account established in section 160.2745. The commissioner
84.27 of transportation and director of ~~the Office of~~ Explore Minnesota Tourism may enter into
84.28 an interagency agreement to define the distribution of the revenues generated in this
84.29 subdivision and subdivisions 2a and 3a.

84.30 Sec. 32. Minnesota Statutes 2008, section 241.27, subdivision 1, is amended to read:

84.31 Subdivision 1. **Establishment of Minnesota correctional industries; MINNCOR**
84.32 **industries.** For the purpose of providing adequate, regular and suitable employment,
84.33 educational training, and to aid the inmates of state correctional facilities, the
84.34 commissioner of corrections may establish, equip, maintain and operate at any correctional

85.1 facility under the commissioner's control such industrial and commercial activities as may
85.2 be deemed necessary and suitable to the profitable employment, educational training and
85.3 development of proper work habits of the inmates of state correctional facilities. The
85.4 industrial and commercial activities authorized by this section are designated MINNCOR
85.5 industries and shall be for the primary purpose of sustaining and ensuring MINNCOR
85.6 industries' self-sufficiency, providing educational training, meaningful employment
85.7 and the teaching of proper work habits to the inmates of correctional facilities under
85.8 the control of the commissioner of corrections, and not solely as competitive business
85.9 ventures. The net profits from these activities shall be used for the benefit of the inmates
85.10 as it relates to education, self-sufficiency skills, and transition services and not to fund
85.11 non-inmate-related activities or mandates. Prior to the establishment of any industrial and
85.12 commercial activity, the commissioner of corrections may consult with representatives
85.13 of business, industry, organized labor, the state Department of Education, the state
85.14 Apprenticeship Council, the state Department of Labor and Industry, the Department of
85.15 Employment ~~Security~~ and Economic Development, the Department of Administration,
85.16 and such other persons and bodies as the commissioner may feel are qualified to determine
85.17 the quantity and nature of the goods, wares, merchandise and services to be made or
85.18 provided, and the types of processes to be used in their manufacture, processing, repair,
85.19 and production consistent with the greatest opportunity for the reform and educational
85.20 training of the inmates, and with the best interests of the state, business, industry and labor.

85.21 The commissioner of corrections shall, at all times in the conduct of any industrial
85.22 or commercial activity authorized by this section, utilize inmate labor to the greatest
85.23 extent feasible, provided, however, that the commissioner may employ all administrative,
85.24 supervisory and other skilled workers necessary to the proper instruction of the inmates
85.25 and the profitable and efficient operation of the industrial and commercial activities
85.26 authorized by this section.

85.27 Additionally, the commissioner of corrections may authorize the director of any
85.28 correctional facility under the commissioner's control to accept work projects from outside
85.29 sources for processing, fabrication or repair, provided that preference shall be given to the
85.30 performance of such work projects for state departments and agencies.

85.31 Sec. 33. Minnesota Statutes 2008, section 248.061, subdivision 3, is amended to read:

85.32 Subd. 3. **Eligible individual.** "Eligible individual" means an individual who is
85.33 eligible for library loan services through the Library of Congress and the ~~State Library for~~
85.34 ~~the Blind and Physically Handicapped~~ Minnesota Braille and Talking Book Library under
85.35 Code of Federal Regulations, title 36, section 701.10, subsection (b).

86.1 Sec. 34. Minnesota Statutes 2008, section 248.07, subdivision 7, is amended to read:

86.2 Subd. 7. **Blind, vending stands and machines on governmental property;**
86.3 **liability limited.** (a) Notwithstanding any other law, for the rehabilitation of blind persons
86.4 the commissioner shall have exclusive authority to establish and to operate vending
86.5 stands and vending machines in all buildings and properties owned or rented exclusively
86.6 by the Minnesota State Colleges and Universities at a state university, a community
86.7 college, a consolidated community technical college, or a technical college served by
86.8 the commissioner before January 1, 1996, or by any department or agency of the state
86.9 of Minnesota except the Department of Natural Resources properties operated directly
86.10 by the Division of State Parks and not subject to private leasing. ~~The merchandise to be~~
86.11 ~~dispensed by such~~ Vending stands and machines authorized under this subdivision may
86.12 ~~include~~ dispense nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and
86.13 related items. ~~Such vending stands and vending machines herein authorized shall and~~
86.14 must be operated on the same basis as other vending stands for the blind established and
86.15 supervised by the commissioner under federal law. The commissioner shall waive this
86.16 authority to displace any present private individual concessionaire in any state-owned or
86.17 rented building or property who is operating under a contract with a specific renewal or
86.18 termination date, until the renewal or termination date. With the consent of the governing
86.19 body of a governmental subdivision of the state, the commissioner may establish and
86.20 supervise vending stands and vending machines for the blind in any building or property
86.21 exclusively owned or rented by the governmental subdivision.

86.22 (b) The Department of Employment and Economic Development is not liable
86.23 under chapter 176 for any injury sustained by a blind vendor's employee or agent. The
86.24 Department of Employment and Economic Development, its officers, and its agents are
86.25 not liable for the acts or omissions of a blind vendor or of a blind vendor's employee or
86.26 agent that may result in the blind vendor's liability to third parties. The Department of
86.27 Employment and Economic Development, its officers, and its agents are not liable for
86.28 negligence based on any theory of liability for claims arising from the relationship created
86.29 under this subdivision with the blind vendor.

86.30 Sec. 35. Minnesota Statutes 2008, section 248.07, subdivision 8, is amended to read:

86.31 Subd. 8. **Use of revolving fund, licenses for operation of vending machines**
86.32 **stands.** (a) The revolving fund created by Laws 1947, chapter 535, section 5, is continued
86.33 as provided in this subdivision and shall be known as the revolving fund for vocational
86.34 rehabilitation of the blind. It shall be used for the purchase of equipment and supplies
86.35 for establishing and operating of vending stands by blind persons. All income, receipts,

87.1 earnings, and federal ~~grants~~ vending machine income due to the operation ~~thereof~~ of
87.2 vending stands operated under this subdivision shall also be paid into the fund. All interest
87.3 earned on money accrued in the fund must be credited to the fund by the commissioner of
87.4 finance. All equipment, supplies, and expenses for setting up these stands shall be paid
87.5 for from the fund.

87.6 ~~Authority is hereby given to~~ (b) The commissioner is authorized to use the money
87.7 available in the revolving fund that originated as operational charges to individuals
87.8 licensed under this subdivision for the establishment, operation, and supervision of
87.9 vending stands by blind persons for the following purposes:

87.10 (1) purchase, upkeep and replacement of equipment;

87.11 (2) expenses incidental to the setting up of new stands and improvement of old
87.12 stands;

87.13 (3) reimbursement under section 15.059 to individual blind vending operators
87.14 for reasonable expenses incurred in attending supervisory meetings as called by the
87.15 commissioner and other expenditures for management services consistent with federal
87.16 law; and

87.17 (4) purchase of fringe benefits for blind vending operators and their employees such
87.18 as group health insurance, retirement program, vacation or sick leave assistance provided
87.19 that the purchase of any fringe benefit is approved by a majority vote of blind vending
87.20 operators licensed pursuant to this subdivision after the commissioner provides to each
87.21 blind vending operator information on all matters relevant to the fringe benefits. "Majority
87.22 vote" means a majority of blind vending operators voting. Fringe benefits shall be paid
87.23 only from assessments of operators for specific benefits, gifts to the fund for fringe benefit
87.24 purposes, and vending income which is not assignable to an individual stand.

87.25 (c) Money originally deposited as merchandise and supplies repayments by
87.26 individuals licensed under this subdivision may be expended for initial and replacement
87.27 stocks of supplies and merchandise. Money originally deposited from vending income on
87.28 federal property must be spent consistent with federal law.

87.29 (d) All other deposits may be used for the purchase of general liability insurance or
87.30 any other expense related to the operation and supervision of vending stands.

87.31 (e) The commissioner shall issue each license for the operation of a vending stand
87.32 or vending machine for an indefinite period but may terminate any license in the manner
87.33 provided. In granting licenses for new or vacated stands preference on the basis of
87.34 seniority of experience in operating stands under the control of the commissioner shall
87.35 be given to capable operators who are deemed competent to handle the enterprise under

88.1 consideration. Application of this preference shall not prohibit the commissioner from
88.2 selecting an operator from the community in which the stand is located.

88.3 Sec. 36. Minnesota Statutes 2008, section 256J.626, subdivision 4, is amended to read:

88.4 Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1,
88.5 2004, and each two-year period thereafter, each county and tribe must have in place an
88.6 approved biennial service agreement related to the services and programs in this chapter.
88.7 In counties with a city of the first class with a population over 300,000, the county must
88.8 consider a service agreement that includes a jointly developed plan for the delivery of
88.9 employment services with the city. Counties may collaborate to develop multicounty,
88.10 multitribal, or regional service agreements.

88.11 (b) The service agreements will be completed in a form prescribed by the
88.12 commissioner. The agreement must include:

88.13 (1) a statement of the needs of the service population and strengths and resources
88.14 in the community;

88.15 (2) numerical goals for participant outcomes measures to be accomplished during
88.16 the biennial period. The commissioner may identify outcomes from section 256J.751,
88.17 subdivision 2, as core outcomes for all counties and tribes;

88.18 (3) strategies the county or tribe will pursue to achieve the outcome targets.
88.19 Strategies must include specification of how funds under this section will be used and may
88.20 include community partnerships that will be established or strengthened;

88.21 (4) strategies the county or tribe will pursue under family stabilization services; and

88.22 (5) other items prescribed by the commissioner in consultation with counties and
88.23 tribes.

88.24 (c) The commissioner shall provide each county and tribe with information needed
88.25 to complete an agreement, including: (1) information on MFIP cases in the county or
88.26 tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome
88.27 measures; and (4) promising program practices.

88.28 (d) The service agreement must be submitted to the commissioner by October 15,
88.29 2003, and October 15 of each second year thereafter. The county or tribe must allow
88.30 a period of not less than 30 days prior to the submission of the agreement to solicit
88.31 comments from the public on the contents of the agreement.

88.32 (e) The commissioner must, within 60 days of receiving each county or tribal service
88.33 agreement, inform the county or tribe if the service agreement is approved. If the service
88.34 agreement is not approved, the commissioner must inform the county or tribe of any
88.35 revisions needed prior to approval.

89.1 ~~(f) The service agreement in this subdivision supersedes the plan requirements~~
89.2 ~~of section 116L.88.~~

89.3 Sec. 37. Minnesota Statutes 2008, section 256J.66, subdivision 1, is amended to read:

89.4 Subdivision 1. **Establishing the on-the-job training program.** (a) County agencies
89.5 may develop on-the-job training programs for MFIP caregivers who are participating in
89.6 employment and training services. A county agency that chooses to provide on-the-job
89.7 training may make payments to employers for on-the-job training costs that, during the
89.8 period of the training, must not exceed 50 percent of the wages paid by the employer to
89.9 the participant. The payments are deemed to be in compensation for the extraordinary
89.10 costs associated with training participants under this section and in compensation for the
89.11 costs associated with the lower productivity of the participants during training.

89.12 (b) Provision of an on-the-job training program under the ~~Job Training Partnership~~
89.13 ~~Act~~ Workforce Investment Act of 1998, Public Law 105-220, in and of itself, does not
89.14 qualify as an on-the-job training program under this section.

89.15 (c) Employers must compensate participants in on-the-job training ~~shall be~~
89.16 ~~compensated by the employer~~ at the same rates, including periodic increases, as similarly
89.17 situated employees or trainees and in accordance with applicable law, but in no event less
89.18 than the federal or applicable state minimum wage, whichever is higher.

89.19 Sec. 38. Minnesota Statutes 2008, section 268A.06, subdivision 1, is amended to read:

89.20 Subdivision 1. **Application.** Any city, town, county, nonprofit corporation,
89.21 regional treatment center, or any combination thereof, may apply to the commissioner for
89.22 assistance in establishing or operating a community rehabilitation facility. Application for
89.23 assistance ~~shall~~ must be on forms prescribed by the commissioner. ~~Each applicant shall~~
89.24 ~~annually submit to the commissioner its plan and budget for the next fiscal year. No~~ An
89.25 applicant ~~shall be~~ is not eligible for a grant ~~hereunder~~ under this section unless its plan
89.26 ~~and budget~~ audited financial statements of the prior fiscal year have been approved by
89.27 the commissioner.

89.28 Sec. 39. Minnesota Statutes 2008, section 469.169, subdivision 3, is amended to read:

89.29 Subd. 3. **Evaluation of applications.** (a) The commissioner shall review and
89.30 evaluate the applications submitted pursuant to subdivision 2 and shall determine whether
89.31 each area is eligible for designation as an enterprise zone. In determining whether an
89.32 area is eligible under section 469.168, subdivision 4, paragraph (a), if unemployment,
89.33 employment, income, or other necessary data are not available for the area from the

90.1 federal departments of labor or commerce or the state demographer, the commissioner
90.2 may rely upon other data submitted by the municipality if the commissioner determines it
90.3 is statistically reliable or accurate. The commissioner, together with the commissioner
90.4 of revenue, shall prepare an estimate of the amount of state tax revenue which will be
90.5 foregone for each application if the area is designated as a zone.

90.6 (b) By October 1 of each year, the commissioner shall submit to the Legislative
90.7 Advisory Commission a list of the areas eligible for designation as enterprise zones,
90.8 along with recommendations for designation and supporting documentation. In making
90.9 recommendations for designation, the commissioner shall consider and evaluate the
90.10 applications pursuant to the following criteria:

90.11 (1) the pervasiveness of poverty, unemployment, and general distress in the area;

90.12 (2) the extent of chronic abandonment, deterioration, or reduction in value of
90.13 commercial, industrial, or residential structures in the area and the extent of property
90.14 tax arrearages in the area;

90.15 (3) the prospects for new investment and economic development in the area with
90.16 the tax reductions proposed in the application relative to the state and local tax revenue
90.17 which would be foregone;

90.18 (4) the competing needs of other areas of the state;

90.19 (5) the municipality's proposed use of other state and federal development funds or
90.20 programs to increase the probability of new investment and development occurring;

90.21 (6) the extent to which the projected development in the zone will provide
90.22 employment to residents of the economic hardship area, and particularly individuals who
90.23 are unemployed or who are economically disadvantaged as defined in the federal ~~Job~~
90.24 ~~Training Partnership Act of 1982, Volume 96, Statutes at Large, page 1322~~ Workforce
90.25 Investment Act of 1998, Public Law 105-220;

90.26 (7) the funds available pursuant to subdivision 7; and

90.27 (8) other relevant factors that the commissioner specifies in the commissioner's
90.28 recommendations.

90.29 (c) The commissioner shall submit a separate list of the areas entitled to designation
90.30 as federally designated zones and border city zones along with recommendations for the
90.31 amount of funds to be allocated to each area.

90.32 **Sec. 40. ECONOMIC DEVELOPMENT STRATEGY WORKING GROUP.**

90.33 (a) An 18-member bipartisan working group to develop an economic development
90.34 strategy to guide job and business growth in Minnesota and to strengthen the state's
90.35 economy is established. The working group consists of six members of the house of

91.1 representatives and three members of the public appointed by the speaker of the house and
91.2 six members of the senate and three members of the public appointed by the subcommittees
91.3 on committees of the senate. The working group is responsible to review and analyze
91.4 Minnesota's current economic development strategy and make recommendations on
91.5 improvements according to this section. The Legislative Coordinating Commission under
91.6 Minnesota Statutes, section 3.303, must provide staff support for the working group.

91.7 (b) The working group must conduct an academic and practitioner led effort to:

91.8 (1) perform best practices research on economic development principles to apply
91.9 to Minnesota;

91.10 (2) assess Minnesota's current economic development strategies, including tax
91.11 incentives and appropriation funded programs and grants to determine how well these
91.12 strategies are working and how they compare to best practices;

91.13 (3) develop a comprehensive strategy to move Minnesota's economy forward;

91.14 (4) develop a set of benchmarks to measure Minnesota's investments in economic
91.15 development strategies; and

91.16 (5) recommend the best structure to govern and lead Minnesota's economic
91.17 development strategy.

91.18 (c) Appointments to the working group shall be made by June 1, 2009, and the
91.19 first meeting shall be convened no later than July 1, 2009. The task force shall elect
91.20 a chair from among its members at the first meeting. The working group may contract
91.21 for research studies and assistance necessary to fulfill its responsibilities. The working
91.22 group must report to the committees of the legislature with responsibility for economic
91.23 development by February 15, 2010.

91.24 **Sec. 41. APPROPRIATION; GREEN ENTERPRISE ASSISTANCE.**

91.25 The remaining balance of the fiscal year 2009 special revenue fund appropriation for
91.26 the Green Jobs Task Force under Laws 2008, chapter 363, article 6, section 3, subdivision
91.27 4, is transferred and appropriated to the commissioner of employment and economic
91.28 development for the purposes of green enterprise assistance under Minnesota Statutes,
91.29 section 116J.438. This appropriation is available until spent.

91.30 **Sec. 42. REVISOR'S INSTRUCTION.**

91.31 The revisor of statutes shall renumber Minnesota Statutes, section 116J.58,
91.32 subdivision 2, as Minnesota Statutes, section 116J.035, subdivision 1a, and shall revise
91.33 statutory cross-references consistent with that renumbering.

92.1 Sec. 43. **REPEALER.**

92.2 Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431, subdivision 5;
92.3 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; and 116U.65, are
92.4 repealed.

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

92.6 ARTICLE 5

92.7 UNEMPLOYMENT INSURANCE POLICY

92.8 Section 1. Minnesota Statutes 2008, section 268.052, subdivision 2, is amended to read:

92.9 Subd. 2. **Election by state or political subdivision to be a taxpaying employer.**

92.10 (a) The state or political subdivision may elect to be a taxpaying employer for any
92.11 calendar year if a notice of election is filed within 30 calendar days following January 1 of
92.12 that calendar year. Upon election, the state or political subdivision must be assigned the
92.13 new employer tax rate under section 268.051, subdivision 5, for the calendar year of the
92.14 election and unless or until it qualifies for an experience rating under section 268.051,
92.15 subdivision 3.

92.16 (b) An election is for a minimum period of two calendar years following the effective
92.17 date of the election and continue unless a notice terminating the election is filed not later
92.18 than 30 calendar days before the beginning of the calendar year. The termination is
92.19 effective at the beginning of the next calendar year. ~~Upon election, the commissioner shall~~
92.20 ~~establish a reimbursable account for the state or political subdivision. A termination of~~
92.21 ~~election is allowed only if the state or political subdivision has, since the beginning of the~~
92.22 ~~experience rating period under section 268.051, subdivision 3, paid taxes equal to or more~~
92.23 ~~than 125 percent of the unemployment benefits used in computing the experience rating. In~~
92.24 ~~addition, any unemployment benefits paid after the experience rating period are transferred~~
92.25 ~~to the new reimbursable account of the state or political subdivision. If the amount of taxes~~
92.26 ~~paid since the beginning of the experience rating period exceeds 125 percent of the amount~~
92.27 ~~of unemployment benefits paid during the experience rating period, that amount in excess~~
92.28 ~~is applied against any unemployment benefits paid after the experience rating period.~~

92.29 (c) The method of payments to the trust fund under subdivisions 3 and 4 applies to
92.30 all taxes paid by or due from the state or political subdivision that elects to be taxpaying
92.31 employers under this subdivision.

92.32 (d) A notice of election or a notice terminating election must be filed by electronic
92.33 transmission in a format prescribed by the commissioner.

93.1 Sec. 2. Minnesota Statutes 2008, section 268.053, subdivision 1, is amended to read:

93.2 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in
93.3 covered employment must pay taxes on a quarterly basis in accordance with section
93.4 268.051 unless it elects to make reimbursements to the trust fund the amount of
93.5 unemployment benefits charged to its reimbursable account under section 268.047.

93.6 The organization may elect to make reimbursements for a period of not less than
93.7 two calendar years beginning with the date that the organization was determined to be an
93.8 employer with covered employment by filing a notice of election not later than 30 calendar
93.9 days after the date of the determination.

93.10 (b) Any nonprofit organization that makes an election will continue to be liable for
93.11 reimbursements until it files a notice terminating its election not later than 30 calendar
93.12 days before the beginning of the calendar year the termination is to be effective.

93.13 (c) A nonprofit organization that has been making reimbursements that files a notice
93.14 of termination of election must be assigned the new employer tax rate under section
93.15 268.051, subdivision 5, for the calendar year of the termination of election and unless or
93.16 until it qualifies for an experience rating under section 268.051, subdivision 3.

93.17 (d) Any nonprofit organization that has been paying taxes may elect to make
93.18 reimbursements by filing no less than 30 calendar days before January 1 of any calendar
93.19 year a notice of election. ~~Upon election, the commissioner shall establish a reimbursable~~
93.20 ~~account for the nonprofit organization. An election is allowed only if the nonprofit~~
93.21 ~~organization has, since the beginning of the experience rating period under section~~
93.22 ~~268.051, subdivision 3, paid taxes equal to or more than 125 percent of the unemployment~~
93.23 ~~benefits used in computing the experience rating. In addition, any unemployment benefits~~
93.24 ~~paid after the experience rating period are transferred to the new reimbursable account~~
93.25 ~~of the nonprofit organization. If the amount of taxes paid since the beginning of the~~
93.26 ~~experience rating period exceeds 125 percent of the amount of unemployment benefits~~
93.27 ~~paid during the experience rating period, that amount in excess is applied against any~~
93.28 ~~unemployment benefits paid after the experience rating period. The election is not~~
93.29 terminable by the organization for that and the next calendar year.

93.30 (e) The commissioner may for good cause extend the period that a notice of election,
93.31 or a notice of termination, must be filed and may permit an election to be retroactive.

93.32 (f) A notice of election or notice terminating election must be filed by electronic
93.33 transmission in a format prescribed by the commissioner.

93.34 Sec. 3. Minnesota Statutes 2008, section 268.066, is amended to read:

93.35 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

94.1 (a) The commissioner ~~shall~~ must cancel as uncollectible any amounts due from
94.2 an employer under this chapter or section 116L.20, that remain unpaid six years after
94.3 the amounts have been first determined due, except where the delinquent amounts are
94.4 secured by a notice of lien, a judgment, are in the process of garnishment, or are under a
94.5 payment plan.

94.6 (b) The commissioner may cancel at any time as uncollectible any amount due, or
94.7 any portion of an amount due, from an employer under this chapter or section 116L.20,
94.8 that (1) are uncollectible due to death or bankruptcy, or (2) the Collection Division of the
94.9 Department of Revenue under section 16D.04 was unable to collect, ~~or (3).~~

94.10 (c) The commissioner may cancel at any time any interest, penalties, or fees due
94.11 from an employer, or any portions due, if the commissioner determines that it is not in
94.12 the public interest to pursue collection of the amount due. This paragraph does not apply
94.13 to unemployment insurance taxes or reimbursements due.

94.14 Sec. 4. Minnesota Statutes 2008, section 268.067, is amended to read:

94.15 **268.067 COMPROMISE.**

94.16 (a) The commissioner may compromise in whole or in part any action, determination,
94.17 or decision that affects only an employer and not an applicant, ~~and that has occurred~~
94.18 ~~during the prior 24 months.~~ This paragraph ~~may apply~~ applies if it is determined by a court
94.19 of law, or a confession of judgment, that an applicant, while employed, wrongfully took
94.20 from the employer \$500 or more in money or property.

94.21 (b) The commissioner may at any time compromise any ~~amount~~ unemployment
94.22 insurance tax or reimbursement due from an employer under this chapter or section
94.23 116L.20.

94.24 (c) Any compromise involving an amount over ~~\$2,500~~ \$10,000 must be authorized
94.25 by an attorney licensed to practice law in Minnesota who is an employee of the department
94.26 designated by the commissioner for that purpose.

94.27 (d) Any compromise must be in the best interest of the state of Minnesota.

94.28 Sec. 5. Minnesota Statutes 2008, section 268.069, subdivision 2, is amended to read:

94.29 Subd. 2. **Unemployment benefits paid from state funds.** Unemployment benefits
94.30 are paid from state funds and are not considered paid from any special insurance plan,
94.31 nor as paid by an employer. An application for unemployment benefits is not considered
94.32 a claim against an employer but is considered a request for unemployment benefits
94.33 from the trust fund. The commissioner has the responsibility for the proper payment of
94.34 unemployment benefits regardless of the level of interest or participation by an applicant or

95.1 an employer in any determination or appeal. An applicant's entitlement to unemployment
95.2 benefits must be determined based upon that information available ~~without regard to any~~
95.3 ~~burden of proof~~, and any agreement between an applicant and an employer is not binding
95.4 on the commissioner in determining an applicant's entitlement. ~~There is no presumption of~~
95.5 ~~entitlement or nonentitlement to unemployment benefits.~~

95.6 Sec. 6. Minnesota Statutes 2008, section 268.07, subdivision 3b, is amended to read:

95.7 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
95.8 unemployment benefits is effective the Sunday of the calendar week that the application
95.9 was filed. ~~Upon specific request of an applicant,~~ An application for unemployment benefits
95.10 may be backdated one calendar week before the Sunday of the week the application was
95.11 actually filed if the applicant requests the backdating at the time the application is filed.
95.12 An application may be backdated only if the applicant ~~was unemployed throughout~~ had
95.13 no employment during the period of the backdating. If an individual attempted to file an
95.14 application for unemployment benefits, but was prevented from filing an application by
95.15 the department, the application is effective the Sunday of the calendar week the individual
95.16 first attempted to file an application.

95.17 (b) A benefit account established under subdivision 2 is effective the date the
95.18 application for unemployment benefits was effective.

95.19 (c) A benefit account, once established, may later be withdrawn only if:

95.20 (1) the applicant has not been paid any unemployment benefits on that benefit
95.21 account; and

95.22 (2) a new application for unemployment benefits is filed and a new benefit account is
95.23 established at the time of the withdrawal; and

95.24 ~~(2) the applicant has not served the nonpayable waiting week under section 268.085,~~
95.25 ~~subdivision 1, clause (5).~~

95.26 A determination or amended determination of eligibility or ineligibility issued under
95.27 section 268.101, that was ~~issued~~ sent before the withdrawal of the benefit account, remains
95.28 in effect and is not voided by the withdrawal of the benefit account. A determination of
95.29 ineligibility requiring subsequent earnings to satisfy the period of ineligibility under
95.30 section 268.095, subdivision 10, applies to the weekly unemployment benefit amount on
95.31 the new benefit account.

95.32 (d) An application for unemployment benefits is not allowed before the Sunday
95.33 following the expiration of the benefit year on a prior benefit account. Except as allowed
95.34 under paragraph ~~(b)~~ (c), an applicant may establish only one benefit account each 52
95.35 calendar weeks.

96.1 Sec. 7. Minnesota Statutes 2008, section 268.085, subdivision 3, is amended to read:

96.2 Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not
96.3 eligible to receive unemployment benefits for any week with respect to which the applicant
96.4 is receiving, has received, or has filed for payment, equal to or in excess of the applicant's
96.5 weekly unemployment benefit amount, in the form of:

96.6 (1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause
96.7 does not apply to (i) vacation pay paid upon a permanent separation from employment, or
96.8 (ii) vacation pay paid from a vacation fund administered by a union or a third party not
96.9 under the control of the employer;

96.10 (2) severance pay, bonus pay, sick pay, and any other payments, except earnings
96.11 under subdivision 5, and back pay under subdivision 6, paid by an employer because of,
96.12 upon, or after separation from employment, but only if the payment is considered wages at
96.13 the time of payment under section 268.035, subdivision 29; or

96.14 (3) pension, retirement, or annuity payments from any plan contributed to by a base
96.15 period employer including the United States government, except Social Security benefits
96.16 that are provided for in subdivision 4. The base period employer is considered to have
96.17 contributed to the plan if the contribution is excluded from the definition of wages under
96.18 section 268.035, subdivision 29, clause (1).

96.19 If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is
96.20 not considered to have received the lump-sum a payment if (i) the applicant immediately
96.21 deposits that payment in a qualified pension plan or account, or (ii) that payment is an
96.22 early distribution for which the applicant paid an early distribution penalty under the
96.23 Internal Revenue Code, United States Code, title 26, section 72(t)(1).

96.24 (b) This subdivision applies to all the weeks of payment. Payments under paragraph
96.25 (a), ~~clauses (1) and (2)~~ clause (1), are applied to the period immediately following the last
96.26 day of employment. The number of weeks of payment is determined as follows:

96.27 (1) if the payments are made periodically, the total of the payments to be received is
96.28 divided by the applicant's last level of regular weekly pay from the employer; or

96.29 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last
96.30 level of regular weekly pay from the employer.

96.31 (c) If the payment is less than the applicant's weekly unemployment benefit amount,
96.32 unemployment benefits are reduced by the amount of the payment. ~~If the computation~~
96.33 ~~of reduced unemployment benefits is not a whole dollar, it is rounded down to the next~~
96.34 ~~lower whole dollar.~~

96.35 Sec. 8. Minnesota Statutes 2008, section 268.085, subdivision 6, is amended to read:

97.1 Subd. 6. **Receipt of back pay.** (a) Back pay received by an applicant within 24
97.2 months of the establishment of the benefit account with respect to any week occurring
97.3 in the 104 weeks before the payment of the back pay during the benefit year must be
97.4 deducted from unemployment benefits paid for that week.

97.5 If the back pay is not paid with respect to a specific period, the back pay must be
97.6 applied to the period immediately following the last day of employment.

97.7 (b) If the back pay is reduced by the amount of unemployment benefits that have
97.8 been paid, the amount of back pay withheld must be:

97.9 (1) paid by the employer to the trust fund within 30 calendar days and subject to the
97.10 same collection procedures that apply to past due taxes;

97.11 (2) applied to unemployment benefit overpayments resulting from the payment of
97.12 the back pay; and

97.13 (3) credited to the maximum amount of unemployment benefits available to the
97.14 applicant in a benefit year that includes the weeks for which back pay was deducted.

97.15 (c) Unemployment benefits paid the applicant must be removed from the
97.16 computation of the tax rate for taxpaying employers and removed from the reimbursable
97.17 account for nonprofit and government employers that have elected to be liable for
97.18 reimbursements in the calendar quarter the trust fund receives payment.

97.19 (d) Payments to the trust fund under this subdivision are considered as made by
97.20 the applicant.

97.21 Sec. 9. Minnesota Statutes 2008, section 268.085, subdivision 15, is amended to read:

97.22 Subd. 15. **Available for suitable employment defined.** (a) "Available for suitable
97.23 employment" means an applicant is ready and willing to accept suitable employment ~~in~~
97.24 ~~the labor market area~~. The attachment to the work force must be genuine. An applicant
97.25 may restrict availability to suitable employment, but there must be no other restrictions,
97.26 either self-imposed or created by circumstances, temporary or permanent, that prevent
97.27 accepting suitable employment.

97.28 (b) To be considered "available for suitable employment," a student must be willing
97.29 to quit school to accept suitable employment.

97.30 (c) An applicant who is absent from the labor market area for personal reasons, other
97.31 than to search for work, is not "available for suitable employment."

97.32 (d) An applicant who has restrictions on the hours of the day or days of the week
97.33 that the applicant can or will work, that are not normal for the applicant's usual occupation
97.34 or other suitable employment, is not "available for suitable employment." An applicant

98.1 must be available for daytime employment, if suitable employment is performed during
98.2 the daytime, even though the applicant previously worked the night shift.

98.3 ~~(c) An applicant must have transportation throughout the labor market area to be~~
98.4 ~~considered "available for suitable employment."~~

98.5 Sec. 10. Minnesota Statutes 2008, section 268.095, subdivision 1, is amended to read:

98.6 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
98.7 unemployment benefits according to subdivision 10 except when :

98.8 (1) the applicant quit the employment because of a good reason caused by the
98.9 employer as defined in subdivision 3;

98.10 (2) the applicant quit the employment to accept other covered employment that
98.11 provided substantially better terms and conditions of employment, but the applicant did
98.12 not work long enough at the second employment to have sufficient subsequent earnings to
98.13 satisfy the period of ineligibility that would otherwise be imposed under subdivision 10
98.14 for quitting the first employment;

98.15 (3) the applicant quit the employment within 30 calendar days of beginning the
98.16 employment because the employment was unsuitable for the applicant;

98.17 (4) the employment was unsuitable for the applicant and the applicant quit to enter
98.18 reemployment assistance training;

98.19 (5) the employment was part time and the applicant also had full-time employment
98.20 in the base period, from which full-time employment the applicant separated because of
98.21 reasons for which the applicant was held not to be ineligible, and the wage credits from
98.22 the full-time employment are sufficient to meet the minimum requirements to establish a
98.23 benefit account under section 268.07;

98.24 (6) the applicant quit because the employer notified the applicant that the applicant
98.25 was going to be laid off because of lack of work within 30 calendar days. An applicant
98.26 who quit employment within 30 calendar days of a notified date of layoff because of lack
98.27 of work is ineligible for unemployment benefits through the end of the week that includes
98.28 the scheduled date of layoff;

98.29 (7) the applicant quit the employment because the applicant's serious illness or
98.30 injury made it medically necessary that the applicant quit, provided that the applicant
98.31 inform the employer of the serious illness or injury and request accommodation and no
98.32 reasonable accommodation is made available.

98.33 If the applicant's serious illness is chemical dependency, this exception does not
98.34 apply if the applicant was previously diagnosed as chemically dependent or had treatment

99.1 for chemical dependency, and since that diagnosis or treatment has failed to make
99.2 consistent efforts to control the chemical dependency.

99.3 This exception raises an issue of the applicant's being ~~able to work~~ available for
99.4 suitable employment under section 268.085, subdivision 1, that the commissioner ~~shall~~
99.5 must determine;

99.6 (8) the applicant's loss of child care for the applicant's minor child caused the
99.7 applicant to quit the employment, provided the applicant made reasonable effort to obtain
99.8 other child care and requested time off or other accommodation from the employer and no
99.9 reasonable accommodation is available.

99.10 This exception raises an issue of the applicant's ~~availability~~ being available for
99.11 suitable employment under section 268.085, subdivision 1, that the commissioner ~~shall~~
99.12 must determine; or

99.13 (9) domestic abuse of the applicant or the applicant's minor child, necessitated the
99.14 applicant's quitting the employment. Domestic abuse must be shown by one or more of
99.15 the following:

99.16 (i) a district court order for protection or other documentation of equitable relief
99.17 issued by a court;

99.18 (ii) a police record documenting the domestic abuse;

99.19 (iii) documentation that the perpetrator of the domestic abuse has been convicted
99.20 of the offense of domestic abuse;

99.21 (iv) medical documentation of domestic abuse; or

99.22 (v) written statement that the applicant or the applicant's minor child is a victim
99.23 of domestic abuse, provided by a social worker, member of the clergy, shelter worker,
99.24 attorney at law, or other professional who has assisted the applicant in dealing with the
99.25 domestic abuse.

99.26 Domestic abuse for purposes of this clause is defined under section 518B.01.

99.27 Sec. 11. Minnesota Statutes 2008, section 268.095, subdivision 2, is amended to read:

99.28 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end
99.29 the employment was, at the time the employment ended, the employee's.

99.30 (b) An employee who has been notified that the employee will be discharged in the
99.31 future, who chooses to end the employment while employment in any capacity is still
99.32 available, is considered to have quit the employment.

99.33 (c) An employee who seeks to withdraw a previously submitted notice of quitting is
99.34 considered to have quit the employment if the employer does not agree that the notice
99.35 may be withdrawn.

100.1 (d) An applicant who, within five calendar days after completion of a suitable
100.2 temporary job assignment from a staffing service employer, (1) fails without good cause
100.3 to affirmatively request an additional job assignment, ~~or~~ (2) refuses without good cause
100.4 an additional suitable job assignment offered, or (3) accepts employment with the client
100.5 of the staffing service, is considered to have quit employment with the staffing service.
100.6 Accepting employment with the client of the staffing service meets the requirements of the
100.7 exception to ineligibility under subdivision 1, clause (2).

100.8 This paragraph applies only if, at the time of beginning of employment with the
100.9 staffing service employer, the applicant signed and was provided a copy of a separate
100.10 document written in clear and concise language that informed the applicant of this
100.11 paragraph and that unemployment benefits may be affected.

100.12 For purposes of this paragraph, "good cause" is a reason that is significant and
100.13 would compel an average, reasonable worker, who would otherwise want an additional
100.14 temporary job assignment with the staffing service employer, (1) to fail to contact the
100.15 staffing service employer, or (2) to refuse an offered assignment.

100.16 For purposes of this paragraph, a "staffing service employer" is an employer whose
100.17 business involves employing individuals directly for the purpose of furnishing temporary
100.18 job assignment workers to clients of the staffing service.

100.19 Sec. 12. Minnesota Statutes 2008, section 268.103, is amended by adding a subdivision
100.20 to read:

100.21 Subd. 2a. **Employer-agent appeals filed online.** (a) If an agent files an appeal on
100.22 behalf of an employer, the appeal must be filed online. The appeal must be filed through
100.23 the electronic address provided on the determination being appealed. Use of another
100.24 method of filing does not constitute an appeal. This paragraph does not apply to an
100.25 employee filing an appeal on behalf of an employer.

100.26 (b) All information requested when the appeal is filed must be supplied or the
100.27 communication does not constitute an appeal.

100.28 Sec. 13. Minnesota Statutes 2008, section 268.18, subdivision 4a, is amended to read:

100.29 Subd. 4a. **Court fees; collection fees.** (a) If the commissioner is required to pay any
100.30 court fees in an attempt to enforce collection of overpaid unemployment benefits, penalties,
100.31 or interest, the commissioner may add the amount of the court fees to the total amount due.

100.32 (b) If an applicant who has been determined overpaid unemployment benefits
100.33 because of fraud seeks to have any portion of the debt discharged under the federal
100.34 bankruptcy code, and the commissioner files an objection in bankruptcy court to the

101.1 discharge, the commissioner may add the commissioner's cost of any court fees to the debt
101.2 if the bankruptcy court does not discharge the debt.

101.3 (c) If the Internal Revenue Service assesses the commissioner a fee for offsetting
101.4 from a federal tax refund the amount of any fraud overpayment, including penalties and
101.5 interest, the amount of the fee may be added to the total amount due. The offset amount
101.6 must be put in the trust fund and that amount credited to the total amount due from the
101.7 applicant.

101.8 Sec. 14. Minnesota Statutes 2008, section 268.186, is amended to read:

101.9 **268.186 RECORDS; AUDITS.**

101.10 (a) Each employer must keep true and accurate records for the periods of time and
101.11 containing the information the commissioner may require by rule. For the purpose of
101.12 administering this chapter, the commissioner has the power to audit, examine, or cause to
101.13 be supplied or copied, any books, correspondence, papers, records, or memoranda that
101.14 are relevant, whether the books, correspondence, papers, records, or memoranda are the
101.15 property of or in the possession of the employer or any other person at any reasonable
101.16 time and as often as may be necessary.

101.17 (b) Any employer that refuses to allow an audit of its records by the department, or
101.18 that fails to make all necessary records available for audit in Minnesota upon request of
101.19 the commissioner, may be assessed an administrative penalty of \$500. An employer that
101.20 fails to provide a weekly breakdown of money earned by an applicant upon request of the
101.21 commissioner, information necessary for the detection of applicant fraud under section
101.22 268.18, subdivision 2, may be assessed an administrative penalty of \$100. Any notice
101.23 requesting a weekly breakdown must clearly state that a \$100 penalty may be assessed for
101.24 failure to provide the information. The penalty collected is credited to the ~~administration~~
101.25 ~~account to be used by the commissioner to ensure integrity in the administration of the~~
101.26 ~~unemployment insurance program trust fund.~~

101.27 (c) The commissioner may make summaries, compilations, photographs,
101.28 duplications, or reproductions of any records, or reports that the commissioner considers
101.29 advisable for the preservation of the information contained therein. Any summaries,
101.30 compilations, photographs, duplications, or reproductions is admissible in any proceeding
101.31 under this chapter. The commissioner may duplicate records, reports, summaries,
101.32 compilations, instructions, determinations, or any other written or recorded matter
101.33 pertaining to the administration of this chapter.

101.34 (d) Regardless of any law to the contrary, the commissioner may provide for the
101.35 destruction of any records, reports, or reproductions, or other papers that are no longer

102.1 necessary for the administration of this chapter, including any required audit. In addition,
102.2 the commissioner may provide for the destruction or disposition of any record, report,
102.3 or other paper from which the information has been electronically captured and stored,
102.4 or that has been photographed, duplicated, or reproduced.

102.5 Sec. 15. **ENTREPRENEURSHIP FOR DISLOCATED WORKERS.**

102.6 Subdivision 1. Authorization. Minnesota has been awarded a federal grant by the
102.7 United States Department of Labor under the Project GATE (Growing America Through
102.8 Entrepreneurship) program to assist certain dislocated workers in starting a business.
102.9 Providing unemployment benefits while the dislocated worker is receiving services such
102.10 as entrepreneurial training, business counseling, and technical assistance will assist in the
102.11 success of this pilot project. In order to provide unemployment benefits, the commissioner
102.12 of employment and economic development is authorized to waive the availability for
102.13 suitable employment requirements of Minnesota Statutes, section 268.085, subdivision 1,
102.14 as well as the earnings deductibility provisions of Minnesota Statutes, section 268.085,
102.15 subdivision 5, for individuals enrolled in this pilot project.

102.16 Subd. 2. Limitations. A maximum of 500 applicants for unemployment benefits are
102.17 authorized to receive a waiver.

102.18 Subd. 3. Expiration date. The authorization under subdivision 1 expires June
102.19 30, 2012.

102.20 Sec. 16. **EFFECTIVE DATE.**

102.21 Sections 1 to 6, 8 to 11, 13, and 14 are effective August 2, 2009, and apply to all
102.22 department determinations and unemployment law judge decisions issued on or after that
102.23 date. Section 11 is effective April 1, 2010, and applies to all department determinations
102.24 and unemployment law judge decisions issued on or after that date. Section 7 is effective
102.25 retroactively from December 1, 2008. Section 15 is effective the day following final
102.26 enactment.

102.27 **ARTICLE 6**

102.28 **UNEMPLOYMENT INSURANCE TECHNICAL CHANGES**

102.29 Section 1. Minnesota Statutes 2008, section 268.031, is amended to read:

102.30 **268.031 STANDARD OF PROOF AND PRESUMPTION OF ELIGIBILITY.**

102.31 Subdivision 1. Standard of proof. All issues of fact under the Minnesota
102.32 Unemployment Insurance Law are determined by a preponderance of the evidence.
102.33 ~~Preponderance of the evidence means evidence in substantiation of a fact that, when~~

103.1 weighed against the evidence opposing the fact, is more convincing and has a greater
103.2 probability of truth.

103.3 Subd. 2. **Presumption of eligibility.** An applicant is presumed to be eligible
103.4 for unemployment benefits unless precluded by statute from receiving benefits. In
103.5 determining eligibility or ineligibility for benefits, any statutory provision that would
103.6 preclude an applicant from receiving benefits must be narrowly construed.

103.7 Sec. 2. [268.034] COMPUTATIONS OF MONEY ROUNDED DOWN.

103.8 Computations of money required under this chapter that do not result in a whole
103.9 dollar are rounded down to the next lower whole dollar, unless specifically provided
103.10 otherwise by law.

103.11 Sec. 3. Minnesota Statutes 2008, section 268.035, subdivision 2, is amended to read:

103.12 Subd. 2. **Agricultural employment.** "Agricultural employment" means services:

103.13 (1) on a farm, in the employ of any person or family farm corporation in connection
103.14 with cultivating the soil, or in connection with raising or harvesting any agricultural or
103.15 horticultural commodity, including the raising, shearing, feeding, caring for, training, and
103.16 management of livestock, bees, poultry, fur-bearing animals, and wildlife;

103.17 (2) in the employ of the owner or tenant or other operator of a farm, in connection
103.18 with the operation, management, conservation, improvement, or maintenance of the farm
103.19 and its tools and equipment, or in salvaging timber or clearing land of brush and other
103.20 debris left by a tornado-like storm, if the major part of the employment is performed
103.21 on a farm;

103.22 (3) in connection with the production or harvesting of any commodity defined as
103.23 an agricultural product in United States Code, title 7, section 1626 of the Agricultural
103.24 Marketing Act, or in connection with cotton ginning, or in connection with the operation
103.25 or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for
103.26 profit, used exclusively for supplying and storing water for farming purposes;

103.27 (4) in the employ of the operator of a farm in handling, planting, drying, packing,
103.28 packaging, processing, freezing, grading, storing, or delivering to storage or to market
103.29 or to a carrier for transportation to market, in its unmanufactured state, any agricultural
103.30 or horticultural commodity; but only if the operator produced more than one-half of
103.31 the commodity with respect to which the employment is performed, or in the employ
103.32 of a group of operators of farms or a cooperative organization of which the operators
103.33 are members, but only if the operators produced more than one-half of the commodity
103.34 with respect to which the employment is performed; however, this clause ~~shall~~ is not

104.1 ~~be~~ applicable to employment performed in connection with commercial canning or
104.2 commercial freezing or in connection with any agricultural or horticultural commodity
104.3 after its delivery to a terminal market for distribution for consumption; or

104.4 (5) on a farm operated for profit if the employment is not in the course of the
104.5 employer's trade or business.

104.6 For purposes of this subdivision, the term "farm" includes stock, dairy, poultry, fruit,
104.7 fur-bearing animals, and truck farms, plantations, ranches, nurseries, orchards, ranges,
104.8 greenhouses, or other similar structures used primarily for the raising of agricultural or
104.9 horticultural commodities.

104.10 Sec. 4. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision
104.11 to read:

104.12 Subd. 9a. **Construction; independent contractor.** For purposes of this chapter,
104.13 section 181.723 determines whether a worker is an independent contractor or an employee
104.14 when performing public or private sector commercial or residential building construction
104.15 or improvement services.

104.16 Sec. 5. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision
104.17 to read:

104.18 Subd. 12c. **Determination.** "Determination" means a document sent to an applicant
104.19 or employer by mail or electronic transmission that is an initial department ruling on a
104.20 specific issue. All documents that are determinations under this chapter use that term in
104.21 the title of the document and are appealable to an unemployment law judge under section
104.22 268.105, subdivision 1.

104.23 Sec. 6. Minnesota Statutes 2008, section 268.035, subdivision 17, is amended to read:

104.24 Subd. 17. **Filing; filed.** "Filing" or "filed" means the personal delivery of ~~any~~
104.25 ~~document~~ an application, appeal, or other required action to the commissioner or any of
104.26 the commissioner's agents, or ~~the depositing of the document~~ if done by mail, deposited
104.27 in the United States mail properly addressed to the department with postage prepaid, in
104.28 which case ~~the document~~ it is considered filed on the day indicated by the cancellation
104.29 mark of the United States Postal Service.

104.30 ~~If, where allowed,~~ an application, appeal, or other required action is made by
104.31 electronic transmission, it is considered filed on the day received by the department.

105.1 Sec. 7. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision
105.2 to read:

105.3 Subd. 20a. **Preponderance of the evidence.** "Preponderance of the evidence"
105.4 means evidence in substantiation of a fact that, when weighed against the evidence
105.5 opposing the fact, is more convincing and has a greater probability of truth.

105.6 Sec. 8. Minnesota Statutes 2008, section 268.042, subdivision 3, is amended to read:

105.7 Subd. 3. **Election to have noncovered employment considered covered**
105.8 **employment.** (a) Any employer that has employment performed for it that is noncovered
105.9 employment under section 268.035, subdivision 20, may file with the commissioner, by
105.10 electronic transmission in a format prescribed by the commissioner, an election that all
105.11 employees in that class of employment, in one or more distinct establishments or places
105.12 of business, is considered covered employment for not less than two calendar years.
105.13 The commissioner has discretion on the approval of any election. Upon the approval of
105.14 the commissioner, sent by mail or electronic transmission, the employment constitutes
105.15 covered employment beginning the calendar quarter after the date of approval or
105.16 beginning a later calendar quarter if requested by the employer. The employment ceases to
105.17 be considered covered employment as of the first day of January of any calendar year only
105.18 if at least 30 calendar days before the first day of January the employer has filed with the
105.19 commissioner, by electronic transmission in a format prescribed by the commissioner, a
105.20 notice to that effect.

105.21 (b) The commissioner must terminate any election agreement under this subdivision
105.22 upon 30 calendar days' notice sent by mail or electronic transmission, if the employer is
105.23 delinquent on any taxes due or reimbursements due the trust fund.

105.24 Sec. 9. Minnesota Statutes 2008, section 268.043, is amended to read:

105.25 **268.043 DETERMINATIONS OF COVERAGE.**

105.26 (a) The commissioner, upon the commissioner's own motion or upon application
105.27 of a person, ~~shall~~ must determine if that person is an employer or whether services
105.28 performed for it constitute employment and covered employment, or whether ~~the~~ any
105.29 compensation ~~for services~~ constitutes wages, and notify the person of the determination.
105.30 The determination is final unless the person; files an appeal within 20 calendar days
105.31 after ~~sending of the determination~~ the commissioner sends the determination by mail
105.32 or electronic transmission, ~~files an appeal~~. Proceedings on the appeal are conducted in
105.33 accordance with section 268.105.

106.1 (b) No person may be initially determined an employer, or that services performed
106.2 for it were in employment or covered employment, for periods more than four years
106.3 before the year in which the determination is made, unless the commissioner finds that
106.4 there was fraudulent action to avoid liability under this chapter.

106.5 Sec. 10. Minnesota Statutes 2008, section 268.044, subdivision 2, is amended to read:

106.6 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to
106.7 submit the quarterly wage detail report when due must pay a late fee of \$10 per employee,
106.8 computed based upon the highest of:

106.9 (1) the number of employees reported on the last wage detail report submitted;

106.10 (2) the number of employees reported in the corresponding quarter of the prior
106.11 calendar year; or

106.12 (3) if no wage detail report has ever been submitted, the number of employees
106.13 listed at the time of employer registration.

106.14 The late fee is ~~waived~~ canceled if the wage detail report is received within 30
106.15 calendar days after a demand for the report is sent to the employer by mail or electronic
106.16 transmission. A late fee assessed an employer may not be ~~waived~~ canceled more than
106.17 twice each 12 months. The amount of the late fee assessed may not be less than \$250.

106.18 (b) If the wage detail report is not received in a manner and format prescribed by the
106.19 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
106.20 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
106.21 increased late fee will be sent to the employer by mail or electronic transmission.

106.22 (c) Late fees due under this subdivision may be ~~compromised~~ canceled, in whole or
106.23 in part, under section ~~268.067~~ 268.066 where good cause for late submission is found by
106.24 the commissioner.

106.25 Sec. 11. Minnesota Statutes 2008, section 268.047, subdivision 1, is amended to read:

106.26 Subdivision 1. **General rule.** Unemployment benefits paid to an applicant,
106.27 including extended and shared work benefits, will be used in computing the future
106.28 tax rate of a taxpaying base period employer or charged to the reimbursable account
106.29 of a base period nonprofit or government employer that has elected to be liable for
106.30 reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment
106.31 benefits used in computing the future tax rate of taxpaying employers or charged to the
106.32 reimbursable account of a nonprofit or government employer that has elected to be liable
106.33 for reimbursements is the same percentage of the total amount of unemployment benefits

107.1 paid as the percentage of wage credits from the employer is of the total amount of wage
107.2 credits from all the applicant's base period employers.

107.3 ~~In making computations under this subdivision, the amount of wage credits, if not a~~
107.4 ~~whole dollar, must be computed to the nearest whole dollar.~~

107.5 Sec. 12. Minnesota Statutes 2008, section 268.047, subdivision 2, is amended to read:

107.6 Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be
107.7 used in computing the future tax rate of a taxpaying base period employer or charged to
107.8 the reimbursable account of a base period nonprofit or government employer that has
107.9 elected to be liable for reimbursements when:

107.10 (1) the applicant was discharged from the employment because of aggravated
107.11 employment misconduct as determined under section 268.095. This exception applies
107.12 only to unemployment benefits paid for periods after the applicant's discharge from
107.13 employment;

107.14 (2) an applicant's discharge from that employment occurred because a law required
107.15 removal of the applicant from the position the applicant held;

107.16 ~~(3) the employer is in the tourist or recreation industry and is in active operation of~~
107.17 ~~business less than 15 calendar weeks each year and the applicant's wage credits from the~~
107.18 ~~employer are less than 600 times the applicable state or federal minimum wage;~~

107.19 ~~(4)~~ (3) the employer provided regularly scheduled part-time employment to the
107.20 applicant during the applicant's base period and continues to provide the applicant with
107.21 regularly scheduled part-time employment during the benefit year of at least 90 percent
107.22 of the part-time employment provided in the base period, and is an involved employer
107.23 because of the applicant's loss of other employment. This exception terminates effective
107.24 the first week that the employer fails to meet the benefit year employment requirements.
107.25 This exception applies to educational institutions without consideration of the period
107.26 between academic years or terms;

107.27 ~~(5)~~ (4) the employer is a fire department or firefighting corporation or operator
107.28 of a life-support transportation service, and continues to provide employment for the
107.29 applicant as a volunteer firefighter or a volunteer ambulance service personnel during the
107.30 benefit year on the same basis that employment was provided in the base period. This
107.31 exception terminates effective the first week that the employer fails to meet the benefit
107.32 year employment requirements;

107.33 ~~(6)~~ (5) the applicant's unemployment from this employer was a direct result of
107.34 the condemnation of property by a governmental agency, a fire, flood, or act of nature,
107.35 where 25 percent or more of the employees employed at the affected location, including

108.1 the applicant, became unemployed as a result. This exception does not apply where the
108.2 unemployment was a direct result of the intentional act of the employer or a person acting
108.3 on behalf of the employer;

108.4 ~~(7)~~ (6) the unemployment benefits were paid by another state as a result of the
108.5 transferring of wage credits under a combined wage arrangement provided for in section
108.6 268.131;

108.7 ~~(8)~~ (7) the applicant stopped working because of a labor dispute at the applicant's
108.8 primary place of employment if the employer was not a party to the labor dispute;

108.9 ~~(9)~~ (8) the unemployment benefits were determined overpaid unemployment benefits
108.10 under section 268.18;

108.11 ~~(10)~~ (9) the applicant was employed as a replacement worker, for a period of six
108.12 months or longer, for an employee who is in the military reserve and was called for active
108.13 duty during the time the applicant worked as a replacement, and the applicant was laid off
108.14 because the employee returned to employment after active duty; or

108.15 ~~(11)~~ (10) the trust fund was reimbursed for the unemployment benefits by the
108.16 federal government.

108.17 Sec. 13. Minnesota Statutes 2008, section 268.051, subdivision 1, is amended to read:

108.18 Subdivision 1. **Payments.** (a) Unemployment insurance taxes and any special
108.19 assessments, fees, or surcharges accrue and become payable by each employer for each
108.20 calendar year on the taxable wages that the employer paid to employees in covered
108.21 employment, except for:

108.22 (1) nonprofit organizations that elect to make reimbursements as provided in section
108.23 268.053; and

108.24 (2) the state of Minnesota and political subdivisions that make reimbursements,
108.25 unless they elect to pay taxes as provided in section 268.052.

108.26 Each employer must pay taxes quarterly, at the employer's assigned tax rate under
108.27 subdivision 6, on the taxable wages paid to each employee. The commissioner must
108.28 compute the tax due from the wage detail report required under section 268.044 and notify
108.29 the employer of the tax due. The taxes and any special assessments, fees, or surcharges
108.30 must be paid to the trust fund and must be received by the department on or before the last
108.31 day of the month following the end of the calendar quarter.

108.32 (b) ~~The tax amount computed, if not a whole dollar, is rounded down to the next~~
108.33 ~~lower whole dollar.~~

109.1 ~~(e)~~ If for any reason the wages on the wage detail report under section 268.044 are
109.2 adjusted for any quarter, the commissioner must recompute the taxes due for that quarter
109.3 and assess the employer for any amount due or credit the employer as appropriate.

109.4 Sec. 14. Minnesota Statutes 2008, section 268.051, subdivision 4, is amended to read:

109.5 Subd. 4. **Experience rating history transfer.** (a) When:

109.6 (1) a taxpaying employer acquires all of the organization, trade or business, or
109.7 workforce of another taxpaying employer; and

109.8 (2) there is 25 percent or more common ownership or there is substantially common
109.9 management or control between the predecessor and successor, the experience rating
109.10 history of the predecessor employer is transferred to the successor employer.

109.11 (b) When:

109.12 (1) a taxpaying employer acquires a portion, but less than all, of the organization,
109.13 trade or business, or workforce of another taxpaying employer; and

109.14 (2) there is 25 percent or more common ownership or there is substantially common
109.15 management or control between the predecessor and successor, the successor employer
109.16 acquires, as of the date of acquisition, the experience rating history attributable to the
109.17 portion it acquired, and the predecessor employer retains the experience rating history
109.18 attributable to the portion that it has retained. If the commissioner determines that
109.19 sufficient information is not available to substantiate that a distinct severable portion
109.20 was acquired and to assign the appropriate distinct severable portion of the experience
109.21 rating history, the commissioner ~~shall~~ must assign the successor employer that percentage
109.22 of the predecessor employer's experience rating history equal to that percentage of
109.23 the employment positions it has obtained, and the predecessor employer retains that
109.24 percentage of the experience rating history equal to the percentage of the employment
109.25 positions it has retained.

109.26 (c) The term "common ownership" for purposes of this subdivision includes
109.27 ownership by a spouse, parent, grandparent, child, grandchild, brother, sister, aunt, uncle,
109.28 niece, nephew, or first cousin, by birth or by marriage.

109.29 (d) Each successor employer that is subject to paragraph (a) or (b) must notify the
109.30 commissioner of the acquisition by electronic transmission, in a format prescribed by the
109.31 commissioner, within 30 calendar days of the date of acquisition. Any successor employer
109.32 that fails to notify the commissioner is subject to the penalties under section 268.184,
109.33 subdivision 1a, if the successor's ~~experience rating~~ assigned tax rate under subdivision 2
109.34 or 5 was lower than the predecessor's ~~experience rating~~ assigned tax rate at the time of

110.1 the acquisition. Payments made toward the penalties are credited to the administration
110.2 account to be used to ensure integrity in the unemployment insurance program.

110.3 (e) If the successor employer under paragraphs (a) and (b) had an experience rating
110.4 at the time of the acquisition, the transferred experience rating history of the predecessor
110.5 is combined with the successor's experience rating history for purposes of recomputing
110.6 a tax rate.

110.7 (f) If there has been a transfer of an experience rating history under paragraph (a) or
110.8 (b), employment with a predecessor employer is not considered to have been terminated if
110.9 similar employment is offered by the successor employer and accepted by the employee.

110.10 (g) The commissioner, upon notification of an employer, or upon the commissioner's
110.11 own motion if the employer fails to provide the required notification, ~~shall~~ must determine
110.12 if an employer is a successor within the meaning of this subdivision. The commissioner
110.13 ~~shall~~ must, after determining the issue of succession or nonsuccession, recompute the tax
110.14 rate under subdivision 6 of all employers affected. The commissioner ~~shall~~ must send the
110.15 recomputed tax rate to all affected employers by mail or electronic transmission. Any
110.16 affected employer may appeal the recomputed tax rate in accordance with the procedures
110.17 in subdivision 6, paragraph (c).

110.18 (h) The "experience rating history" for purposes of this subdivision and subdivision
110.19 4a means the amount of unemployment benefits paid and the taxable wages that are being
110.20 used and would be used in computing the current and any future experience rating.

110.21 For purposes of this chapter, an "acquisition" means anything that results in the
110.22 obtaining by the successor employer, in any way or manner, of the organization, trade or
110.23 business, or workforce of the predecessor employer.

110.24 A "distinct severable portion" in paragraph (b) means a location or unit separately
110.25 identifiable within the employer's wage detail report under section 268.044.

110.26 (i) Regardless of the ownership, management, or control requirements of paragraph
110.27 (a), if there is an acquisition or merger of a publicly held corporation by or with another
110.28 publicly held corporation the experience rating histories of the corporations are combined
110.29 as of the date of acquisition or merger for the purpose of recomputing a tax rate.

110.30 Sec. 15. Minnesota Statutes 2008, section 268.057, subdivision 4, is amended to read:

110.31 Subd. 4. **Costs.** (a) Any person employer, and any applicant subject to section
110.32 268.18, subdivision 2, that fails to pay any amount when due under this chapter is liable
110.33 for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public
110.34 or private collection agency, or litigation costs, including attorney fees, incurred in the
110.35 collection of the amounts due.

111.1 **(b)** If any tendered payment of any amount due is not honored when presented to
111.2 a financial institution for payment, any costs assessed the department by the financial
111.3 institution and a fee of \$25 must be assessed to the person.

111.4 **(c)** Costs and fees collected under this subdivision are credited to the administration
111.5 account ~~to be used by the commissioner to ensure integrity in the administration of the~~
111.6 ~~unemployment insurance program.~~

111.7 Sec. 16. Minnesota Statutes 2008, section 268.057, subdivision 5, is amended to read:

111.8 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer
111.9 under this chapter or section 116L.20, except late fees under section 268.044, are not
111.10 received on the date due the unpaid balance bears interest at the rate of one and one-half
111.11 percent per month or any part thereof. ~~Interest assessed, if not a whole dollar amount,~~
111.12 ~~is rounded down to the next lower whole dollar.~~ Interest collected is credited to the
111.13 contingent account. ~~Interest may be compromised under section 268.067.~~

111.14 Sec. 17. Minnesota Statutes 2008, section 268.0625, subdivision 1, is amended to read:

111.15 Subdivision 1. **Notice of debt to licensing authority.** The state of Minnesota or a
111.16 political subdivision may not issue, transfer, or renew, and must revoke a license for the
111.17 conduct of any profession, trade, or business, if the commissioner notifies the licensing
111.18 authority that the licensee, applicant, or employer owes any amount due under this chapter
111.19 or section 116L.20, of \$500 or more. A licensing authority that has received ~~such~~ a notice
111.20 may issue, transfer, renew, or not revoke the license only if the licensing authority has
111.21 received a copy of the debt clearance certificate issued by the commissioner.

111.22 Sec. 18. Minnesota Statutes 2008, section 268.069, subdivision 1, is amended to read:

111.23 Subdivision 1. **Requirements.** The commissioner ~~shall~~ must pay unemployment
111.24 benefits from the trust fund to an applicant who has met each of the following requirements:

111.25 (1) the applicant has filed an application for unemployment benefits and established
111.26 a benefit account in accordance with section 268.07;

111.27 (2) the applicant has not been held ineligible for unemployment benefits under
111.28 section 268.095 because of a quit or discharge;

111.29 (3) the applicant has met all of the ongoing eligibility requirements under ~~sections~~
111.30 section 268.085 and 268.086;

111.31 (4) the applicant does not have an outstanding overpayment of unemployment
111.32 benefits, including any penalties or interest; and

112.1 (5) the applicant has not been held ineligible for unemployment benefits under
112.2 section 268.182 because of a false representation or concealment of facts.

112.3 Sec. 19. Minnesota Statutes 2008, section 268.07, subdivision 1, is amended to read:

112.4 Subdivision 1. **Application for unemployment benefits; determination of benefit**
112.5 **account.** (a) An application for unemployment benefits may be filed in person, by mail,
112.6 or by electronic transmission as the commissioner may require. The applicant must be
112.7 unemployed at the time the application is filed and must provide all requested information
112.8 in the manner required. If the applicant is not unemployed at the time of the application
112.9 or fails to provide all requested information, the communication is not considered an
112.10 application for unemployment benefits.

112.11 (b) The commissioner ~~shall~~ must examine each application for unemployment
112.12 benefits to determine the base period and the benefit year, and based upon all
112.13 the covered employment in the base period the commissioner shall determine the
112.14 weekly unemployment benefit amount available, if any, and the maximum amount of
112.15 unemployment benefits available, if any. The determination ~~is known as the,~~ which is a
112.16 document separate and distinct from a document titled a determination of eligibility or
112.17 determination of ineligibility issued under section 268.101, must be titled determination of
112.18 benefit account. A determination of benefit account must be sent to the applicant and all
112.19 base period employers, by mail or electronic transmission.

112.20 (c) If a base period employer did not provide wage information for the applicant as
112.21 provided for in section 268.044, or provided erroneous information, the commissioner
112.22 may accept an applicant certification as to wage credits, based upon the applicant's records,
112.23 and issue a determination of benefit account.

112.24 (d) The commissioner may, at any time within 24 months from the establishment
112.25 of a benefit account, reconsider any determination of benefit account and make an
112.26 amended determination if the commissioner finds that the determination was incorrect
112.27 for any reason. An amended determination of benefit account must be promptly sent
112.28 to the applicant and all base period employers, by mail or electronic transmission.
112.29 This subdivision does not apply to documents titled determinations of eligibility or
112.30 determinations of ineligibility issued under section 268.101.

112.31 (e) If an amended determination of benefit account reduces the weekly
112.32 unemployment benefit amount or maximum amount of unemployment benefits available,
112.33 any unemployment benefits that have been paid greater than the applicant was entitled
112.34 is considered an overpayment of unemployment benefits. A determination or amended
112.35 determination issued under this section that results in an overpayment of unemployment

113.1 benefits must set out the amount of the overpayment and the requirement under section
113.2 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

113.3 Sec. 20. Minnesota Statutes 2008, section 268.07, subdivision 2, is amended to read:

113.4 Subd. 2. **Benefit account requirements and weekly unemployment benefit**
113.5 **amount and maximum amount of unemployment benefits.** (a) To establish a benefit
113.6 account, an applicant must have:

113.7 (1) high quarter wage credits of \$1,000 or more; and

113.8 (2) wage credits, in other than the high quarter, of \$250 or more.

113.9 (b) If an applicant has established a benefit account, the weekly unemployment
113.10 benefit amount available during the benefit year is the higher of:

113.11 (1) 50 percent of the applicant's average weekly wage during the base period, to a
113.12 maximum of 66-2/3 percent of the state's average weekly wage; or

113.13 (2) 50 percent of the applicant's average weekly wage during the high quarter, to a
113.14 maximum of 43 percent of the state's average weekly wage.

113.15 The applicant's average weekly wage under clause (1) is computed by dividing
113.16 the total wage credits by 52. The applicant's average weekly wage under clause (2) is
113.17 computed by dividing the high quarter wage credits by 13.

113.18 (c) ~~The state's maximum weekly unemployment benefit amount and an applicant's~~
113.19 ~~weekly unemployment benefit amount and maximum amount of unemployment benefits~~
113.20 ~~available is rounded down to the next lower whole dollar.~~ The state's maximum weekly
113.21 benefit amount, computed in accordance with section 268.035, subdivision 23, applies
113.22 to a benefit account established effective on or after the last Sunday in October. Once
113.23 established, an applicant's weekly unemployment benefit amount is not affected by the last
113.24 Sunday in October change in the state's maximum weekly unemployment benefit amount.

113.25 (d) The maximum amount of unemployment benefits available on any benefit
113.26 account is the lower of:

113.27 (1) 33-1/3 percent of the applicant's total wage credits; or

113.28 (2) 26 times the applicant's weekly unemployment benefit amount.

113.29 Sec. 21. Minnesota Statutes 2008, section 268.07, subdivision 3, is amended to read:

113.30 Subd. 3. **Second benefit account requirements.** To establish a second benefit
113.31 account following the expiration of a benefit year on a prior benefit account, an
113.32 applicant must ~~have sufficient wage credits to establish a benefit account under~~ meet the
113.33 requirements of subdivision 2 and must have performed services in covered employment
113.34 after the effective date of the prior benefit account. The wages paid for ~~that employment~~

114.1 those services must equal not less than be at least eight times the weekly unemployment
114.2 benefit amount of the prior benefit account. Part of the purpose of reason for this
114.3 subdivision is to prevent an applicant from establishing more than one benefit account as a
114.4 result of one loss of employment.

114.5 Sec. 22. Minnesota Statutes 2008, section 268.084, is amended to read:

114.6 **268.084 PERSONAL IDENTIFICATION NUMBER; PRESUMPTION.**

114.7 (a) Each applicant must be issued a personal identification number (PIN) for the
114.8 purpose of filing continued requests for unemployment benefits, accessing information,
114.9 and engaging in other transactions with the department.

114.10 (b) If a PIN assigned to an applicant is used in the filing of a continued request for
114.11 unemployment benefits under section ~~268.086~~ 268.0865 or any other type of transaction,
114.12 the applicant is presumed to have been the individual using that PIN and presumed to have
114.13 received any unemployment benefit payment issued. This presumption may be rebutted
114.14 by a preponderance of the evidence showing that the applicant assigned the PIN was not
114.15 the individual who used that PIN in the transaction.

114.16 (c) The commissioner ~~shall~~ must notify each applicant of this section.

114.17 Sec. 23. Minnesota Statutes 2008, section 268.085, subdivision 1, is amended to read:

114.18 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
114.19 unemployment benefits for any week if:

114.20 (1) the applicant has ~~an active benefit account and has~~ filed a continued request for
114.21 unemployment benefits for that week under section ~~268.086~~ 268.0865;

114.22 (2) the week for which unemployment benefits are requested is in the applicant's
114.23 benefit year;

114.24 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

114.25 (4) the applicant was ~~able to work and was~~ available for suitable employment, ~~and~~

114.26 ~~was actively seeking suitable employment as defined in subdivision 15.~~ The applicant's
114.27 weekly unemployment benefit amount is reduced one-fifth for each day the applicant
114.28 is ~~unable to work or is~~ unavailable for suitable employment. ~~If the computation of the~~
114.29 ~~reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower~~
114.30 ~~whole dollar.~~ This clause does not apply to an applicant who is in reemployment assistance
114.31 training, or each day the applicant is on jury duty or serving as an election judge;

114.32 (5) the applicant was actively seeking suitable employment as defined in subdivision
114.33 16. This clause does not apply to an applicant who is in reemployment assistance training
114.34 or who was on jury duty throughout the week;

115.1 (6) the applicant has served a nonpayable waiting period of one week that the
115.2 applicant is otherwise entitled to some amount of unemployment benefits. This clause
115.3 does not apply if the applicant would have been entitled to federal disaster unemployment
115.4 assistance because of a disaster in Minnesota, but for the applicant's establishment of a
115.5 benefit account under section 268.07; and

115.6 ~~(6)~~ (7) the applicant has been participating in reemployment assistance services,
115.7 such as job search and resume writing classes, if the applicant has been determined in
115.8 need of reemployment assistance services by the commissioner, unless the applicant
115.9 has good cause for failing to participate.

115.10 Sec. 24. Minnesota Statutes 2008, section 268.085, subdivision 2, is amended to read:

115.11 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
115.12 any week:

115.13 (1) that occurs before the effective date of a benefit account;

115.14 (2) that the applicant, at the beginning of the week, has an outstanding fraud
115.15 overpayment balance under section 268.18, subdivision 2, including any penalties and
115.16 interest;

115.17 (3) that occurs in a period when the applicant is a student in attendance at, or on
115.18 vacation from a secondary school including the period between academic years or terms;

115.19 (4) that the applicant is incarcerated or performing ~~court-ordered~~ court-ordered
115.20 community service. The applicant's weekly unemployment benefit amount is reduced
115.21 by one-fifth for each day the applicant is incarcerated or performing ~~court-ordered~~
115.22 court-ordered community service. ~~If the computation of the reduced unemployment~~
115.23 ~~benefits is not a whole dollar, it is rounded down to the next lower whole dollar;~~

115.24 (5) that the applicant fails or refuses to provide information on an issue of
115.25 ineligibility required under section 268.101;

115.26 (6) that the applicant is performing services 32 hours or more, in employment,
115.27 covered employment, noncovered employment, volunteer work, or self-employment
115.28 regardless of the amount of any earnings; or

115.29 (7) with respect to which the applicant is receiving, has received, or has filed an
115.30 application for unemployment benefits under any federal law or the law of any other
115.31 state. If the appropriate agency finally determines that the applicant is not entitled to the
115.32 unemployment benefits, this clause does not apply.

115.33 Sec. 25. Minnesota Statutes 2008, section 268.085, subdivision 3a, is amended to read:

116.1 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An
116.2 applicant is not eligible to receive unemployment benefits for any week in which the
116.3 applicant is receiving or has received compensation for loss of wages equal to or in excess
116.4 of the applicant's weekly unemployment benefit amount under:

116.5 (1) the workers' compensation law of this state;

116.6 (2) the workers' compensation law of any other state or similar federal law; or

116.7 (3) any insurance or trust fund paid in whole or in part by an employer.

116.8 (b) This subdivision does not apply to an applicant who has a claim pending for
116.9 loss of wages under paragraph (a); however, before unemployment benefits may be paid
116.10 when a claim is pending, the issue of the applicant being ~~able to work~~ available for
116.11 suitable employment, as required under subdivision 1, clause ~~(2)~~ (4), is determined under
116.12 section 268.101, subdivision ~~3~~ 2. If the applicant later receives compensation as a result
116.13 of the pending claim, the applicant is subject to the provisions of paragraph (a) and the
116.14 unemployment benefits paid are subject to recoupment by the commissioner to the extent
116.15 that the compensation constitutes overpaid unemployment benefits.

116.16 (c) If the amount of compensation described under paragraph (a) for any week is
116.17 less than the applicant's weekly unemployment benefit amount, unemployment benefits
116.18 requested for that week are reduced by the amount of that compensation payment.

116.19 Sec. 26. Minnesota Statutes 2008, section 268.085, subdivision 4, is amended to read:

116.20 Subd. 4. **Social Security benefits.** (a) Any applicant aged 62 or over is required
116.21 to state when filing an application for unemployment benefits and when filing continued
116.22 requests for unemployment benefits if the applicant is receiving, has filed for, or intends to
116.23 file for, primary Social Security old age benefits for any week during the benefit year.

116.24 ~~If the effective date of the applicant's Social Security claim for old age benefits is,~~
116.25 ~~or will be, after the start of the base period, there must be deducted from an applicant's~~
116.26 ~~weekly unemployment benefit amount~~ Unless paragraph (b) applies, 50 percent of the
116.27 weekly equivalent of the primary Social Security old age benefit the applicant has
116.28 received, has filed for, or intends to file for, with respect to that week must be deducted
116.29 from an applicant's weekly unemployment benefit amount.

116.30 (b) If the effective date all of the applicant's wage credits were earned while the
116.31 applicant was claiming Social Security claim for old age benefits is before the start of the
116.32 base period, there is no deduction from the applicant's weekly unemployment benefit
116.33 amount. The purpose of this paragraph is to ensure that an applicant who is claiming
116.34 Social Security benefits has demonstrated a desire and ability to work.

117.1 ~~(b)~~ (c) An applicant who is receiving, has received, or has filed for primary Social
117.2 Security disability benefits for any week during the benefit year must be determined
117.3 ~~unable to work and~~ unavailable for suitable employment for that week, unless:

117.4 (1) the Social Security Administration approved the collecting of primary Social
117.5 Security disability benefits each month the applicant was employed during the base
117.6 period; or

117.7 (2) the applicant provides a statement from an appropriate health care professional
117.8 who is aware of the applicant's Social Security disability claim and the basis for that claim,
117.9 certifying that the applicant is ~~able to work and~~ available for suitable employment.

117.10 If an applicant meets the requirements of clause (1) there is no deduction from the
117.11 applicant's weekly benefit amount for any Social Security disability benefits. If only
117.12 clause (2) applies, then there must be deducted from the applicant's weekly unemployment
117.13 benefit amount 50 percent of the weekly equivalent of the primary Social Security
117.14 disability benefits the applicant is receiving, has received, or has filed for, with respect
117.15 to that week; provided, however, that if the Social Security Administration determines
117.16 that an individual is not entitled to receive primary Social Security disability benefits for
117.17 any week the applicant has applied for those benefits, the 50 percent deduction does not
117.18 apply to that week.

117.19 ~~(e)~~ (d) Information from the Social Security Administration is considered conclusive,
117.20 absent specific evidence showing that the information was erroneous.

117.21 ~~(d) If the computation of the reduced unemployment benefits is not a whole dollar, it~~
117.22 ~~is rounded down to the next lower whole dollar.~~

117.23 (e) This subdivision does not apply to Social Security survivor benefits.

117.24 Sec. 27. Minnesota Statutes 2008, section 268.085, subdivision 5, is amended to read:

117.25 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday
117.26 pay, with respect to any week, from employment, covered employment, noncovered
117.27 employment, self-employment, or volunteer work, equal to or in excess of the applicant's
117.28 weekly unemployment benefit amount, the applicant is ineligible for unemployment
117.29 benefits for that week.

117.30 (b) If the applicant has earnings, with respect to any week, that is less than
117.31 the applicant's weekly unemployment benefit amount, from employment, covered
117.32 employment, noncovered employment, self-employment, or volunteer work, 55 percent of
117.33 the earnings are deducted from the weekly unemployment benefit amount.

117.34 ~~The resulting unemployment benefit, if not a whole dollar, is rounded down to the~~
117.35 ~~next lower whole dollar.~~

118.1 (c) No deduction is made from an applicant's weekly unemployment benefit amount
118.2 for earnings from service in the National Guard or a United States military reserve unit or
118.3 from direct service as a volunteer firefighter or volunteer ambulance service personnel.
118.4 This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided
118.5 to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made
118.6 for jury duty pay or for pay as an election judge.

118.7 (d) The applicant may report deductible earnings on continued requests for
118.8 unemployment benefits at the next lower whole dollar amount.

118.9 (e) Deductible earnings does not include any money considered a deductible
118.10 payment under subdivision 3, but includes all compensation considered wages under
118.11 section 268.035, subdivision 29, and any other compensation considered earned income
118.12 under state and federal law for income tax purposes.

118.13 Sec. 28. **[268.0865] CONTINUED REQUEST FOR UNEMPLOYMENT**
118.14 **BENEFITS.**

118.15 **Subdivision 1. Continued request for unemployment benefits defined.** A
118.16 continued request for unemployment benefits is a certification by an applicant, done
118.17 on a weekly basis, that the applicant is unemployed and meets the ongoing eligibility
118.18 requirements for unemployment benefits under section 268.085. A continued request
118.19 must include information on possible issues of ineligibility in accordance with section
118.20 268.101, subdivision 1, paragraph (c).

118.21 **Subd. 2. Filing continued requests for unemployment benefits.** (a) The
118.22 commissioner must designate to each applicant one of the following methods for filing a
118.23 continued request:

118.24 (1) by electronic transmission under subdivision 3; or

118.25 (2) by mail under subdivision 4.

118.26 (b) The method designated by the commissioner is the only method allowed for
118.27 filing a continued request by that applicant. An applicant may ask that the other allowed
118.28 method be designated and the commissioner must consider inconvenience to the applicant
118.29 as well as administrative capacity in determining whether to allow an applicant to change
118.30 the designated method for filing a continued request for unemployment benefits.

118.31 **Subd. 3. Continued request for unemployment benefits by electronic**
118.32 **transmission.** (a) A continued request for unemployment benefits by electronic
118.33 transmission must be filed to that electronic mail address, telephone number, or Internet
118.34 address prescribed by the commissioner for that applicant. In order to constitute a
118.35 continued request, all information asked for, including information authenticating that the

119.1 applicant is sending the transmission, must be provided in the format required. If all of the
119.2 information asked for is not provided, the communication does not constitute a continued
119.3 request for unemployment benefits.

119.4 (b) The electronic transmission communication must be filed on the date and during
119.5 the time of day designated for the applicant for filing a continued request by electronic
119.6 transmission.

119.7 (c) If the electronic transmission continued request is not filed on the date and
119.8 during the time of day designated, a continued request by electronic transmission must be
119.9 accepted if the applicant files the continued request by electronic transmission within two
119.10 calendar weeks following the week in which the date designated occurred. If the continued
119.11 request by electronic transmission is not filed within two calendar weeks following the
119.12 week in which the date designated occurred, the electronic continued request will not be
119.13 accepted and the applicant is ineligible for unemployment benefits for the period covered
119.14 by the continued request, unless the applicant shows good cause for failing to file the
119.15 continued request by electronic transmission within the time period required.

119.16 Subd. 4. **Continued request for unemployment benefits by mail.** (a) A
119.17 continued request for unemployment benefits by mail must be on a form prescribed by
119.18 the commissioner. The form, in order to constitute a continued request, must be totally
119.19 completed and signed by the applicant. The form must be filed on the date required for
119.20 the applicant for filing a continued request by mail, in an envelope with postage prepaid,
119.21 and sent to the address designated.

119.22 (b) If the mail continued request for unemployment benefits is not filed on the date
119.23 designated, a continued request must be accepted if the form is filed by mail within two
119.24 calendar weeks following the week in which the date designated occurred. If the form
119.25 is not filed within two calendar weeks following the week in which the date designated
119.26 occurred, the form will not be accepted and the applicant is ineligible for unemployment
119.27 benefits for the period covered by the continued request for unemployment benefits,
119.28 unless the applicant shows good cause for failing to file the form by mail within the time
119.29 period required.

119.30 (c) If the applicant has been designated to file a continued request for unemployment
119.31 benefits by mail, an applicant may submit the form by facsimile transmission on the day
119.32 otherwise required for mailing, or within two calendar weeks following the week in which
119.33 the date designated occurred. A form submitted by facsimile transmission must be sent
119.34 only to the telephone number assigned for that purpose.

120.1 (d) An applicant who has been designated to file a continued request by mail may
120.2 personally deliver a continued request form only to the location to which the form was
120.3 otherwise designated to be mailed.

120.4 Subd. 5. **Good cause defined.** (a) "Good cause" for purposes of this section is a
120.5 compelling substantial reason that would have prevented a reasonable person acting with
120.6 due diligence from filing a continued request for unemployment benefits within the time
120.7 periods required.

120.8 (b) "Good cause" does not include forgetfulness, loss of the continued request form
120.9 if filing by mail, having returned to work, having an appeal pending, or inability to file a
120.10 continued request for unemployment benefits by the method designated if the applicant
120.11 was aware of the inability and did not make diligent effort to have the method of filing a
120.12 continued request changed by the commissioner. "Good cause" does not include having
120.13 previously made an attempt to file a continued request for unemployment benefits but
120.14 where the communication was not considered a continued request because the applicant
120.15 failed to submit all required information.

120.16 Sec. 29. Minnesota Statutes 2008, section 268.095, subdivision 10, is amended to read:

120.17 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all
120.18 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's
120.19 unemployment and until the end of the calendar week that the applicant had total earnings
120.20 in subsequent covered employment of eight times the applicant's weekly unemployment
120.21 benefit amount.

120.22 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the
120.23 week that the applicant became separated from employment.

120.24 (c) In addition to paragraph (a), if the applicant was discharged from employment
120.25 because of aggravated employment misconduct, wage credits from that employment are
120.26 canceled and cannot be used for purposes of a benefit account under section 268.07,
120.27 subdivision 2.

120.28 Sec. 30. Minnesota Statutes 2008, section 268.095, subdivision 11, is amended to read:

120.29 Subd. 11. **Application.** (a) This section and section 268.085, subdivision 13c,
120.30 ~~and this section~~ apply to all covered employment, full time or part time, temporary or of
120.31 limited duration, permanent or of indefinite duration, that occurred in Minnesota during
120.32 the base period, the period between the end of the base period and the effective date of the
120.33 benefit account, or the benefit year, ~~except as provided for in subdivision 1, clause (5).~~

121.1 (b) Paragraph (a) also applies to employment covered under an unemployment
121.2 insurance program of any other state or established by an act of Congress.

121.3 Sec. 31. Minnesota Statutes 2008, section 268.101, subdivision 1, is amended to read:

121.4 Subdivision 1. **Notification.** (a) In an application for unemployment benefits, each
121.5 applicant must report the name and the reason for no longer working for the applicant's
121.6 most recent employer, as well as the names of all employers and the reasons for no
121.7 longer working for all employers during the six calendar months before the date of the
121.8 application. If the reason reported for no longer working for any of those employers is
121.9 other than a layoff because of lack of work, that raises an issue of ineligibility that the
121.10 department must determine. An applicant must report any offers of employment refused
121.11 during the eight calendar weeks before the date of the application for unemployment
121.12 benefits and the name of the employer that made the offer. An applicant's failure to report
121.13 the name of an employer, or giving an incorrect reason for no longer working for an
121.14 employer, or failing to disclose an offer of employment that was refused, is a violation of
121.15 section 268.182, subdivision 2.

121.16 In an application, the applicant must also provide all information necessary to
121.17 determine the applicant's eligibility for unemployment benefits under this chapter. If the
121.18 applicant fails or refuses to provide information necessary to determine the applicant's
121.19 eligibility for unemployment benefits, the applicant is ineligible for unemployment
121.20 benefits under section 268.085, subdivision 2, until the applicant provides this required
121.21 information.

121.22 (b) Upon establishment of a benefit account under section 268.07, subdivision 2,
121.23 the commissioner shall notify, by mail or electronic transmission, all employers the
121.24 applicant was required to report on the application and all base period employers and
121.25 determined successors to those employers under section 268.051, subdivision 4, in order
121.26 to provide the employer an opportunity to raise, in a manner and format prescribed by the
121.27 commissioner, any issue of ineligibility. An employer must be informed of the effect that
121.28 failure to raise an issue of ineligibility as a result of a quit or discharge of the applicant,
121.29 ~~within ten calendar days after sending of the notice,~~ as provided for under subdivision 2,
121.30 paragraph (b), may have on the employer under section 268.047.

121.31 (c) Each applicant must report any employment, and loss of employment, and offers
121.32 of employment refused, during those weeks the applicant filed continued requests for
121.33 unemployment benefits under section ~~268.086~~ 268.0865. Each applicant who stops filing
121.34 continued requests during the benefit year and later begins filing continued requests during
121.35 that same benefit year must report the name of any employer the applicant worked for

122.1 during the period between the filing of continued requests and the reason the applicant
122.2 stopped working for the employer. The applicant must report any offers of employment
122.3 refused during the period between the filing of continued requests for unemployment
122.4 benefits. Those employers from which the applicant has reported a loss of employment
122.5 under this paragraph must be notified by mail or electronic transmission and provided an
122.6 opportunity to raise, in a manner prescribed by the commissioner, any issue of ineligibility.
122.7 An employer must be informed of the effect that failure to raise an issue of ineligibility as
122.8 a result of a quit or a discharge of the applicant may have on the employer under section
122.9 268.047.

122.10 (d) The purpose for requiring the applicant to report the name of employers and the
122.11 reason for no longer working for those employers, or offers of employment refused, under
122.12 paragraphs (a) and (c) is for the commissioner to obtain information from an applicant
122.13 raising all issues that may result in the applicant being ineligible for unemployment
122.14 benefits under section 268.095, because of a quit or discharge, or the applicant being
122.15 ineligible for unemployment benefits under section 268.085, subdivision 13c. If the
122.16 reason given by the applicant for no longer working for an employer is other than a layoff
122.17 because of lack of work, that raises an issue of ineligibility and the applicant is required,
122.18 as part of the determination process under subdivision 2, paragraph (a), to state all the
122.19 facts about the cause for no longer working for the employer, if known. If the applicant
122.20 fails or refuses to provide any required information, the applicant is ineligible for
122.21 unemployment benefits under section 268.085, subdivision 2, until the applicant provides
122.22 this required information.

122.23 Sec. 32. Minnesota Statutes 2008, section 268.101, subdivision 2, is amended to read:

122.24 Subd. 2. **Determination.** (a) The commissioner ~~shall~~ must determine any issue
122.25 of ineligibility raised by information required from an applicant under subdivision 1,
122.26 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or
122.27 electronic transmission, a document titled a determination of eligibility or a determination
122.28 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result
122.29 of a quit or a discharge of the applicant must state the effect on the employer under section
122.30 268.047. A determination must be made in accordance with this paragraph even if a
122.31 notified employer has not raised the issue of ineligibility.

122.32 (b) The commissioner ~~shall~~ must determine any issue of ineligibility raised by an
122.33 employer and send to the applicant and that employer, by mail or electronic transmission,
122.34 a document titled a determination of eligibility or a determination of ineligibility as is

123.1 appropriate. The determination on an issue of ineligibility as a result of a quit or discharge
123.2 of the applicant must state the effect on the employer under section 268.047.

123.3 If a base period employer:

123.4 (1) was not the applicant's most recent employer before the application for
123.5 unemployment benefits;

123.6 (2) did not employ the applicant during the six calendar months before the
123.7 application for unemployment benefits; and

123.8 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the
123.9 applicant within ten calendar days of notification under subdivision 1, paragraph (b);

123.10 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two
123.11 weeks following the week that the issue of ineligibility as a result of a quit or discharge of
123.12 the applicant was raised by the employer.

123.13 A communication from an employer must specifically set out why the applicant
123.14 should be determined ineligible for unemployment benefits for that communication to be
123.15 considered to have raised an issue of ineligibility for purposes of this section. A statement
123.16 of "protest" or a similar term without more information does not constitute raising an issue
123.17 of ineligibility for purposes of this section.

123.18 (c) Subject to section 268.031, an issue of ineligibility is determined based upon
123.19 that information required of an applicant, any information that may be obtained from an
123.20 applicant or employer, and information from any other source, ~~without regard to any~~
123.21 ~~burden of proof~~.

123.22 (d) Regardless of the requirements of this subdivision, the commissioner is not
123.23 required to send to an applicant a copy of the determination where the applicant has
123.24 satisfied a period of ineligibility because of a quit or a discharge under section 268.095,
123.25 subdivision 10.

123.26 (e) The commissioner may issue a determination on an issue of ineligibility at any
123.27 time within 24 months from the establishment of a benefit account based upon information
123.28 from any source, even if the issue of ineligibility was not raised by the applicant or an
123.29 employer. This paragraph does not prevent the imposition of a penalty on an applicant
123.30 under section 268.18, subdivision 2, or 268.182.

123.31 (f) A determination of eligibility or determination of ineligibility is final unless an
123.32 appeal is filed by the applicant or notified employer within 20 calendar days after sending.
123.33 The determination must contain a prominent statement indicating the consequences of not
123.34 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

123.35 (g) An issue of ineligibility required to be determined under this section includes
123.36 any question regarding the denial or allowing of unemployment benefits under this chapter

124.1 except for issues under section 268.07. An issue of ineligibility for purposes of this section
124.2 includes any question of effect on an employer under section 268.047.

124.3 (h) Except for issues of ineligibility as a result of a quit or discharge of the applicant,
124.4 the employer will be (1) sent a copy of the determination of eligibility or a determination
124.5 of ineligibility, or (2) considered an involved employer for purposes of an appeal under
124.6 section 268.105, only if the employer raised the issue of ineligibility.

124.7 Sec. 33. Minnesota Statutes 2008, section 268.103, subdivision 1, is amended to read:

124.8 Subdivision 1. **In commissioner's discretion.** (a) The commissioner ~~shall have~~
124.9 ~~the discretion to~~ may allow an appeal to be filed by electronic transmission. If the
124.10 commissioner allows an appeal to be filed by electronic transmission, that must be clearly
124.11 set out on the determination or decision subject to appeal.

124.12 (b) The commissioner may restrict the manner, and format, ~~and conditions~~ under
124.13 which an appeal by electronic transmission may be filed. ~~Any Restrictions as to days,~~
124.14 ~~hours, a specific telephone number, or electronic address, or other conditions,~~ must be
124.15 clearly set out on the determination or decision subject to appeal.

124.16 (c) All information requested by the commissioner when an appeal is filed by
124.17 electronic transmission must be supplied or the communication does not constitute an
124.18 appeal.

124.19 (d) Subject to subdivision 2, this section applies to requests for reconsideration
124.20 under section 268.105, subdivision 2.

124.21 Sec. 34. Minnesota Statutes 2008, section 268.105, subdivision 1, is amended to read:

124.22 Subdivision 1. **Evidentiary hearing by unemployment law judge.** (a) Upon
124.23 a timely appeal having been filed, the department must send, by mail or electronic
124.24 transmission, a notice of appeal to all involved parties that an appeal has been filed, and
124.25 that a de novo due process evidentiary hearing will be scheduled, ~~and that the parties~~
124.26 ~~have certain.~~ The notice must set out the parties' rights and responsibilities regarding the
124.27 hearing. The notice must explain that the facts will be determined by the unemployment
124.28 law judge based upon a preponderance of the evidence. The notice must explain in clear
124.29 and simple language the meaning of the term "preponderance of the evidence." The
124.30 department must set a time and place for a de novo due process evidentiary hearing and
124.31 send notice to any involved applicant and any involved employer, by mail or electronic
124.32 transmission, not less than ten calendar days before the date of the hearing.

124.33 (b) The evidentiary hearing is conducted by an unemployment law judge ~~without~~
124.34 ~~regard to any burden of proof~~ as an evidence gathering inquiry ~~and not an adversarial~~

125.1 ~~proceeding.~~ At the beginning of the hearing the unemployment law judge must fully
125.2 explain how the hearing will be conducted, that the applicant has the right to request
125.3 that the hearing be rescheduled so that documents or witnesses can be subpoenaed,
125.4 that the facts will be determined based on a preponderance of the evidence, and, in
125.5 clear and simple language, the meaning of the term "preponderance of the evidence."
125.6 The unemployment law judge must ensure that all relevant facts are clearly and fully
125.7 developed. The department may adopt rules on evidentiary hearings. The rules need
125.8 not conform to common law or statutory rules of evidence and other technical rules of
125.9 procedure. The department has discretion regarding the method by which the evidentiary
125.10 hearing is conducted. A report of any employee of the department, except a determination,
125.11 made in the regular course of the employee's duties, is competent evidence of the facts
125.12 contained in it. An affidavit or written statement based on personal knowledge and signed
125.13 under penalty of perjury is competent evidence of the facts contained in it; however, the
125.14 veracity of statements contained within the document or the credibility of the witness
125.15 making the statement may be disputed with other documents or testimony and production
125.16 of such documents or testimony may be compelled by subpoena.

125.17 (c) After the conclusion of the hearing, upon the evidence obtained, the
125.18 unemployment law judge must make findings of fact and decision and send those, by mail
125.19 or electronic transmission, to all involved parties. When the credibility of an involved
125.20 party or witness testifying in an evidentiary hearing has a significant effect on the outcome
125.21 of a decision, the unemployment law judge must set out the reason for crediting or
125.22 discrediting that testimony. The unemployment law judge's decision is final unless a
125.23 request for reconsideration is filed under subdivision 2.

125.24 (d) Regardless of paragraph (c), if the appealing party fails to participate in the
125.25 evidentiary hearing, the unemployment law judge has the discretion to dismiss the appeal
125.26 by summary order. By failing to participate, the appealing party is considered to have
125.27 failed to exhaust available administrative remedies unless the appealing party files a
125.28 request for reconsideration under subdivision 2 and establishes good cause for failing to
125.29 participate in the evidentiary hearing under subdivision 2, paragraph (d). Submission
125.30 of a written statement does not constitute participation. The applicant must participate
125.31 personally and appearance solely by a representative does not constitute participation.

125.32 (e) Only employees of the department who are attorneys licensed to practice law
125.33 in Minnesota may serve as the chief unemployment law judge, senior unemployment
125.34 law judges who are supervisors, or unemployment law judges. The commissioner
125.35 must designate a chief unemployment law judge. The chief unemployment law judge

126.1 may transfer to another unemployment law judge any proceedings pending before an
126.2 unemployment law judge.

126.3 (f) A full-time unemployment law judge hired after July 1, 2009, must be paid a
126.4 salary of 75 percent of the salary set under section 15A.083, subdivision 7, for a workers'
126.5 compensation judge. A full-time senior unemployment law judge hired after July 1, 2009,
126.6 must be paid a salary of 80 percent of the salary set under section 15A.083, subdivision 7,
126.7 for a workers' compensation judge. The chief unemployment law judge must be paid a
126.8 salary of 85 percent of the salary set under section 15A.083, subdivision 7, for a workers'
126.9 compensation judge.

126.10 Sec. 35. Minnesota Statutes 2008, section 268.105, subdivision 2, is amended to read:

126.11 Subd. 2. **Request for reconsideration.** (a) Any involved applicant, involved
126.12 employer, or the commissioner may, within 20 calendar days of the sending of the
126.13 unemployment law judge's decision under subdivision 1, file a request for reconsideration
126.14 asking the unemployment law judge to reconsider that decision. Section 268.103 applies
126.15 to a request for reconsideration. If a request for reconsideration is timely filed, the
126.16 unemployment law judge must issue an order:

- 126.17 (1) modifying the findings of fact and decision issued under subdivision 1;
126.18 (2) setting aside the ~~findings of fact and~~ decision issued under subdivision 1 and
126.19 directing that an additional evidentiary hearing be conducted under subdivision 1; or
126.20 (3) affirming the findings of fact and decision issued under subdivision 1.

126.21 (b) Upon a timely request for reconsideration having been filed, the department must
126.22 send a notice, by mail or electronic transmission, to all involved parties that a request for
126.23 reconsideration has been filed. The notice must inform the involved parties:

126.24 (1) of the opportunity to provide comment on the request for reconsideration, and
126.25 the right under subdivision 5 to obtain a copy of any recorded testimony and exhibits
126.26 offered or received into evidence at the evidentiary hearing;

126.27 (2) that providing specific comments as to a perceived factual or legal error in the
126.28 decision, or a perceived error in procedure during the evidentiary hearing, will assist the
126.29 unemployment law judge in deciding the request for reconsideration;

126.30 (3) of the right to obtain any comments and submissions provided by the other
126.31 involved party regarding the request for reconsideration; and

126.32 (4) of the provisions of paragraph (c) regarding additional evidence.

126.33 This paragraph does not apply if paragraph (d) is applicable.

126.34 (c) In deciding a request for reconsideration, the unemployment law judge must not,
126.35 except for purposes of determining whether to order an additional evidentiary hearing,

127.1 consider any evidence that was not submitted at the evidentiary hearing conducted under
127.2 subdivision 1.

127.3 The unemployment law judge must order an additional evidentiary hearing if an
127.4 involved party shows that evidence which was not submitted at the evidentiary hearing:
127.5 (1) would likely change the outcome of the decision and there was good cause for not
127.6 having previously submitted that evidence; or (2) would show that the evidence that was
127.7 submitted at the evidentiary hearing was likely false and that the likely false evidence had
127.8 an effect on the outcome of the decision.

127.9 (d) If the involved applicant or involved employer who filed the request for
127.10 reconsideration failed to participate in the evidentiary hearing conducted under subdivision
127.11 1, an order setting aside the ~~findings of fact and~~ decision and directing that an additional
127.12 evidentiary hearing be conducted must be issued if the party who failed to participate had
127.13 good cause for failing to do so. In the notice that a request for reconsideration has been
127.14 filed, the party who failed to participate must be informed of the requirement, and provided
127.15 the opportunity, to show good cause for failing to participate. If the unemployment
127.16 law judge determines that good cause for failure to participate has not been shown, the
127.17 unemployment law judge must state that in the order issued under paragraph (a).

127.18 Submission of a written statement at the evidentiary hearing under subdivision 1
127.19 does not constitute participation for purposes of this paragraph.

127.20 All involved parties must be informed of this paragraph with the notice of appeal
127.21 and notice of hearing provided for in subdivision 1.

127.22 "Good cause" for purposes of this paragraph is a reason that would have prevented a
127.23 reasonable person acting with due diligence from participating at the evidentiary hearing.

127.24 (e) A request for reconsideration must be decided by the unemployment law judge
127.25 who issued the ~~findings of fact and~~ decision under subdivision 1 unless that unemployment
127.26 law judge: (1) is no longer employed by the department; (2) is on an extended or indefinite
127.27 leave; (3) has been disqualified from the proceedings on the judge's own motion; or (4)
127.28 has been removed from the proceedings ~~as provided for under subdivision 1 or applicable~~
127.29 ~~rule~~ by the chief unemployment law judge.

127.30 (f) The unemployment law judge must send to any involved applicant or involved
127.31 employer, by mail or electronic transmission, the order issued under this subdivision. An
127.32 order modifying the previously issued findings of fact and decision or an order affirming
127.33 the previously issued findings of fact and decision is the final department decision on the
127.34 matter and is final and binding on the involved applicant and involved employer unless
127.35 judicial review is sought under subdivision 7.

128.1 Sec. 36. Minnesota Statutes 2008, section 268.105, subdivision 3a, is amended to read:

128.2 Subd. 3a. **Decisions.** (a) If an unemployment law judge's decision or order
128.3 allows unemployment benefits to an applicant, the unemployment benefits must be paid
128.4 regardless of any request for reconsideration or any appeal to the Minnesota Court of
128.5 Appeals having been filed.

128.6 (b) If an unemployment law judge's decision or order modifies or reverses a
128.7 determination, or prior decision of the unemployment law judge, allowing unemployment
128.8 benefits to an applicant, any benefits paid in accordance with the determination, or
128.9 prior decision of the unemployment law judge, is considered an overpayment of those
128.10 unemployment benefits. A decision or order issued under this section that results in an
128.11 overpayment of unemployment benefits must set out the amount of the overpayment and
128.12 the requirement under section 268.18, subdivision 1, that the overpaid unemployment
128.13 benefits must be repaid.

128.14 (c) If an unemployment law judge's order under subdivision 2 allows unemployment
128.15 benefits to an applicant under section 268.095 because of a quit or discharge and the
128.16 unemployment law judge's decision is reversed by the Minnesota Court of Appeals or
128.17 the Supreme Court of Minnesota, the applicant cannot be held ineligible for any of
128.18 the unemployment benefits paid the applicant and it is not considered an overpayment
128.19 of those unemployment benefits under section 268.18, subdivision 1. The effect of the
128.20 court's reversal is the application of section 268.047, subdivision 3, in computing the
128.21 future tax rate of the employer.

128.22 (d) If an unemployment law judge, under subdivision 2, orders the taking of
128.23 additional evidence, the unemployment law judge's prior decision must continue to be
128.24 enforced until new findings of fact and decision are made by the unemployment law judge.

128.25 Sec. 37. Minnesota Statutes 2008, section 268.105, subdivision 4, is amended to read:

128.26 Subd. 4. **Oaths; subpoenas.** An unemployment law judge has authority to
128.27 administer oaths and affirmations, take depositions, and issue subpoenas to compel the
128.28 attendance of witnesses and the production of documents and other personal property
128.29 considered necessary as evidence in connection with the subject matter of an evidentiary
128.30 hearing.

128.31 The unemployment law judge must give full consideration to a request for a
128.32 subpoena and must not unreasonably deny a request for a subpoena. If a subpoena request
128.33 is initially denied, the unemployment law judge must, on the unemployment law judge's
128.34 own motion, reconsider that request during the evidentiary hearing and rule on whether
128.35 the request was properly denied. If the request was not properly denied, the evidentiary

129.1 hearing must be continued for issuance of the subpoena. The subpoenas are enforceable
129.2 through the district court in Ramsey County. Witnesses subpoenaed, other than an involved
129.3 applicant or involved employer or officers and employees of an involved employer, must
129.4 be paid by the department the same witness fees as in a civil action in district court.

129.5 Sec. 38. Minnesota Statutes 2008, section 268.105, subdivision 5, is amended to read:

129.6 Subd. 5. **Use of evidence; data privacy.** (a) All testimony at any evidentiary
129.7 hearing conducted under subdivision 1 must be recorded. A copy of any recorded
129.8 testimony and exhibits offered or received into evidence at the hearing must, upon
129.9 request, be furnished to a party at no cost during the time period for filing a request for
129.10 reconsideration or while a request for reconsideration is pending.

129.11 (b) Regardless of any provision of law to the contrary, if recorded testimony and
129.12 exhibits received into evidence at the evidentiary hearing are not requested during the time
129.13 period for filing a request for reconsideration, ~~or~~ while a request for reconsideration is
129.14 pending, during the time for filing any appeal under subdivision 7, or during the pendency
129.15 thereof, that testimony and other evidence may later be made available only under a
129.16 district court order. A subpoena is not considered a district court order.

129.17 (c) Testimony obtained under subdivision 1, may not be used or considered for any
129.18 purpose, including impeachment, in any civil, administrative, or contractual proceeding,
129.19 except by a local, state, or federal human rights agency with enforcement powers, unless
129.20 the proceeding is initiated by the department.

129.21 Sec. 39. Minnesota Statutes 2008, section 268.115, subdivision 5, is amended to read:

129.22 Subd. 5. **Maximum amount of extended unemployment benefits.** The maximum
129.23 amount of extended unemployment benefits available to an applicant is 50 percent of the
129.24 maximum amount of regular unemployment benefits available in the benefit year, ~~rounded~~
129.25 ~~down to the next lower whole dollar.~~ If the total rate of unemployment computed under
129.26 subdivision 1, clause (2)(ii), equaled or exceeded eight percent, the maximum amount
129.27 of extended unemployment benefits available is 80 percent of the maximum amount of
129.28 regular unemployment benefits available in the benefit year.

129.29 Sec. 40. Minnesota Statutes 2008, section 268.125, subdivision 5, is amended to read:

129.30 Subd. 5. **Maximum amount of unemployment benefits.** The maximum amount
129.31 of additional unemployment benefits available in the applicant's benefit year is one-half
129.32 of the applicant's maximum amount of regular unemployment benefits available under
129.33 section 268.07, subdivision 2, ~~rounded down to the next lower whole dollar.~~ Extended

130.1 unemployment benefits paid and unemployment benefits paid under any federal law other
130.2 than regular unemployment benefits must be deducted from the maximum amount of
130.3 additional unemployment benefits available.

130.4 Sec. 41. Minnesota Statutes 2008, section 268.135, subdivision 4, is amended to read:

130.5 Subd. 4. **Weekly benefit amount.** (a) An applicant who is eligible for shared work
130.6 benefits is paid an amount equal to the regular weekly unemployment benefit amount
130.7 multiplied by the nearest full percentage of reduction of the applicant's regular weekly
130.8 hours of work as set in the plan. ~~The benefit payment, if not a whole dollar must be~~
130.9 ~~rounded down to the next lower whole dollar.~~

130.10 (b) The deductible earnings provisions of section 268.085, subdivision 5, must not
130.11 apply to earnings from the shared work employer of an applicant eligible for shared work
130.12 benefits unless the resulting amount would be less than the regular weekly unemployment
130.13 benefit amount the applicant would otherwise be eligible for without regard to shared
130.14 work benefits.

130.15 (c) An applicant is not eligible for shared work benefits for any week that
130.16 employment is performed for the shared work employer in excess of the reduced hours
130.17 set forth in the plan.

130.18 Sec. 42. Minnesota Statutes 2008, section 268.145, subdivision 1, is amended to read:

130.19 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment
130.20 benefits, the applicant must be informed that:

130.21 (1) unemployment benefits are subject to federal and state income tax;

130.22 (2) there are requirements for filing estimated tax payments;

130.23 (3) the applicant may elect to have federal income tax withheld from unemployment
130.24 benefits;

130.25 (4) if the applicant elects to have federal income tax withheld, the applicant may, in
130.26 addition, elect to have Minnesota state income tax withheld; and

130.27 (5) at any time during the benefit year the applicant may change a prior election.

130.28 (b) If an applicant elects to have federal income tax withheld, the commissioner

130.29 ~~shall~~ must deduct ten percent for federal income tax, ~~rounded down to the next lower~~
130.30 ~~whole dollar.~~ If an applicant also elects to have Minnesota state income tax withheld, the

130.31 commissioner ~~shall~~ must make an additional five percent deduction for state income

130.32 tax, ~~rounded down to the next lower whole dollar.~~ Any amounts deducted or offset under
130.33 sections 268.155, 268.18, and 268.184 have priority over any amounts deducted under this

130.34 section. Federal income tax withholding has priority over state income tax withholding.

131.1 (c) An election to have income tax withheld may not be retroactive and only applies
131.2 to unemployment benefits paid after the election.

131.3 Sec. 43. Minnesota Statutes 2008, section 268.18, subdivision 1, is amended to read:

131.4 Subdivision 1. **Nonfraud overpayment.** (a) Any applicant who (1) because of a
131.5 determination or amended determination issued under section 268.07 or 268.101, or any
131.6 other section of this chapter, or (2) because of an appeal decision or order under section
131.7 268.105, has received any unemployment benefits that the applicant was held not entitled
131.8 to, must promptly repay the unemployment benefits to the trust fund.

131.9 (b) If the applicant fails to repay the unemployment benefits overpaid, the
131.10 commissioner may offset from any future unemployment benefits otherwise payable the
131.11 amount of the overpayment. Except when the overpayment resulted because the applicant
131.12 failed to report deductible earnings or deductible or benefit delaying payments, no single
131.13 offset may exceed 50 percent of the amount of the payment from which the offset is made.
131.14 The overpayment may also be collected by the ~~same methods as delinquent payments~~
131.15 ~~from an employer~~ allowed under state and federal law.

131.16 (c) If an applicant has been overpaid unemployment benefits under the law of
131.17 another state, because of a reason other than fraud, and that state certifies that the applicant
131.18 is liable under its law to repay the unemployment benefits and requests the commissioner
131.19 to recover the overpayment, the commissioner may offset from future unemployment
131.20 benefits otherwise payable the amount of overpayment, except that no single offset may
131.21 exceed 50 percent of the amount of the payment from which the offset is made.

131.22 ~~(d) If under paragraph (b) or (c) the reduced unemployment benefits as a result of~~
131.23 ~~a 50 percent offset is not a whole dollar amount, it is rounded down to the next lower~~
131.24 ~~whole dollar.~~

131.25 Sec. 44. Minnesota Statutes 2008, section 268.18, subdivision 2, is amended to read:

131.26 Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives
131.27 unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose
131.28 any material fact, or who makes a false statement or representation without a good faith
131.29 belief as to the correctness of the statement or representation, has committed fraud. After
131.30 the discovery of facts indicating fraud, the commissioner ~~shall~~ must make a determination
131.31 that the applicant obtained unemployment benefits by fraud and that the applicant must
131.32 promptly repay the unemployment benefits to the trust fund. In addition, the commissioner
131.33 ~~shall~~ must assess a penalty equal to 40 percent of the amount fraudulently obtained. This
131.34 penalty is in addition to penalties under section 268.182.

132.1 (b) Unless the applicant files an appeal within 20 calendar days after the sending
132.2 of the determination of overpayment by fraud to the applicant by mail or electronic
132.3 transmission, the determination is final. Proceedings on the appeal are conducted in
132.4 accordance with section 268.105.

132.5 (c) If the applicant fails to repay the unemployment benefits, penalty, and interest
132.6 assessed, the total due may be collected by the ~~same methods as delinquent payments~~
132.7 ~~from an employer~~ allowed under state and federal law. A determination of overpayment
132.8 by fraud must state the methods of collection the commissioner may use to recover the
132.9 overpayment. Money received in repayment of fraudulently obtained unemployment
132.10 benefits, penalties, and interest is first applied to the unemployment benefits overpaid, then
132.11 to the penalty amount due, then to any interest due. 62.5 percent of the payments made
132.12 toward the penalty are credited to the contingent account and 37.5 percent credited to the
132.13 administration account ~~for deterring, detecting, or collecting overpayments~~.

132.14 (d) If an applicant has been overpaid unemployment benefits under the law of
132.15 another state because of fraud and that state certifies that the applicant is liable to repay
132.16 the unemployment benefits and requests the commissioner to recover the overpayment,
132.17 the commissioner may offset from future unemployment benefits otherwise payable the
132.18 amount of overpayment.

132.19 (e) Unemployment benefits paid for weeks more than four years before the date of a
132.20 determination of overpayment by fraud issued under this subdivision are not considered
132.21 overpaid unemployment benefits.

132.22 Sec. 45. Minnesota Statutes 2008, section 268.196, subdivision 1, is amended to read:

132.23 Subdivision 1. **Administration account.** (a) There is created in the state treasury a
132.24 special account to be known as the administration account. All money that is deposited
132.25 ~~or paid~~ into this account is continuously available to the commissioner for expenditure to
132.26 administer the Minnesota unemployment insurance program, and does not lapse at any
132.27 time. The administration account consists of:

132.28 (1) all money received from the federal government to administer the Minnesota
132.29 unemployment insurance program, any federal unemployment insurance program, or
132.30 assistance provided to any other state to administer that state's unemployment insurance
132.31 program;

132.32 (2) five percent of any money recovered on overpaid unemployment benefits as
132.33 provided for in section 268.194, subdivision 1, clause (7), which must be used for
132.34 deterring, detecting, and collecting overpaid unemployment benefits;

133.1 (3) any money received as compensation for services or facilities supplied to the
133.2 federal government or any other state;

133.3 (4) any money credited to this account under this chapter;

133.4 (5) any amounts received for losses sustained by this account or by reason of
133.5 damage to equipment or supplies; and

133.6 ~~(5)~~ (6) any proceeds from the sale or disposition of any equipment or supplies that
133.7 may no longer be necessary for the proper administration of those sections.

133.8 (b) All money in this account must be deposited, administered, and disbursed in the
133.9 same manner and under the same conditions and requirements as are provided by law for
133.10 the other special accounts in the state treasury. The commissioner of finance, as treasurer
133.11 and custodian of this account, is liable for the faithful performance of duties in connection
133.12 with this account.

133.13 ~~(c) All money in this account must be spent for the purposes and in the amounts~~
133.14 ~~found necessary by the United States Secretary of Labor for the proper and efficient~~
133.15 ~~administration of the Minnesota unemployment insurance program.~~

133.16 Sec. 46. Minnesota Statutes 2008, section 268.196, subdivision 2, is amended to read:

133.17 Subd. 2. **State to replace money wrongfully used.** If any money received under
133.18 United States Code, title 42, section 501 of the Social Security Act ~~or the Wagner-Peyser~~
133.19 ~~Act~~, is found by the United States Secretary of Labor to have been spent for purposes
133.20 other than, ~~or in amounts in excess of, those necessary~~ for the proper administration of the
133.21 Minnesota unemployment insurance program, ~~the commissioner may replace the money~~
133.22 ~~from the contingent account. If the money is not replaced from the contingent account,~~
133.23 ~~it is the policy of this state that the money be replaced by money appropriated for that~~
133.24 ~~purpose from the general funds of this state. If not replaced from the contingent account,~~
133.25 the commissioner ~~shall~~ must, at the earliest opportunity, submit to the legislature a request
133.26 for the appropriation of that amount.

133.27 Sec. 47. Minnesota Statutes 2008, section 268.199, is amended to read:

133.28 **268.199 CONTINGENT ACCOUNT.**

133.29 (a) There is created in the state treasury a special account, to be known as the
133.30 contingent account, that does not lapse nor revert to any other fund or account. This
133.31 account consists of ~~all money appropriated by the legislature,~~ all money collected under
133.32 this chapter that is required to be placed in this account; and any interest earned on the
133.33 account. All money in this account is ~~supplemental to all federal money available to the~~
133.34 ~~commissioner. Money in this account is appropriated to the commissioner and is available~~

134.1 ~~to the commissioner~~ for administration of the Minnesota unemployment insurance
134.2 program unless otherwise appropriated by session law.

134.3 (b) All money in this account must be deposited, administered, and disbursed in the
134.4 same manner and under the same conditions and requirements as is provided by law for
134.5 the other special accounts in the state treasury. ~~On June 30 of each year, all amounts in~~
134.6 ~~excess of \$300,000 in this account must be paid over to the trust fund.~~

134.7 Sec. 48. Minnesota Statutes 2008, section 268.211, is amended to read:

134.8 **268.211 UNEMPLOYMENT INSURANCE BENEFITS TELEPHONE**
134.9 **SYSTEM.**

134.10 The commissioner must ensure that ~~the~~ any automated telephone system used
134.11 for unemployment insurance benefits provides an option for any caller to speak to an
134.12 unemployment insurance specialist. An individual who calls any of the publicized
134.13 telephone numbers seeking information about applying for unemployment benefits or on
134.14 the status of a ~~claim~~ benefit account must have the option to speak on the telephone to a
134.15 specialist who can provide direct assistance or can direct the caller to the ~~person~~ individual
134.16 or office that is able to respond to the caller's needs.

134.17 Sec. 49. **REVISOR'S INSTRUCTION.**

134.18 In Minnesota Statutes, chapter 268, the revisor shall change "shall" to "must," except
134.19 in Minnesota Statutes, sections 268.035 and 268.103.

134.20 Sec. 50. **REPEALER.**

134.21 Minnesota Statutes 2008, sections 268.085, subdivision 14; and 268.086,
134.22 subdivisions 1, 2, 3, 5, 6, 7, 8, and 9, are repealed.

134.23 Sec. 51. **EFFECTIVE DATE.**

134.24 Sections 1 to 49 are effective August 2, 2009, and apply to all department
134.25 determinations and unemployment law judge decisions issued on or after that date.

134.26 **ARTICLE 7**
134.27 **LABOR STANDARDS AND WAGES**

134.28 Section 1. Minnesota Statutes 2008, section 177.30, is amended to read:

134.29 **177.30 KEEPING RECORDS; PENALTY.**

135.1 (a) Every employer subject to sections 177.21 to 177.44 must make and keep a
135.2 record of:

135.3 (1) the name, address, and occupation of each employee;

135.4 (2) the rate of pay, and the amount paid each pay period to each employee;

135.5 (3) the hours worked each day and each workweek by the employee;

135.6 (4) for each employer subject to sections 177.41 to 177.44, and while performing

135.7 work on public works projects funded in whole or in part with state funds, the employer

135.8 shall furnish under oath signed by an owner or officer of an employer to the contracting

135.9 authority and the project owner every two weeks, a certified payroll report with respect

135.10 to the wages and benefits paid each employee during the preceding weeks specifying for

135.11 each employee: name; identifying number; prevailing wage master job classification

135.12 of each employee working on the project for each hour; hours worked each day; total

135.13 hours; rate of pay; gross amount earned; each deduction for taxes; total deductions; net

135.14 pay for week; dollars contributed per hour for each benefit, including name and address

135.15 of administrator; benefit account number; and telephone number for health and welfare,

135.16 vacation or holiday, apprenticeship training, pension, and other benefit programs; and

135.17 (5) other information the commissioner finds necessary and appropriate to enforce

135.18 sections 177.21 to ~~177.35~~ 177.435. The records must be kept for three years in or near the

135.19 premises where an employee works except each employer subject to sections 177.41 to

135.20 177.44, and while performing work on public works projects funded in whole or in part

135.21 with state funds, the records must be kept for three years after the contracting authority

135.22 has made final payment on the public works project.

135.23 (b) The commissioner may fine an employer up to \$1,000 for each failure to

135.24 maintain records as required by this section. This penalty is in addition to any penalties

135.25 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty

135.26 under this subdivision, the appropriateness of such penalty to the size of the employer's

135.27 business and the gravity of the violation shall be considered.

135.28 Sec. 2. Minnesota Statutes 2008, section 177.31, is amended to read:

135.29 **177.31 POSTING OF LAW AND RULES; PENALTY.**

135.30 Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must obtain and keep

135.31 a summary of those sections, approved by the department, and copies of any applicable

135.32 rules adopted under those sections, or a summary of the rules. The employer must post the

135.33 summaries in a conspicuous and accessible place in or about the premises in which any

135.34 person covered by sections 177.21 to ~~177.35~~ 177.44 is employed. The department shall

135.35 furnish copies of the summaries and rules to employers without charge.

136.1 The commissioner may fine an employer up to \$200 for each failure to comply with
136.2 this section. This penalty is in addition to any penalties provided by section 177.32,
136.3 subdivision 1.

136.4 Sec. 3. Minnesota Statutes 2008, section 177.32, is amended to read:

136.5 **177.32 PENALTIES.**

136.6 Subdivision 1. **Misdemeanors.** An employer who does any of the following is
136.7 guilty of a misdemeanor:

136.8 (1) hinders or delays the commissioner in the performance of duties required under
136.9 sections 177.21 to ~~177.35~~ 177.435;

136.10 (2) refuses to admit the commissioner to the place of business or employment of the
136.11 employer, as required by section 177.27, subdivision 1;

136.12 (3) repeatedly fails to make, keep, and preserve records as required by section
136.13 177.30;

136.14 (4) falsifies any record;

136.15 (5) refuses to make any record available, or to furnish a sworn statement of the
136.16 record or any other information as required by section 177.27;

136.17 (6) repeatedly fails to post a summary of sections 177.21 to ~~177.35~~ 177.44 or a copy
136.18 or summary of the applicable rules as required by section 177.31;

136.19 (7) pays or agrees to pay wages at a rate less than the rate required under sections
136.20 177.21 to ~~177.35~~ 177.44;

136.21 (8) refuses to allow adequate time from work as required by section 177.253; or

136.22 (9) otherwise violates any provision of sections 177.21 to ~~177.35~~ 177.44.

136.23 Subd. 2. **Fine.** An employer shall be fined not less than \$700 nor more than \$3,000
136.24 if convicted of discharging or otherwise discriminating against any employee because:

136.25 (1) the employee has complained to the employer or to the department that wages
136.26 have not been paid in accordance with sections 177.21 to ~~177.35~~ 177.435;

136.27 (2) the employee has instituted or will institute a proceeding under or related to
136.28 sections 177.21 to ~~177.35~~ 177.435; or

136.29 (3) the employee has testified or will testify in any proceeding.

136.30 Sec. 4. Minnesota Statutes 2008, section 177.42, subdivision 6, is amended to read:

136.31 Subd. 6. **Prevailing wage rate.** "Prevailing wage rate" means the hourly basic rate
136.32 of pay plus the contribution ~~for health and welfare benefits, vacation benefits, pension~~
136.33 ~~benefits, and any other economic benefit~~ paid to or for the largest number of workers
136.34 engaged in the same class of labor within the area ~~and~~ for medical or hospital care,

137.1 pensions on retirement or death, compensation for injuries or illness resulting from
137.2 occupational activity, or insurance to provide any of the foregoing, for unemployment
137.3 benefits, life insurance, disability and sickness insurance, or accident insurance, for
137.4 vacation and holiday pay, for defraying the costs of apprenticeship or other similar
137.5 programs, or for other bona fide fringe benefits, but only where the contractor or
137.6 subcontractor is not required by other federal, state, or local law to provide any of those
137.7 benefits, the amount of:

137.8 (1) the rate of contribution irrevocably made by a contractor or subcontractor to a
137.9 trustee or to a third person under a fund, plan, or program; and

137.10 (2) the rate of costs to the contractor or subcontractor that may be reasonably
137.11 anticipated in providing benefits to laborers and mechanics pursuant to an enforceable
137.12 commitment to carry out a financially responsible plan or program which was
137.13 communicated in writing to the laborers and mechanics affected.

137.14 "Prevailing wage rate" includes, for the purposes of section 177.44, rental rates for
137.15 truck hire paid to those who own and operate the truck.

137.16 The prevailing wage rate may not be less than a reasonable and living wage.

137.17 Sec. 5. Minnesota Statutes 2008, section 177.42, is amended by adding a subdivision
137.18 to read:

137.19 Subd. 7. **Employer.** "Employer" means an individual, partnership, association,
137.20 corporation, business trust, or other business entity that hires a laborer, worker, or
137.21 mechanic.

137.22 Sec. 6. Minnesota Statutes 2008, section 177.43, subdivision 3, is amended to read:

137.23 Subd. 3. **Contract requirements.** The contract must specifically state the prevailing
137.24 wage rates, prevailing hours of labor, and hourly basic rates of pay. The contracting
137.25 authority shall incorporate into its proposals and all contracts the applicable wage
137.26 determinations for the contract along with contract language provided by the commissioner
137.27 of labor and industry to notify the contractor and all subcontractors of the applicability of
137.28 sections 177.41 to 177.44. Failure to incorporate the determination or provided contract
137.29 language into the contracts shall make the contracting authority liable for making whole
137.30 the contractor or subcontractor for any increases in the wages paid, including employment
137.31 taxes and reasonable administrative costs based on the appropriate prevailing wage due to
137.32 the laborers or mechanics working on the project. The contract must also provide that
137.33 the contracting agency shall demand, and the contractor and subcontractor shall furnish
137.34 to the contracting agency, copies of any or all payrolls not more than 14 days after the

138.1 end of each pay period. The payrolls must contain all the data required by section 177.30.
138.2 The contracting authority may examine all records relating to wages paid laborers or
138.3 mechanics on work to which sections 177.41 to 177.44 apply.

138.4 Sec. 7. Minnesota Statutes 2008, section 177.43, subdivision 6a, is amended to read:

138.5 Subd. 6a. **Prevailing wage violations.** (a) If an employer is found by the
138.6 commissioner to have violated this section prior to the issuance of a compliance order
138.7 under section 177.27, subdivision 4, the commissioner shall order the employer to cease
138.8 and desist from engaging in the violative practice and to take affirmative steps that in
138.9 the judgment of the commissioner will effectuate the purposes of the section or rule
138.10 violated. The commissioner shall require any employer that has violated this section to
138.11 pay the aggrieved parties back pay, less any amount actually paid to the employee by the
138.12 employer, and, if the employer has repeatedly violated this section, for an additional equal
138.13 amount as liquidated damages. For the purposes of this subdivision, "repeatedly" means
138.14 to be found by the commissioner to have violated this section more than once within a
138.15 two-year period. An employer who is found by the commissioner to have repeatedly or
138.16 willfully violated this section is subject to a civil penalty of up to \$1,000 for each violation
138.17 for each employee. In determining the amount of a civil penalty under this subdivision,
138.18 the appropriateness of the penalty to the size of the employer's business and the gravity of
138.19 the violation shall be considered.

138.20 (b) Upon issuing a compliance order to an employer pursuant to section 177.27,
138.21 subdivision 4, for violation of sections 177.41 to 177.44, the commissioner shall issue
138.22 a withholding order to the contracting authority ordering the contracting authority to
138.23 withhold payment of sufficient sum to the prime or general contractor on the project
138.24 to satisfy the back wages assessed or otherwise cure the violation, and the contracting
138.25 authority must withhold the sum ordered until the compliance order has become a final
138.26 order of the commissioner and has been fully paid or otherwise resolved by the employer.

138.27 (c) During an investigation of a violation of sections 177.41 to 177.44 which the
138.28 commissioner reasonably determines is likely to result in the finding of a violation of
138.29 sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section
138.30 177.27, subdivision 4, the commissioner may notify the contracting authority of the
138.31 determination and the amount expected to be assessed and the contracting authority shall
138.32 give the commissioner 90 days' prior notice of the date the contracting authority intends to
138.33 make final payment.

138.34 Sec. 8. **[181.305] MINING EQUIPMENT OPERATORS, HOURS.**

139.1 Subdivision 1. **Required hours.** No employer may require an employee to operate
139.2 mining equipment or other mobile equipment used in the mining process for more than
139.3 16 cumulative hours following eight consecutive hours off duty. "Mining equipment or
139.4 other mobile equipment" includes but is not limited to haul trucks, off-road dump trucks,
139.5 front-end loaders, graders, or plows. Nothing in this subdivision shall:

139.6 (1) prohibit an employee from working longer than 16 cumulative hours on duty
139.7 if they so desire; or

139.8 (2) supersede the terms of a valid collective bargaining agreement.

139.9 Subd. 2. **Penalties.** An employer who violates this section is guilty of a
139.10 misdemeanor and is liable to an employee for injuries sustained in consequence of the
139.11 violation.

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

139.13 **ARTICLE 8**

139.14 **LICENSING AND FEES**

139.15 **Section 1. [326B.153] BUILDING PERMIT FEES.**

139.16 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as
139.17 required in section 326B.106 include:

139.18 (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a
139.19 municipality; and

139.20 (2) the surcharge required by section 326B.148.

139.21 (b) The total valuation and fee schedule is:

139.22 (1) \$1 to \$500, \$29.50;

139.23 (2) \$501 to \$2,000, \$28 for the first \$500 plus \$3.70 for each additional \$100 or
139.24 fraction thereof, to and including \$2,000;

139.25 (3) \$2,001 to \$25,000, \$83.50 for the first \$2,000 plus \$16.55 for each additional
139.26 \$1,000 or fraction thereof, to and including \$25,000;

139.27 (4) \$25,001 to \$50,000, \$464.15 for the first \$25,000 plus \$12 for each additional
139.28 \$1,000 or fraction thereof, to and including \$50,000;

139.29 (5) \$50,001 to \$100,000, \$764.15 for the first \$50,000 plus \$8.45 for each additional
139.30 \$1,000 or fraction thereof, to and including \$100,000;

139.31 (6) \$100,001 to \$500,000, \$1,186.65 for the first \$100,000 plus \$6.75 for each
139.32 additional \$1,000 or fraction thereof, to and including \$500,000;

139.33 (7) \$500,001 to \$1,000,000, \$3,886.65 for the first \$500,000 plus \$5.50 for each
139.34 additional \$1,000 or fraction thereof, to and including \$1,000,000; and

140.1 (8) \$1,000,001 and up, \$6,636.65 for the first \$1,000,000 plus \$4.50 for each
140.2 additional \$1,000 or fraction thereof.

140.3 (c) Other inspections and fees are:

140.4 (1) inspections outside of normal business hours (minimum charge two hours),
140.5 \$63.25 per hour;

140.6 (2) reinspection fees, \$63.25 per hour;

140.7 (3) inspections for which no fee is specifically indicated (minimum charge one-half
140.8 hour), \$63.25 per hour; and

140.9 (4) additional plan review required by changes, additions, or revisions to approved
140.10 plans (minimum charge one-half hour), \$63.25 per hour.

140.11 (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than
140.12 \$63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead,
140.13 equipment, hourly wages, and fringe benefits of the employees involved.

140.14 Subd. 2. **Plan review.** Fees for the review of building plans, specifications, and
140.15 related documents submitted as required by section 326B.106 must be paid based on 65
140.16 percent of the building permit fee required in subpart 1.

140.17 Subd. 3. **Surcharge.** Surcharge fees are required for permits issued on all buildings
140.18 including public buildings and state-licensed facilities as required by section 326B.148.

140.19 Subd. 4. **Distribution.** (a) This subdivision establishes the fee distribution between
140.20 the state and municipalities contracting for plan review and inspection of public buildings
140.21 and state-licensed facilities.

140.22 (b) If plan review and inspection services are provided by the state building official,
140.23 all fees for those services must be remitted to the state.

140.24 (c) If plan review services are provided by the state building official and inspection
140.25 services are provided by a contracting municipality:

140.26 (1) the state shall charge 75 percent of the plan review fee required by the state's fee
140.27 schedule in this part; and

140.28 (2) the municipality shall charge 25 percent of the plan review fee required by the
140.29 municipality's adopted fee schedule, for orientation to the plans, in addition to the permit
140.30 and other customary fees charged by the municipality.

140.31 (d) If plan review and inspection services are provided by the contracting
140.32 municipality, all fees for those services must be remitted to the municipality according to
140.33 their adopted fee schedule.

140.34 Sec. 2. Minnesota Statutes 2008, section 326B.33, subdivision 19, is amended to read:

141.1 Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless
141.2 revoked or suspended under this chapter, all licenses issued or renewed under this section
141.3 expire on the date specified in this subdivision. Master licenses expire March 1 of each
141.4 odd-numbered year after issuance or renewal. Electrical contractor licenses expire March
141.5 1 of each even-numbered year after issuance or renewal. Technology system contractor
141.6 licenses expire August 1 of each even-numbered year after issuance or renewal. All
141.7 other personal licenses expire two years from the date of original issuance and every two
141.8 years thereafter. Registrations of unlicensed individuals expire one year from the date of
141.9 original issuance and every year thereafter.

141.10 (b) Fees for application and examination, and for the original issuance and each
141.11 subsequent renewal, are:

141.12 (1) For each personal license application and examination: \$35;

141.13 (2) For original issuance and each subsequent renewal of:

141.14 Class A Master or master special electrician, including master elevator constructor:
141.15 \$40 per year;

141.16 Class B Master: \$25 per year;

141.17 Power Limited Technician: \$15 per year;

141.18 Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman,
141.19 or Maintenance Electrician other than master special electrician: \$15 per year;

141.20 Contractor: \$100 per year;

141.21 Unlicensed individual registration: \$15 per year.

141.22 (c) If any new license is issued in accordance with this subdivision for less than two
141.23 years, the fee for the license shall be prorated on an annual basis.

141.24 (d) A license fee may not be refunded after a license is issued or renewed. However,
141.25 if the fee paid for a license was not prorated in accordance with this subdivision, the
141.26 amount of the overpayment shall be refunded.

141.27 (e) Any contractor who seeks reissuance of a license after it has been revoked or
141.28 suspended under this chapter shall submit a reissuance fee of \$100 before the license is
141.29 reinstated.

141.30 ~~(f) The fee for the issuance of each duplicate license is \$15.~~

141.31 ~~(g)~~ (f) An individual or contractor who fails to renew a license before 30 days after
141.32 the expiration or registration of the license must submit a late fee equal to one year's
141.33 license fee in addition to the full renewal fee. Fees for renewed licenses or registrations
141.34 are not prorated. An individual or contractor that fails to renew a license or registration by
141.35 the expiration date is unlicensed until the license or registration is renewed.

142.1 Sec. 3. Minnesota Statutes 2008, section 326B.46, subdivision 4, is amended to read:

142.2 Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay
142.3 the department ~~an annual~~ a bond registration fee of \$40 for one year or \$80 for two years.

142.4 (b) The commissioner shall in a manner determined by the commissioner, without
142.5 the need for any rulemaking under chapter 14, phase in the bond registration from one year
142.6 to two years so that the expiration of bond registration corresponds with the expiration of
142.7 the license issued under section 326B.49, subdivision 1, or 326B.475.

142.8 Sec. 4. Minnesota Statutes 2008, section 326B.475, subdivision 4, is amended to read:

142.9 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and
142.10 restricted journeyman plumber license must be renewed ~~annually~~ for as long as that
142.11 licensee engages in the plumbing trade. Failure to renew a restricted master plumber and
142.12 restricted journeyman plumber license within 12 months after the expiration date will
142.13 result in permanent forfeiture of the restricted master plumber and restricted journeyman
142.14 plumber license.

142.15 (b) The commissioner shall in a manner determined by the commissioner, without
142.16 the need for any rulemaking under chapter 14, phase in the renewal of restricted master
142.17 plumber and restricted journeyman plumber licenses from one year to two years. By
142.18 June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses
142.19 shall be two-year licenses.

142.20 Sec. 5. Minnesota Statutes 2008, section 326B.475, subdivision 7, is amended to read:

142.21 Subd. 7. **Fee.** The ~~annual~~ renewal fee for the restricted master plumber and
142.22 restricted journeyman plumber licenses is the same fee as for a master or journeyman
142.23 plumber license, respectively.

142.24 Sec. 6. Minnesota Statutes 2008, section 326B.49, subdivision 1, is amended to read:

142.25 Subdivision 1. **Application.** (a) Applications for plumber's license shall be made to
142.26 the commissioner, with fee. Unless the applicant is entitled to a renewal, the applicant
142.27 shall be licensed by the commissioner only after passing a satisfactory examination
142.28 developed and administered by the commissioner, based upon rules adopted by the
142.29 Plumbing Board, showing fitness. Examination fees for both journeyman and master
142.30 plumbers shall be \$50 for each examination. Upon being notified of having successfully
142.31 passed the examination for original license the applicant shall submit an application,
142.32 with the license fee herein provided. The license fee for each initial ~~and renewal~~ master
142.33 plumber's license shall be ~~\$120~~ \$240. The license fee for each initial ~~and renewal~~

143.1 journeyman plumber's license shall be ~~\$55~~ \$110. ~~The commissioner may by rule prescribe~~
143.2 ~~for the expiration and renewal of licenses.~~

143.3 (b) All initial master and journeyman plumber's licenses shall be effective for more
143.4 than one calendar year and shall expire on December 31 of the year after the year in which
143.5 the application is made. The license fee for each renewal master plumber's license shall be
143.6 \$120 for one year or \$240 for two years. The license fee for each renewal journeyman
143.7 plumber's license shall be \$55 for one year or \$110 for two years. The commissioner
143.8 shall in a manner determined by the commissioner, without the need for any rulemaking
143.9 under chapter 14, phase in the renewal of master and journeyman plumber's licenses from
143.10 one year to two years. By June 30, 2011, all renewed master and journeyman plumber's
143.11 licenses shall be two-year licenses.

143.12 (c) Any licensee who does not renew a license within two years after the license
143.13 expires is no longer eligible for renewal. Such an individual must retake and pass the
143.14 examination before a new license will be issued. A journeyman or master plumber who
143.15 submits a license renewal application after the time specified in rule but within two years
143.16 after the license expired must pay all past due renewal fees plus a late fee of \$25.

143.17 Sec. 7. Minnesota Statutes 2008, section 326B.56, subdivision 4, is amended to read:

143.18 Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for
143.19 one year or \$80 for two years from each applicant for issuance or renewal of a water
143.20 conditioning contractor or installer license who elects to proceed under subdivisions
143.21 1 and 2.

143.22 (b) The commissioner shall in a manner determined by the commissioner, without
143.23 the need for any rulemaking under chapter 14, phase in the bond registration from one year
143.24 to two years so that the expiration of bond registration corresponds with the expiration of
143.25 the license issued under section 326B.55.

143.26 Sec. 8. Minnesota Statutes 2008, section 326B.58, is amended to read:

143.27 **326B.58 FEES.**

143.28 (a) Examination fees for both water conditioning contractors and water conditioning
143.29 installers shall be \$50 for each examination. Each initial water conditioning contractor
143.30 and installer license shall be effective for more than one calendar year and shall expire on
143.31 December 31 of the year ~~for which it was issued~~ after the year in which the application
143.32 is made. The license fee for each initial water conditioning contractor's license shall be
143.33 ~~\$70~~ \$140, except that the license fee shall be ~~\$35~~ \$105 if the application is submitted
143.34 during the last three months of the calendar year. The license fee for each renewal water

144.1 conditioning contractor's license shall be \$70 for one year or \$140 for two years. The
144.2 license fee for each initial water conditioning installer license shall be ~~\$35~~ \$70, except
144.3 that the license fee shall be ~~\$17.50~~ \$52.50 if the application is submitted during the last
144.4 three months of the calendar year. The license fee for each renewal water conditioning
144.5 installer license shall be \$35 for one year or \$70 for two years.

144.6 (b) The commissioner shall in a manner determined by the commissioner, without
144.7 the need for any rulemaking under chapter 14, phase in the renewal of water conditioning
144.8 contractor and installer licenses from one year to two years. By June 30, 2011, all renewed
144.9 water conditioning contractor and installer licenses shall be two-year licenses. The
144.10 commissioner may by rule prescribe for the expiration and renewal of licenses.

144.11 (c) Any licensee who does not renew a license within two years after the license
144.12 expires is no longer eligible for renewal. Such an individual must retake and pass the
144.13 examination before a new license will be issued. A water conditioning contractor or water
144.14 conditioning installer who submits a license renewal application after the time specified
144.15 in rule but within two years after the license expired must pay all past due renewal fees
144.16 plus a late fee of \$25.

144.17 Sec. 9. Minnesota Statutes 2008, section 326B.815, subdivision 1, is amended to read:

144.18 Subdivision 1. **Licensing fee.** (a) The licensing fee for persons licensed pursuant
144.19 to sections 326B.802 to 326B.885, except for manufactured home installers, is ~~\$100 per~~
144.20 year ~~\$200~~ for a two-year period. The licensing fee for manufactured home installers under
144.21 section 327B.041 is \$300 for a three-year period.

144.22 (b) All initial licenses, except for manufactured home installer licenses, shall be
144.23 effective for two years and shall expire on March 31 of the year after the year in which the
144.24 application is made. The license fee for each renewal of a residential contractor, residential
144.25 remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.

144.26 (c) The commissioner shall in a manner determined by the commissioner, without
144.27 the need for any rulemaking under chapter 14, phase in the renewal of residential
144.28 contractor, residential remodeler, and residential roofer licenses from one year to two
144.29 years. By June 30, 2011, all renewed residential contractor, residential remodeler, and
144.30 residential roofer licenses shall be two-year licenses.

144.31 Sec. 10. Minnesota Statutes 2008, section 326B.821, subdivision 2, is amended to read:

144.32 Subd. 2. **Hours.** A qualifying person of a licensee must provide proof of completion
144.33 of ~~seven~~ 14 hours of continuing education per ~~year~~ two-year licensure period in the
144.34 regulated industry in which the licensee is licensed.

145.1 Credit may not be earned if the licensee has previously obtained credit for the same
145.2 course as either a student or instructor during the same licensing period.

145.3 Sec. 11. Minnesota Statutes 2008, section 326B.86, subdivision 1, is amended to read:

145.4 Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed
145.5 residential roofers must post a surety bond in the name of the licensee with the
145.6 commissioner, conditioned that the applicant shall faithfully perform the duties and
145.7 in all things comply with all laws, ordinances, and rules pertaining to the license or
145.8 permit applied for and all contracts entered into. The ~~annual~~ bond must be continuous
145.9 and maintained for so long as the licensee remains licensed. The aggregate liability of
145.10 the surety on the bond to any and all persons, regardless of the number of claims made
145.11 against the bond, may not exceed the amount of the bond. The bond may be canceled as
145.12 to future liability by the surety upon 30 days' written notice mailed to the commissioner
145.13 by regular mail.

145.14 (b) A licensed residential roofer must post a bond of at least \$15,000.

145.15 (c) A licensed manufactured home installer must post a bond of at least \$2,500.

145.16 Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts
145.17 for purposes of sections 8.05 and 16C.05, subdivision 2.

145.18 Sec. 12. Minnesota Statutes 2008, section 326B.885, subdivision 2, is amended to read:

145.19 Subd. 2. ~~Annual Renewal period. Any license issued or renewed after August~~
145.20 ~~1, 1993, must be renewed annually except for~~ (a) Residential contractor, residential
145.21 remodeler, and residential roofer licenses shall have a renewal period of two years. The
145.22 commissioner shall in a manner determined by the commissioner, without the need for any
145.23 rulemaking under chapter 14, phase in the renewal of residential contractor, residential
145.24 remodeler, and residential roofer licenses from one year to two years. By June 30, 2011,
145.25 all renewed residential contractor, residential remodeler, and residential roofer licenses
145.26 shall be two-year licenses.

145.27 (b) A manufactured home installer's license ~~which~~ shall have a renewal period of
145.28 three years, effective for all renewals and new licenses issued after December 31, 2008.

145.29 Sec. 13. Minnesota Statutes 2008, section 326B.89, subdivision 3, is amended to read:

145.30 Subd. 3. **Fund fees.** In addition to any other fees, a person who applies for or
145.31 renews a license under sections 326B.802 to 326B.885 shall pay a fee to the fund. The
145.32 person shall pay, in addition to the appropriate application or renewal fee, the following
145.33 additional fee that shall be deposited in the fund. The amount of the fee shall be based on

146.1 the person's gross annual receipts for the person's most recent fiscal year preceding the
146.2 application or renewal, on the following scale:

146.3	Fee	Gross Annual Receipts
146.4	\$160 <u>\$320</u>	under \$1,000,000
146.5	\$210 <u>\$420</u>	\$1,000,000 to \$5,000,000
146.6	\$260 <u>\$520</u>	over \$5,000,000

146.7 Sec. 14. Minnesota Statutes 2008, section 326B.89, subdivision 16, is amended to read:

146.8 Subd. 16. **Additional assessment.** If the balance in the fund is at any time less
146.9 than the commissioner determines is necessary to carry out the purposes of this section,
146.10 every licensee, when renewing a license, shall pay, in addition to the annual renewal
146.11 fee and the fee set forth in subdivision 3, an assessment not to exceed ~~\$100~~ \$200. The
146.12 commissioner shall set the amount of assessment based on a reasonable determination
146.13 of the amount that is necessary to restore a balance in the fund adequate to carry out the
146.14 purposes of this section.

146.15 Sec. 15. Minnesota Statutes 2008, section 326B.94, subdivision 4, is amended to read:

146.16 Subd. 4. **Examinations, licensing.** The commissioner shall develop and administer
146.17 an examination for all masters of boats carrying passengers for hire on the inland waters of
146.18 the state as to their qualifications and fitness. If found qualified and competent to perform
146.19 their duties as a master of a boat carrying passengers for hire, they shall be issued a license
146.20 authorizing them to act as such on the inland waters of the state. ~~The license shall be~~
146.21 ~~renewed annually.~~ All initial master's licenses shall be for two years. The commissioner
146.22 shall in a manner determined by the commissioner, without the need for any rulemaking
146.23 under chapter 14, phase in the renewal of master's licenses from one year to two years.
146.24 By June 30, 2011, all renewed master's licenses shall be two-year licenses. Fees for the
146.25 original issue and renewal of the license authorized under this section shall be pursuant to
146.26 section 326B.986, subdivision 2.

146.27 Sec. 16. Minnesota Statutes 2008, section 326B.972, is amended to read:

146.28 **326B.972 LICENSE REQUIREMENT.**

146.29 (a) To operate a boiler, steam engine, or turbine an individual must have received a
146.30 license for the grade covering that boiler, steam engine, or turbine. ~~The license must be~~
146.31 ~~renewed annually, except as provided~~ Except for licenses described in section 326B.956
146.32 and except for provisional licenses described in paragraphs (d) to (g):

146.33 (1) all initial licenses shall be for two years;

147.1 (2) the commissioner shall in a manner determined by the commissioner, without
147.2 the need for any rulemaking under chapter 14, phase in the renewal of licenses from
147.3 one year to two years; and

147.4 (3) by June 30, 2011, all licenses shall be two-year licenses.

147.5 (b) For purposes of sections 326B.952 to 326B.998, "operation" does not include
147.6 monitoring of an automatic boiler, either through on premises inspection of the boiler or
147.7 by remote electronic surveillance, provided that no operations are performed upon the
147.8 boiler other than emergency shut down in alarm situations.

147.9 (c) No individual under the influence of illegal drugs or alcohol may operate a boiler,
147.10 steam engine, or turbine or monitor an automatic boiler.

147.11 (d) The commissioner may issue a provisional license to allow an employee of a
147.12 high pressure boiler plant to operate boilers greater than 500 horsepower at only that
147.13 boiler plant if:

147.14 (1) the boiler plant has a designated chief engineer in accordance with Minnesota
147.15 Rules, part 5225.0410;

147.16 (2) the boiler plant employee holds a valid license as a second-class engineer,
147.17 Grade A or B;

147.18 (3) the chief engineer in charge of the boiler plant submits an application to the
147.19 commissioner on a form prescribed by the commissioner to elicit information on whether
147.20 the requirements of this paragraph have been met;

147.21 (4) the chief engineer in charge of the boiler plant and an authorized representative
147.22 of the owner of the boiler plant both sign the application for the provisional license;

147.23 (5) the owner of the boiler plant has a documented training program with examination
147.24 for boilers and equipment at the boiler plant to train and test the boiler plant employee; and

147.25 (6) if the application were to be granted, the total number of provisional licenses
147.26 for employees of the boiler plant would not exceed the total number of properly licensed
147.27 first-class engineers and chief engineers responsible for the safe operation of the boilers
147.28 at the boiler plant.

147.29 (e) A public utility, cooperative electric association, generation and transmission
147.30 cooperative electric association, municipal power agency, or municipal electric utility
147.31 that employs licensed boiler operators who are subject to an existing labor contract may
147.32 use a provisional licensee as an operator only if using the provisional licensee does not
147.33 violate the labor contract.

147.34 (f) Each provisional license expires 36 months after the date of issuance unless
147.35 revoked less than 36 months after the date of issuance. A provisional license may not be
147.36 renewed.

148.1 (g) The commissioner may issue no more than two provisional licenses to any
148.2 individual within a four-year period.

148.3 Sec. 17. Minnesota Statutes 2008, section 326B.986, subdivision 2, is amended to read:

148.4 Subd. 2. **Fee amounts; master's.** The license and application fee for ~~a~~ an initial
148.5 master's license is ~~\$50~~ \$70, or ~~\$20~~ \$40 if the applicant possesses a valid, unlimited, current
148.6 United States Coast Guard master's license. ~~The annual renewal of fee for a master's~~
148.7 license is \$20 for one year or \$40 for two years. The annual renewal ~~If the renewal fee is~~
148.8 paid later than 30 days after expiration is \$35. The fee for replacement of a current, valid
148.9 license is \$20, then a late fee of \$15 will be added to the renewal fee.

148.10 Sec. 18. Minnesota Statutes 2008, section 326B.986, subdivision 5, is amended to read:

148.11 Subd. 5. **Boiler engineer license fees.** (a) For the following licenses, the
148.12 nonrefundable license and application fee is:

- 148.13 (1) chief engineer's license, ~~\$50~~ \$70;
- 148.14 (2) first class engineer's license, ~~\$50~~ \$70;
- 148.15 (3) second class engineer's license, ~~\$50~~ \$70;
- 148.16 (4) special engineer's license, ~~\$20~~ \$40;
- 148.17 (5) traction or hobby boiler engineer's license, \$50; and
- 148.18 (6) provisional license, \$50.

148.19 (b) An engineer's license, except a provisional license, may be renewed upon
148.20 application and payment of ~~an annual~~ a renewal fee of \$20 for one year or \$40 for two
148.21 years. The annual renewal, ~~If the renewal fee is paid later than 30 days after expiration,~~
148.22 is \$35. The fee for replacement of a current, valid license is \$20 then a late fee of \$15
148.23 will be added to the renewal fee.

148.24 Sec. 19. Minnesota Statutes 2008, section 326B.986, subdivision 8, is amended to read:

148.25 Subd. 8. **Certificate of competency.** The fee for issuance of the original state
148.26 of Minnesota certificate of competency for inspectors is ~~\$50. This fee is waived~~ \$85
148.27 for inspectors who did not pay the examination fee or \$35 for inspectors who paid
148.28 the examination fee. All initial certificates of competency shall be effective for more
148.29 than one calendar year and shall expire on December 31 of the year after the year in
148.30 which the application is made. The commissioner shall in a manner determined by the
148.31 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal
148.32 of certificates of competency from one calendar year to two calendar years. By June 30,
148.33 2011, all renewed certificates of competency shall be valid for two calendar years. The fee

149.1 for ~~an annual~~ renewal of the state of Minnesota certificate of competency is \$35 for one
149.2 year or \$70 for two years, and is due ~~January 1 of each year. The fee for replacement of a~~
149.3 ~~current, valid license is \$35~~ the day after the certificate expires.

149.4 Sec. 20. Minnesota Statutes 2008, section 327B.04, subdivision 7, is amended to read:

149.5 Subd. 7. **Fees; Licenses; when granted.** Each application for a license or license
149.6 renewal must be accompanied by a fee in an amount established by ~~the commissioner by~~
149.7 ~~rule pursuant to section 327B.10~~ subdivision 7a. The fees shall be set in an amount which
149.8 over the fiscal biennium will produce revenues approximately equal to the expenses which
149.9 the commissioner expects to incur during that fiscal biennium while administering and
149.10 enforcing sections 327B.01 to 327B.12. The commissioner shall grant or deny a license
149.11 application or a renewal application within 60 days of its filing. If the license is granted,
149.12 the commissioner shall license the applicant as a dealer or manufacturer for the remainder
149.13 of the ~~calendar year~~ licensure period. Upon application by the licensee, the commissioner
149.14 shall renew the license for a two year period, if:

149.15 ~~(a)~~ (1) the renewal application satisfies the requirements of subdivisions 3 and 4;

149.16 ~~(b)~~ (2) the renewal applicant has made all listings, registrations, notices and reports
149.17 required by the commissioner during the preceding ~~year~~ licensure period; and

149.18 ~~(c)~~ (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to
149.19 327B.12 and all taxes, arrearages, and penalties owed to the state.

149.20 Sec. 21. Minnesota Statutes 2008, section 327B.04, is amended by adding a
149.21 subdivision to read:

149.22 Subd. 7a. Fees. (a) Fees for licenses issued pursuant to this section are as follows:

149.23 (1) initial dealer license for principal location, \$400;

149.24 (2) initial dealer license for subagency location, \$80;

149.25 (3) dealer license biennial renewal, principal location, \$400; dealer subagency
149.26 location biennial renewal, \$160, which must coincide with the principal license date;

149.27 (4) initial limited dealer license, \$200;

149.28 (5) change of bonding company, \$10;

149.29 (6) reinstatement of bond after cancellation notice has been received, \$10;

149.30 (7) checks returned without payment, \$15; and

149.31 (8) change of address, \$10.

149.32 (b) All initial limited dealer licenses shall be effective for more than one calendar
149.33 year and shall expire on December 31 of the year after the year in which the application
149.34 is made.

150.1 (c) The license fee for each renewed limited dealer license shall be \$100 for one
150.2 year and \$200 for two years. The commissioner shall in a manner determined by the
150.3 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal
150.4 of limited dealer licenses from one year to two years. By June 30, 2011, all renewed
150.5 limited dealer licenses shall be two-year licenses.

150.6 (d) All fees are nonrefundable.

150.7 Sec. 22. Minnesota Statutes 2008, section 327B.04, subdivision 8, is amended to read:

150.8 Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's
150.9 license to an owner of a manufactured home park authorizing the licensee as principal
150.10 only to engage in the sale, offering for sale, soliciting, or advertising the sale of used
150.11 manufactured homes located in the owned manufactured home park. The licensee must
150.12 be the title holder of the homes and may engage in no more than ten sales ~~annually~~
150.13 during each year of the two-year licensure period. An owner may, upon payment of the
150.14 applicable fee and compliance with this subdivision, obtain a separate license for each
150.15 owned manufactured home park and is entitled to sell up to ~~ten~~ 20 homes per license
150.16 period provided that only one limited dealer license may be issued for each park. The
150.17 license shall be issued after:

150.18 (1) receipt of an application on forms provided by the commissioner containing
150.19 the following information:

150.20 (i) the identity of the applicant;

150.21 (ii) the name under which the applicant will be licensed and do business in this state;

150.22 (iii) the name and address of the owned manufactured home park, including a copy
150.23 of the park license, serving as the basis for the issuance of the license;

150.24 (iv) the name, home, and business address of the applicant;

150.25 (v) the name, address, and telephone number of one individual that is designated
150.26 by the applicant to receive all communications and cooperate with all inspections and
150.27 investigations of the commissioner pertaining to the sale of manufactured homes in the
150.28 manufactured home park owned by the applicant;

150.29 (vi) whether the applicant or its designated individual has been convicted of a crime
150.30 within the previous ten years that is either related directly to the business for which the
150.31 license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a
150.32 judgment in a civil action involving fraud, misrepresentation, or conversion within the
150.33 previous five years or has had any government license or permit suspended or revoked
150.34 as a result of an action brought by a federal or state governmental agency in this or any
150.35 other state within the last five years; and

151.1 (vii) the applicant's qualifications and business history, including whether the
151.2 applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has
151.3 any unsatisfied court judgments outstanding against it or them;

151.4 (2) payment of ~~a \$100 annual~~ the license fee established by subdivision 7a; and

151.5 (3) provision of a surety bond in the amount of \$5,000. A separate surety bond
151.6 must be provided for each limited license.

151.7 The applicant need not comply with section 327B.04, subdivision 4, paragraph (e).

151.8 The holding of a limited dealer's license does not satisfy the requirement contained in
151.9 section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect
151.10 to obtaining a dealer license. The commissioner may, upon application for a renewal of
151.11 a license, require only a verification that copies of sales documents have been retained
151.12 and payment of ~~a \$100~~ the renewal fee established by subdivision 7a. "Sales documents"
151.13 mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a,
151.14 title of the home, financing agreements, and purchase agreements.

151.15 The license holder shall, upon request of the commissioner, make available for
151.16 inspection during business hours sales documents required to be retained under this
151.17 subdivision.

151.18 **Sec. 23. REPEALER.**

151.19 Minnesota Rules, part 1350.8300, is repealed.

151.20 **ARTICLE 9**

151.21 **MISCELLANEOUS**

151.22 Section 1. Minnesota Statutes 2008, section 85.0146, subdivision 1, is amended to read:

151.23 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation
151.24 Area Citizens Advisory Council is established. Notwithstanding section 15.059, the
151.25 council does not expire. Membership on the advisory council shall include:

151.26 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers
151.27 Board;

151.28 (2) a representative of the Croft Mine Historical Park Joint Powers Board;

151.29 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has
151.30 worked as a miner in the local area;

151.31 (4) a representative of the Crow Wing County Board;

151.32 (5) an elected state official;

151.33 (6) a representative of the Grand Rapids regional office of the Department of Natural
151.34 Resources;

- 152.1 (7) a designee of the Iron Range Resources and Rehabilitation Board;
- 152.2 (8) a designee of the local business community selected by the area chambers of
152.3 commerce;
- 152.4 (9) a designee of the local environmental community selected by the Crow Wing
152.5 County District 5 commissioner;
- 152.6 (10) a designee of a local education organization selected by the Crosby-Ironton
152.7 School Board;
- 152.8 (11) a designee of one of the recreation area user groups selected by the Cuyuna
152.9 Range Chamber of Commerce; and
- 152.10 (12) a member of the Cuyuna Country Heritage Preservation Society.

152.11 Sec. 2. Minnesota Statutes 2008, section 89A.08, subdivision 1, is amended to read:

152.12 Subdivision 1. **Establishment.** The council shall appoint a Forest Resources
152.13 Research Advisory Committee. Notwithstanding section 15.059, the council does not
152.14 expire. The committee must consist of representatives of:

- 152.15 (1) the College of Natural Resources, University of Minnesota;
- 152.16 (2) the Natural Resources Research Institute, University of Minnesota;
- 152.17 (3) the department;
- 152.18 (4) the North Central Forest Experiment Station, United States Forest Service; and
- 152.19 (5) other organizations as deemed appropriate by the council.

152.20 Sec. 3. **[90.43] DUTY TO MAINTAIN WOOD PRODUCTS FACILITY.**

152.21 The owner or operator of a wood products facility shall maintain the facility in
152.22 salable operating condition for at least two years after it permanently discontinues
152.23 operation of the facility to ensure that public and utility investments in the facility are
152.24 protected and that the facility's tax and other obligations to state and local governments
152.25 and other residents of Minnesota created by contract or otherwise are satisfied. These
152.26 obligations include, in addition to any other obligations, any obligation created by "the
152.27 relief payment for timber sale permits" program created by Laws 2007, chapter 57, article
152.28 1, section 158. Specifically, and in addition to other obligations on an owner or operator,
152.29 this section prohibits the permanent removal from the facility of equipment necessary for
152.30 the facility's operation during the two-year period. The requirements of this section are
152.31 enforceable on all owners and operators and successors of owners and operators and shall
152.32 be enforced by the state in any action brought by the state or others, including actions in
152.33 bankruptcy. The attorney general shall bring an action to prevent a violation or threatened
152.34 violation of this section. For the purpose of this section, "wood products facility" means a

153.1 lumber or other company facility that employed more than 100 employees at the facility
153.2 at any time in the five-year period immediately prior to discontinuing operations, had
153.3 permits to harvest timber used in that operation, and manufactured products derived
153.4 from wood at the facility.

153.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
153.6 and applies retroactively to the discontinuance of operation occurring on or after January
153.7 1, 2008.

153.8 Sec. 4. Minnesota Statutes 2008, section 154.001, is amended to read:

153.9 **154.001 BOARD OF BARBER ~~AND COSMETOLOGIST~~ EXAMINERS**
153.10 **CREATED; TERMS.**

153.11 Subdivision 1. **Definition.** For the purposes of this chapter, "board" means the
153.12 Board of Barber Examiners.

153.13 Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber ~~and Cosmetologist~~
153.14 Examiners is established to consist of three barber members, ~~three cosmetologist members,~~
153.15 and one public member, as defined in section 214.02, appointed by the governor.

153.16 (b) The barber members shall be persons who have practiced as registered barbers in
153.17 this state for at least five years immediately prior to their appointment; shall be graduates
153.18 from the 12th grade of a high school or have equivalent education, and shall have
153.19 knowledge of the matters to be taught in registered barber schools, as set forth in section
153.20 154.07. One of the barber members shall be a member of, or recommended by, a union of
153.21 journeymen barbers that has existed at least two years, and one barber member shall be a
153.22 member of, or recommended by, a professional organization of barbers.

153.23 ~~(c) All cosmetologist members must be currently licensed in the field of cosmetology~~
153.24 ~~in Minnesota, have practiced in the licensed occupation for at least five years immediately~~
153.25 ~~prior to their appointment, be graduates from the 12th grade of high school or have~~
153.26 ~~equivalent education, and have knowledge of sections 154.40 to 154.54 and Minnesota~~
153.27 ~~Rules, chapters 2642 and 2644. The cosmetologist members shall be members of,~~
153.28 ~~or recommended by, a professional organization of cosmetologists, manicurists, or~~
153.29 ~~estheticians.~~

153.30 ~~(d)~~ Subd. 3. **Membership terms.** (a) Membership terms, compensation of
153.31 members, removal of members, the filling of membership vacancies, and fiscal year and
153.32 reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of
153.33 staff, administrative services and office space; the review and processing of complaints;

154.1 the setting of board fees; and other provisions relating to board operations shall be as
154.2 provided in chapter 214.

154.3 ~~(e)~~ (b) Members appointed to fill vacancies caused by death, resignation, or removal
154.4 shall serve during the unexpired term of their predecessors.

154.5 ~~(f) The barber members of the board shall separately oversee administration,~~
154.6 ~~enforcement, and regulation of, and adoption of rules under, sections 154.001, 154.002,~~
154.7 ~~154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26. The cosmetologist~~
154.8 ~~members of the board shall separately oversee administration, enforcement, and regulation~~
154.9 ~~of, and adoption of rules under, sections 154.40 to 154.54. Staff hired by the board,~~
154.10 ~~including inspectors, shall serve both professions.~~

154.11 Sec. 5. Minnesota Statutes 2008, section 154.19, is amended to read:

154.12 **154.19 VIOLATIONS.**

154.13 Each of the following constitutes a misdemeanor:

154.14 (1) The violation of any of the provisions of section 154.01;

154.15 (2) Permitting any person in one's employ, supervision, or control to practice as a
154.16 registered barber or registered apprentice unless that person has a certificate of registration
154.17 as a registered barber or registered apprentice;

154.18 (3) Obtaining or attempting to obtain a certificate of registration for money other
154.19 than the required fee, or any other thing of value, or by fraudulent misrepresentation;

154.20 (4) Practicing or attempting to practice by fraudulent misrepresentation;

154.21 (5) The willful failure to display a certificate of registration as required by section
154.22 154.14;

154.23 (6) The use of any room or place for barbering which is also used for residential or
154.24 business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles,
154.25 cigars, tobacco, candies in original package, and such commodities as are used and sold in
154.26 barber shops, and except that shoeshining and an agency for the reception and delivery of
154.27 laundry, or either, may be conducted in a barber shop without the same being construed
154.28 as a violation of this section, unless a substantial partition of ceiling height separates the
154.29 portion used for residential or business purposes, and where a barber shop is situated in a
154.30 residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store,
154.31 hardware store, or soft drink parlor, there must be an outside entrance leading into the
154.32 barber shop independent of any entrance leading into such business establishment, except
154.33 that this provision as to an outside entrance shall not apply to barber shops in operation at
154.34 the time of the passage of this section and except that a barber shop and beauty parlor may
154.35 be operated in conjunction, without the same being separated by partition of ceiling height;

155.1 (7) The failure or refusal of any barber or other person in charge of any barber shop,
155.2 or any person in barber schools or colleges doing barber service work, to use separate
155.3 and clean towels for each customer or patron, or to discard and launder each towel after
155.4 once being used;

155.5 (8) The failure or refusal by any barber or other person in charge of any barber shop
155.6 or barber school or barber college to supply clean hot and cold water in such quantities as
155.7 may be necessary to conduct such shop, or the barbering service of such school or college,
155.8 in a sanitary manner, or the failure or refusal of any such person to have water and sewer
155.9 connections from such shop, or barber school or college, with municipal water and sewer
155.10 systems where the latter are available for use, or the failure or refusal of any such person
155.11 to maintain a receptacle for hot water of a capacity of not less than five gallons;

155.12 (9) For the purposes of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.161,~~
155.13 ~~154.19 to 154.21, and 154.24 to 154.26~~ this section, barbers, students, apprentices, or
155.14 the proprietor or manager of a barber shop, or barber school or barber college, shall be
155.15 responsible for all violations of the sanitary provisions of ~~sections 154.001, 154.002,~~
155.16 ~~154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26~~ this section, and if
155.17 any barber shop, or barber school or barber college, upon inspection, shall be found to be
155.18 in an unsanitary condition, the person making such inspection shall immediately issue an
155.19 order to place the barber shop, or barber school, or barber college, in a sanitary condition,
155.20 in a manner and within a time satisfactory to the Board of Barber and Cosmetologist
155.21 Examiners, and for the failure to comply with such order the board shall immediately
155.22 file a complaint for the arrest of the persons upon whom the order was issued, and any
155.23 registered barber who shall fail to comply with the rules adopted by the Board of Barber
155.24 and Cosmetologist Examiners, with the approval of the state commissioner of health, or
155.25 the violation or commission of any of the offenses described in this section and section
155.26 ~~154.16~~ 154.161, subdivision 4, paragraph (a), clauses (1), (2), (3), and (4), (5), (6), (7),
155.27 ~~(8), (9) to (12), and of clauses (1), (2), (3), (4), (5), (6), (7), (8), and (9) of this section,~~
155.28 shall be fined not less than \$10 or imprisoned for ten days and not more than \$100 or
155.29 imprisoned for 90 days.

155.30 Sec. 6. Minnesota Statutes 2008, section 154.44, subdivision 1, is amended to read:

155.31 Subdivision 1. **Schedule.** The fee schedule for licensees is as follows:

155.32 (a) Three-year license fees:

155.33 (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for
155.34 each renewal;

155.35 (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;

- 156.1 (3) salon, \$130 for each initial license, and \$100 for each renewal; and
- 156.2 (4) school, \$1,500.
- 156.3 (b) Penalties:
- 156.4 (1) reinspection fee, variable; ~~and~~
- 156.5 (2) manager with lapsed practitioner, \$25;
- 156.6 (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and
- 156.7 instructor license, \$45; and
- 156.8 (4) expired salon or school license, \$50.
- 156.9 (c) Administrative fees:
- 156.10 (1) certificate of identification, \$20; ~~and~~
- 156.11 (2) school original application, \$150;
- 156.12 (3) name change, \$20;
- 156.13 (4) letter of license verification, \$30;
- 156.14 (5) duplicate license, \$20; and
- 156.15 (6) processing fee, \$10.
- 156.16 (d) All fees established in this subdivision must be paid to the executive secretary
- 156.17 of the board. The executive secretary of the board shall deposit the fees in the general
- 156.18 fund in the state treasury.

156.19 Sec. 7. Minnesota Statutes 2008, section 154.51, is amended to read:

156.20 **154.51 ENFORCEMENT.**

156.21 Subdivision 1. **Proceedings.** The provisions of section 154.161 apply to the

156.22 administration of sections 154.40 to 154.54. If the board, or a complaint committee if

156.23 authorized by the board, has a reasonable basis for believing that a person has engaged in

156.24 or is about to engage in a violation of a statute, rule, or order that the board has adopted

156.25 or issued or is empowered to enforce, the board or complaint committee may proceed as

156.26 provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings

156.27 must be conducted in accordance with the Administrative Procedure Act.

156.28 Subd. 2. **Legal actions.** (a) When necessary to prevent an imminent violation of a

156.29 statute, rule, or order that the board has adopted or issued or is empowered to enforce, the

156.30 board, or a complaint committee if authorized by the board, may bring an action in the

156.31 name of the state in the District Court of Ramsey County in which jurisdiction is proper to

156.32 enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a

156.33 showing that a person has engaged in or is about to engage in an act or practice that

156.34 constitutes a violation of a statute, rule, or order that the board has adopted or issued

157.1 or is empowered to enforce, the court shall grant a permanent or temporary injunction,
157.2 restraining order, or other appropriate relief.

157.3 (b) For purposes of injunctive relief under this subdivision, irreparable harm exists
157.4 when the board shows that a person has engaged in or is about to engage in an act or
157.5 practice that constitutes violation of a statute, rule, or order that the board has adopted or
157.6 issued or is empowered to enforce.

157.7 (c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person
157.8 from criminal prosecution by a competent authority, or from action by the board under
157.9 subdivision 3, 4, 5, or 6 with respect to the person's license or registration, or application
157.10 for examination, license, registration, or renewal.

157.11 Subd. 3. **Cease and desist orders.** (a) The board, or complaint committee if
157.12 authorized by the board, may issue and have served upon an unlicensed or unregistered
157.13 person, or a holder of a license or registration, an order requiring the person to cease and
157.14 desist from an act or practice that constitutes a violation of a statute, rule, or order that
157.15 the board has adopted or issued or is empowered to enforce. The order must (1) give
157.16 reasonable notice of the rights of the person named in the order to request a hearing,
157.17 and (2) state the reasons for the entry of the order. No order may be issued under this
157.18 subdivision until an investigation of the facts has been conducted under section 214.10.

157.19 (b) Service of the order under this subdivision is effective when the order is
157.20 personally served on the person or counsel of record, or served by certified mail to the
157.21 most recent address provided to the board for the person or counsel of record.

157.22 (c) The board must hold a hearing under this subdivision not later than 30 days after
157.23 the board receives the request for the hearing, unless otherwise agreed between the board,
157.24 or complaint committee if authorized by the board, and the person requesting the hearing.

157.25 (d) Notwithstanding any rule to the contrary, the administrative law judge must issue
157.26 a report within 30 days of the close of the contested case hearing. Within 30 days after
157.27 receiving the report and subsequent exceptions and argument, the board shall issue a
157.28 further order vacating, modifying, or making permanent the cease and desist order. If no
157.29 hearing is requested within 30 days of service of the order, the order becomes final and
157.30 remains in effect until modified or vacated by the board.

157.31 Subd. 4. **Licensing and registration actions.** (a) With respect to a person who is a
157.32 holder of or applicant for a license or registration under this chapter, the board may by
157.33 order deny, refuse to renew, suspend, temporarily suspend, or revoke the application,
157.34 license, or registration, censure or reprimand the person, refuse to permit the person to
157.35 sit for examination, or refuse to release the person's examination grades, if the board

- 158.1 finds that such an order is in the public interest and that, based on a preponderance of the
158.2 evidence presented, the person has:
- 158.3 (1) violated a statute, rule, or order that the board has adopted or issued or is
158.4 empowered to enforce;
- 158.5 (2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether
158.6 or not the conduct or acts relate to the practice of a profession regulated by this chapter, if
158.7 the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's
158.8 ability or fitness to engage in the practice of the profession;
- 158.9 (3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate
158.10 incompetence, or are otherwise in violation of the standards in the rules of the board,
158.11 where the conduct or acts relate to the practice of a profession regulated by this chapter;
- 158.12 (4) employed fraud or deception in obtaining a license, registration, renewal, or
158.13 reinstatement, or in passing all or a portion of the examination;
- 158.14 (5) had a license, registration, right to examine, or other similar authority revoked in
158.15 another jurisdiction;
- 158.16 (6) failed to meet any requirement for issuance or renewal of the person's license
158.17 or registration;
- 158.18 (7) practiced in a profession regulated by this chapter while having an infectious or
158.19 contagious disease;
- 158.20 (8) advertised by means of false or deceptive statements;
- 158.21 (9) demonstrated intoxication or indulgence in the use of drugs, including but not
158.22 limited to narcotics as defined in section 152.01 or in United States Code, title 26, section
158.23 4731, barbiturates, amphetamines, Benzedrine, Dexedrine, or other sedatives, depressants,
158.24 stimulants, or tranquilizers;
- 158.25 (10) demonstrated unprofessional conduct or practice;
- 158.26 (11) permitted an employee or other person under the person's supervision or control
158.27 to practice as a licensee, registrant, or instructor of a profession regulated by this chapter
158.28 unless that person has (i) a current license or registration issued by the board, (ii) a
158.29 temporary apprentice permit, or (iii) a temporary permit as an instructor of a profession
158.30 regulated by the board;
- 158.31 (12) practices, offered to practice, or attempted to practice by misrepresentation;
- 158.32 (13) failed to display a license or registration as required by rules adopted by the
158.33 board;
- 158.34 (14) used any room or place of practice of a profession regulated by the board that
158.35 is also used for any other purpose, or used any room or place of practice of a profession
158.36 regulated by the board that violates the board's rules governing sanitation;

159.1 (15) failed to use separate and clean towels for each customer or patron, or to discard
159.2 and launder each towel after being used once;

159.3 (16) in the case of a licensee, registrant, or other person in charge of any school or
159.4 place of practice of a profession regulated by the board, (i) failed to supply in a sanitary
159.5 manner clean hot and cold water in quantities necessary to conduct the service or practice
159.6 of the profession regulated by the board, (ii) failed to have water and sewer connections
159.7 from the place of practice or school with municipal water and sewer systems where they
159.8 are available for use, or (iii) failed or refused to maintain a receptacle for hot water of a
159.9 capacity of at least five gallons;

159.10 (17) refused to permit the board to make an inspection permitted or required by this
159.11 chapter, or failed to provide the board or the attorney general on behalf of the board
159.12 with any documents or records they request;

159.13 (18) failed promptly to renew a license or registration when remaining in practice,
159.14 pay the required fee, or issue a worthless check;

159.15 (19) failed to supervise an apprentice, or permitted the practice of a profession
159.16 regulated by the board by a person not registered or licensed with the board or not holding
159.17 a temporary permit;

159.18 (20) refused to serve a customer because of race, color, creed, religion, disability,
159.19 national origin, or sex;

159.20 (21) failed to comply with a provision of chapter 141 or a provision of another
159.21 chapter that relates to schools; or

159.22 (22) with respect to temporary suspension orders, has committed an act, engaged
159.23 in conduct, or committed practices that the board, or complaint committee if authorized
159.24 by the board, has determined may result or may have resulted in an immediate threat
159.25 to the public.

159.26 (b) In lieu of or in addition to any remedy under paragraph (a), the board may, as a
159.27 condition of continued licensure or registration, termination of suspension, reinstatement
159.28 of licensure or registration, examination, or release of examination results, require that
159.29 the person:

159.30 (1) submit to a quality review of the person's ability, skills, or quality of work,
159.31 conducted in a manner and by a person or entity that the board determines; or

159.32 (2) completes to the board's satisfaction continuing education as the board requires.

159.33 (c) Service of an order under this subdivision is effective if the order is served in
159.34 person, or is served by certified mail to the most recent address provided to the board by
159.35 the licensee, registrant, applicant, or counsel of record. The order must state the reason
159.36 for the entry of the order.

160.1 (d) Except as provided in subdivision 5, paragraph (c), all hearings under this
160.2 subdivision must be conducted in accordance with the Administrative Procedure Act.

160.3 Subd. 5. **Temporary suspension.** (a) When the board, or complaint committee if
160.4 authorized by the board, issues a temporary suspension order, the suspension provided for
160.5 in the order is effective on service of a written copy of the order on the licensee, registrant,
160.6 or counsel of record. The order must specify the statute, rule, or order violated by the
160.7 licensee or registrant. The order remains in effect until the board issues a final order in the
160.8 matter after a hearing, or on agreement between the board and the licensee or registrant.

160.9 (b) An order under this subdivision may (1) prohibit the licensee or registrant from
160.10 engaging in the practice of a profession regulated by the board in whole or in part, as the
160.11 facts require, and (2) condition the termination of the suspension on compliance with a
160.12 statute, rule, or order that the board has adopted or issued or is empowered to enforce.
160.13 The order must state the reasons for entering the order and must set forth the right to
160.14 a hearing as provided in this subdivision.

160.15 (c) Within ten days after service of an order under this subdivision, the licensee or
160.16 registrant may request a hearing in writing. The board must hold a hearing before its own
160.17 members within five working days of the request for a hearing. The sole issue at the
160.18 hearing must be whether there is a reasonable basis to continue, modify, or terminate the
160.19 temporary suspension. The hearing is not subject to the Administrative Procedure Act.
160.20 Evidence presented to the board or the licensee or registrant may be in affidavit form only.
160.21 The licensee, registrant, or counsel of record may appear for oral argument.

160.22 (d) Within five working days after the hearing, the board shall issue its order and, if
160.23 the order continues the suspension, shall schedule a contested case hearing within 30 days
160.24 of the issuance of the order. Notwithstanding any rule to the contrary, the administrative
160.25 law judge shall issue a report within 30 days after the closing of the contested case hearing
160.26 record. The board shall issue a final order within 30 days of receiving the report.

160.27 Subd. 6. **Violations; penalties; costs.** (a) The board may impose a civil penalty of
160.28 up to \$2,000 per violation on a person who violates a statute, rule, or order that the board
160.29 has adopted or issued or is empowered to enforce.

160.30 (b) In addition to any penalty under paragraph (a), the board may impose a fee
160.31 to reimburse the board for all or part of the cost of (1) the proceedings resulting in
160.32 disciplinary action authorized under this section, (2) the imposition of a civil penalty under
160.33 paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a
160.34 fee under this paragraph when the board shows that the position of the person who has
160.35 violated a statute, rule, or order that the board has adopted or issued or is empowered to
160.36 enforce is not substantially justified unless special circumstances make such a fee unjust,

161.1 notwithstanding any rule to the contrary. Costs under this paragraph include, but are not
161.2 limited to, the amount paid by the board for services from the Office of Administrative
161.3 Hearings, attorney fees, court reporter costs, witness costs, reproduction of records, board
161.4 members' compensation, board staff time, and expenses incurred by board members and
161.5 staff.

161.6 (c) All hearings under this subdivision must be conducted in accordance with the
161.7 Administrative Procedure Act.

161.8 Subd. 7. **Reinstatement.** Upon petition of the former or suspended licensee or
161.9 registrant, the board may reinstate a suspended, revoked, or surrendered license or
161.10 registration. The board may in its sole discretion place any conditions on reinstatement of
161.11 a suspended, revoked, or surrendered license or registration that it finds appropriate and
161.12 necessary to ensure that the purposes of this chapter are met. No license or registration
161.13 may be reinstated until the former licensee or registrant has completed at least one-half
161.14 of the suspension period.

161.15 Sec. 8. **[155A.20] BOARD OF COSMETOLOGIST EXAMINERS CREATED;**
161.16 **TERMS.**

161.17 (a) A Board of Cosmetologist Examiners is established to consist of three
161.18 cosmetologist members and one public member, as defined in section 214.02, appointed
161.19 by the governor.

161.20 (b) All cosmetologist members must be currently licensed in the field of cosmetology
161.21 in Minnesota, have practiced in the licensed occupation for at least five years immediately
161.22 prior to their appointment, be graduates from grade 12 of high school or have equivalent
161.23 education, and have knowledge of sections 154.40 to 154.54 and Minnesota Rules, chapters
161.24 2105 and 2110. The cosmetologist members shall be members of, or recommended by, a
161.25 professional organization of cosmetologists, manicurists, or estheticians.

161.26 (c) Membership terms, compensation of members, removal of members, the filling
161.27 of membership vacancies, and fiscal year and reporting requirements shall be as provided
161.28 in sections 214.07 to 214.09. The provision of staff, administrative services, and office
161.29 space; the review and processing of complaints; the setting of board fees; and other
161.30 provisions relating to board operations shall be as provided in chapter 214.

161.31 (d) Members appointed to fill vacancies caused by death, resignation, or removal
161.32 shall serve during the unexpired term of their predecessors.

161.33 Sec. 9. Minnesota Statutes 2008, section 178.02, subdivision 2, is amended to read:

162.1 Subd. 2. **Terms.** The board shall not expire, ~~and~~ The terms, compensation, and
162.2 removal of appointed members shall be as provided in section 15.059.

162.3 Sec. 10. Minnesota Statutes 2008, section 182.656, subdivision 3, is amended to read:

162.4 Subd. 3. ~~Meetings; expiration of council.~~ A majority of the council members
162.5 constitutes a quorum. The council shall meet at the call of its chair, or upon request of any
162.6 six members. A tape recording of the meeting with the tape being retained for a one-year
162.7 period will be available upon the request and payment of costs to any interested party. The
162.8 council shall expire and the terms, compensation, and removal of members shall be as
162.9 provided in section 15.059, except that the council shall not expire ~~before June 30, 2003.~~

162.10 Sec. 11. Minnesota Statutes 2008, section 214.01, subdivision 3, is amended to read:

162.11 Subd. 3. **Non-health-related licensing board.** "Non-health-related licensing
162.12 board" means the Board of Teaching established pursuant to section 122A.07, the Board
162.13 of Barber Examiners established pursuant to section 154.001, the Board of Cosmetologist
162.14 Examiners established pursuant to section 155A.20, the Board of Assessors established
162.15 pursuant to section 270.41, the Board of Architecture, Engineering, Land Surveying,
162.16 Landscape Architecture, Geoscience, and Interior Design established pursuant to section
162.17 326.04, the Private Detective and Protective Agent Licensing Board established pursuant
162.18 to section 326.33, the Board of Accountancy established pursuant to section 326A.02, and
162.19 the Peace Officer Standards and Training Board established pursuant to section 626.841.

162.20 Sec. 12. Minnesota Statutes 2008, section 214.04, subdivision 3, is amended to read:

162.21 Subd. 3. **Officers; staff.** The executive director of each health-related board and
162.22 the executive secretary of each non-health-related board shall be the chief administrative
162.23 officer for the board but shall not be a member of the board. The executive director or
162.24 executive secretary shall maintain the records of the board, account for all fees received
162.25 by it, supervise and direct employees servicing the board, and perform other services as
162.26 directed by the board. The executive directors, executive secretaries, and other employees
162.27 of the following boards shall be hired by the board, and the executive directors or executive
162.28 secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- 162.29 (1) Dentistry;
162.30 (2) Medical Practice;
162.31 (3) Nursing;
162.32 (4) Pharmacy;
162.33 (5) Accountancy;

- 163.1 (6) Architecture, Engineering, Land Surveying, Landscape Architecture,
163.2 Geoscience, and Interior Design;
- 163.3 (7) Barber Examiners;
- 163.4 (8) ~~Cosmetology~~ Cosmetologist Examiners;
- 163.5 (9) Teaching;
- 163.6 (10) Peace Officer Standards and Training;
- 163.7 (11) Social Work;
- 163.8 (12) Marriage and Family Therapy;
- 163.9 (13) Dietetics and Nutrition Practice;
- 163.10 (14) Licensed Professional Counseling; and
- 163.11 (15) Combative Sports Commission.

163.12 The executive directors or executive secretaries serving the boards are hired by those
163.13 boards and are in the unclassified civil service, except for part-time executive directors
163.14 or executive secretaries, who are not required to be in the unclassified service. Boards
163.15 not requiring full-time executive directors or executive secretaries may employ them on
163.16 a part-time basis. To the extent practicable, the sharing of part-time executive directors
163.17 or executive secretaries by boards being serviced by the same department is encouraged.
163.18 Persons providing services to those boards not listed in this subdivision, except executive
163.19 directors or executive secretaries of the boards and employees of the attorney general, are
163.20 classified civil service employees of the department servicing the board. To the extent
163.21 practicable, the commissioner shall ensure that staff services are shared by the boards
163.22 being serviced by the department. If necessary, a board may hire part-time, temporary
163.23 employees to administer and grade examinations.

163.24 Sec. 13. Minnesota Statutes 2008, section 216B.1612, subdivision 2, is amended to
163.25 read:

163.26 Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given
163.27 them in this subdivision.

163.28 (b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

163.29 (c) "Qualifying owner" means:

163.30 (1) a Minnesota resident;

163.31 (2) a limited liability company that is organized under chapter 322B and that is made
163.32 up of members who are Minnesota residents;

163.33 (3) a Minnesota nonprofit organization organized under chapter 317A;

164.1 (4) a Minnesota cooperative association organized under chapter 308A or 308B,
164.2 including a rural electric cooperative association or a generation and transmission
164.3 cooperative on behalf of and at the request of a member distribution utility;

164.4 (5) a Minnesota political subdivision or local government including, but not limited
164.5 to, a municipal electric utility, or a municipal power agency on behalf of and at the request
164.6 of a member distribution utility, the office of the commissioner of Iron Range resources
164.7 and rehabilitation, a county, statutory or home rule charter city, town, school district, or
164.8 public or private higher education institution or any other local or regional governmental
164.9 organization such as a board, commission, or association; or

164.10 (6) a tribal council.

164.11 (d) "Net present value rate" means a rate equal to the net present value of the
164.12 nominal payments to a project divided by the total expected energy production of the
164.13 project over the life of its power purchase agreement.

164.14 (e) "Standard reliability criteria" means:

164.15 (1) can be safely integrated into and operated within the utility's grid without causing
164.16 any adverse or unsafe consequences; and

164.17 (2) is consistent with the utility's resource needs as identified in its most recent
164.18 resource plan submitted under section 216B.2422.

164.19 (f) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1,
164.20 paragraph (a).

164.21 (g) "Community-based energy development project" or "C-BED project" means a
164.22 new renewable energy project that either as a stand-alone project or part of a partnership
164.23 under subdivision 8:

164.24 (1) has no single qualifying owner owning more than 15 percent of a C-BED wind
164.25 energy project unless: (i) the C-BED wind energy project consists of only one or two
164.26 turbines; or (ii) the qualifying owner is a public entity listed under paragraph (c), clause
164.27 (5), that is not a municipal utility;

164.28 (2) demonstrates that at least 51 percent of the gross revenues from a power
164.29 purchase agreement over the life of the project will flow to qualifying owners and other
164.30 local entities; and

164.31 (3) has a resolution of support adopted by the county board of each county in which
164.32 the project is to be located, or in the case of a project located within the boundaries of a
164.33 reservation, the tribal council for that reservation.

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

164.35 Sec. 14. Minnesota Statutes 2008, section 298.2213, subdivision 5, is amended to read:

165.1 Subd. 5. **Advisory committees.** Before submission to the board of a proposal for a
165.2 project for expenditure of money appropriated under this section, the commissioner of Iron
165.3 Range resources and rehabilitation shall appoint a technical advisory committee consisting
165.4 of at least seven persons who are knowledgeable in areas related to the objectives of
165.5 the proposal. If the project involves investment in a scientific research proposal, at
165.6 least four of the committee members must be knowledgeable in the specific scientific
165.7 research area relating to the project. Members of the committees must be compensated as
165.8 provided in section 15.059, subdivision 3. The board shall not act on a proposal until it
165.9 has received the evaluation and recommendations of the technical advisory committee.
165.10 Notwithstanding section 15.059, the committees do not expire.

165.11 Sec. 15. Minnesota Statutes 2008, section 298.2214, subdivision 1, is amended to read:

165.12 Subdivision 1. **Creation of committee; purpose.** A committee is created to
165.13 advise the commissioner of Iron Range resources and rehabilitation on providing higher
165.14 education programs in the taconite assistance area defined in section 273.1341. The
165.15 committee is subject to section 15.059 but does not expire.

165.16 Sec. 16. Minnesota Statutes 2008, section 298.297, is amended to read:

165.17 **298.297 ADVISORY COMMITTEES.**

165.18 Before submission of a project to the board, the commissioner of Iron Range
165.19 resources and rehabilitation shall appoint a technical advisory committee consisting of
165.20 one or more persons who are knowledgeable in areas related to the objectives of the
165.21 proposal. Members of the committees shall be compensated as provided in section 15.059,
165.22 subdivision 3. The board shall not act on a proposal until it has received the evaluation
165.23 and recommendations of the technical advisory committee or until 15 days have elapsed
165.24 since the proposal was transmitted to the advisory committee, whichever occurs first.
165.25 Notwithstanding section 15.059, the committees do not expire.

165.26 Sec. 17. Laws 2007, chapter 135, article 1, section 16, is amended to read:

165.27 Sec. 16. **TRANSFERS**

165.28 ~~The commissioner of labor and industry shall~~
165.29 ~~transfer \$1,627,000 by June 30, 2008, and~~
165.30 ~~\$1,515,000 by June 30, 2009, and each year~~
165.31 ~~thereafter, from the construction code fund to~~
165.32 ~~the general fund.~~

166.1 Of the balance remaining in Laws 2005, First
166.2 Special Session chapter 1, article 3, section
166.3 2, subdivision 2, for the methamphetamine
166.4 laboratory cleanup revolving loan fund,
166.5 \$100,000 is for transfer to the small
166.6 community wastewater treatment account
166.7 established in Minnesota Statutes, section
166.8 446A.075, subdivision 1.

166.9 Sec. 18. **TRANSFER OF AUTHORITY AND STAFF.**

166.10 Subdivision 1. **Transfer of authority.** (a) The responsibilities of the Board of
166.11 Barber and Cosmetologist Examiners covered in Minnesota Statutes 2008, sections
166.12 154.001 to 154.26, are transferred under Minnesota Statutes, section 15.039, to the Board
166.13 of Barber Examiners.

166.14 (b) The responsibilities of the Board of Barber and Cosmetologist Examiners
166.15 covered in Minnesota Statutes 2008, sections 154.40 to 154.54, are transferred under
166.16 Minnesota Statutes, section 15.039, to the Board of Cosmetologist Examiners.

166.17 Subd. 2. **Rulemaking.** Rulemaking authority pursuant to Minnesota Statutes
166.18 2008, sections 154.001 to 154.26, of the Board of Barber and Cosmetologist Examiners
166.19 is transferred to the Board of Barber Examiners. Rulemaking authority pursuant to
166.20 Minnesota Statutes 2008, sections 154.40 to 154.54, of the Board of Barber and
166.21 Cosmetologist Examiners is transferred to the Board of Cosmetologist Examiners. All
166.22 rules adopted by the Board of Barber and Cosmetologist Examiners in Minnesota Rules,
166.23 chapter 2100, remain in effect and shall be enforced until amended or repealed according
166.24 to law by the Board of Barber Examiners. All rules adopted by the Board of Barber
166.25 and Cosmetologist Examiners in Minnesota Rules, chapters 2105 and 2110, remain in
166.26 effect and shall be enforced until amended or repealed according to law by the Board of
166.27 Cosmetologist Examiners.

166.28 Subd. 3. **Transfer of board members.** The board members serving in unexpired
166.29 terms appointed to the Board of Barber and Cosmetologist Examiners pursuant to
166.30 Minnesota Statutes 2008, section 154.001, paragraph (b), shall be appointed to serve the
166.31 remainder of their terms as members of the Board of Barber Examiners, notwithstanding
166.32 the requirements of Minnesota Statutes, section 154.001, subdivision 2. The board
166.33 members serving in unexpired terms appointed to the Board of Barber and Cosmetologist
166.34 Examiners pursuant to Minnesota Statutes 2008, section 154.001, paragraph (c), shall be

167.1 appointed to serve the remainder of their terms as members of the Board of Cosmetologist
167.2 Examiners, notwithstanding the requirements of Minnesota Statutes, section 155A.20.

167.3 Subd. 4. **Transfer of staff.** (a) The staff of the Board of Barber and Cosmetologist
167.4 Examiners is transferred to the Board of Barber Examiners and the Board of Cosmetologist
167.5 Examiners under Minnesota Statutes, section 15.039, according to the requirements of
167.6 paragraph (b). In addition to any other protection, no employee shall suffer job loss,
167.7 have a salary reduced, or have employment benefits reduced as a result of the transfer
167.8 of authority from the Board of Barber and Cosmetologist Examiners recommended or
167.9 mandated by this section. No action taken after January 1, 2010, shall be considered a
167.10 result of the transfer of authority for the purposes of this section.

167.11 (b) On or before June 1, 2009, the Board of Barber and Cosmetologist Examiners
167.12 must designate to which board each employee will transfer to under paragraph (a), and the
167.13 board must notify each affected employee of the designation in writing.

167.14 Subd. 5. **Exemption from hiring freeze.** Notwithstanding any law, policy, or
167.15 executive order that restricts the hiring of new employees or institutes a hiring freeze, the
167.16 Board of Barber Examiners and the Board of Cosmetologist Examiners may hire staff
167.17 necessary to accomplish their statutory duties. This exemption expires on December
167.18 31, 2009.

167.19 **EFFECTIVE DATE.** This section is effective July 1, 2009, except that the
167.20 requirements of subdivision 4, paragraph (b), are effective the day following final
167.21 enactment.

167.22 Sec. 19. **COMMISSIONER OF FINANCE TO ALLOCATE FUNDS.**

167.23 The commissioner of finance shall allocate the 2010 and 2011 appropriations to the
167.24 Board of Barber and Cosmetologist Examiners between the Board of Barber Examiners
167.25 and the Board of Cosmetologist Examiners in a ratio that each organization received
167.26 when it was separate.

167.27 Sec. 20. **REVISOR'S INSTRUCTION.**

167.28 (a) The revisor of statutes shall delete "Board of Barber and Cosmetologist
167.29 Examiners" and substitute "board" or "Board of Barber Examiners," as appropriate,
167.30 wherever it appears in Minnesota Statutes, sections 154.001 to 154.26, and Minnesota
167.31 Rules, chapter 2100.

167.32 (b) The revisor of statutes shall delete "Board of Barber and Cosmetologist
167.33 Examiners" and substitute "board" or "Board of Cosmetologist Examiners," as appropriate,

168.1 wherever it appears in Minnesota Statutes, sections 154.40 to 154.54, and Minnesota
168.2 Rules, chapters 2105 and 2110.

168.3 (c) The revisor of statutes shall renumber each section of Minnesota Statutes listed
168.4 in column A with the number listed in column B. The revisor shall also make necessary
168.5 cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the
168.6 renumbering.

168.7	<u>Column A</u>	<u>Column B</u>
168.8	<u>154.40</u>	<u>155A.21</u>
168.9	<u>154.41</u>	<u>155A.22</u>
168.10	<u>154.42</u>	<u>155A.23</u>
168.11	<u>154.43</u>	<u>155A.24</u>
168.12	<u>154.44</u>	<u>155A.25</u>
168.13	<u>154.45</u>	<u>155A.26</u>
168.14	<u>154.46</u>	<u>155A.27</u>
168.15	<u>154.465</u>	<u>155A.28</u>
168.16	<u>154.47</u>	<u>155A.29</u>
168.17	<u>154.48</u>	<u>155A.30</u>
168.18	<u>154.49</u>	<u>155A.31</u>
168.19	<u>154.50</u>	<u>155A.32</u>
168.20	<u>154.51</u>	<u>155A.33</u>
168.21	<u>154.52</u>	<u>155A.34</u>
168.22	<u>154.53</u>	<u>155A.35</u>
168.23	<u>154.54</u>	<u>155A.36</u>

168.24 **Sec. 21. REPEALER.**

168.25 Minnesota Statutes 2008, section 176.135, subdivision 1b, is repealed.

168.26 **ARTICLE 10**

168.27 **IRON RANGE RESOURCES**

168.28 Section 1. Minnesota Statutes 2008, section 116J.424, is amended to read:

168.29 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**
168.30 **CONTRIBUTION.**

168.31 The commissioner of the Iron Range Resources and Rehabilitation Board with
168.32 approval ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board
168.33 members, shall provide an equal match for any loan or equity investment made for a
168.34 facility located in the tax relief area defined in section 273.134, paragraph (b), by the
168.35 Minnesota minerals 21st century fund created by section 116J.423. The match may be
168.36 in the form of a loan or equity investment, notwithstanding whether the fund makes a

169.1 loan or equity investment. The state shall not acquire an equity interest because of an
169.2 equity investment or loan by the board and the board at its sole discretion shall decide
169.3 what interest it acquires in a project. The commissioner of employment and economic
169.4 development may require a commitment from the board to make the match prior to
169.5 disbursing money from the fund.

169.6 **Sec. 2. [298.217] IRON RANGE RESOURCES AND REHABILITATION;**
169.7 **EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

169.8 (a) Notwithstanding any law to the contrary, the commissioner of Iron Range
169.9 resources and rehabilitation, in consultation with the commissioner of employee
169.10 relations, may offer a targeted early separation incentive program for employees of the
169.11 commissioner who have attained the age of 60 years or who have received credit for at
169.12 least 30 years of allowable service under the provisions of chapter 352.

169.13 (b) The early separation incentive program may include one or more of the following:

169.14 (1) employer-paid postseparation health, medical, and dental insurance until age
169.15 65; and

169.16 (2) cash incentives that may, but are not required to be, used to purchase additional
169.17 years of service credit through the Minnesota State Retirement System, to the extent that
169.18 the purchases are otherwise authorized by law.

169.19 (c) The commissioner of Iron Range resources and rehabilitation shall establish
169.20 eligibility requirements for employees to receive an incentive.

169.21 (d) The commissioner of Iron Range resources and rehabilitation, consistent with the
169.22 established program provisions under paragraph (b), and with the eligibility requirements
169.23 under paragraph (c), may designate specific programs or employees as eligible to be
169.24 offered the incentive program.

169.25 (e) Acceptance of the offered incentive must be voluntary on the part of the
169.26 employee and must be in writing. The incentive may only be offered at the sole discretion
169.27 of the commissioner of Iron Range resources and rehabilitation.

169.28 (f) The cost of the incentive is payable solely by funds made available to the
169.29 commissioner of Iron Range resources and rehabilitation by law, but only on prior approval
169.30 of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

169.31 (g) This section and section 298.218 are repealed June 30, 2011.

169.32 **Sec. 3. [298.218] APPLICATION OF OTHER LAWS.**

169.33 Unilateral implementation of section 298.217 by the commissioner of Iron Range
169.34 resources and rehabilitation is not an unfair labor practice under chapter 179A.

170.1 Sec. 4. Minnesota Statutes 2008, section 298.22, subdivision 2, is amended to read:

170.2 Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby
170.3 created the Iron Range Resources and Rehabilitation Board, consisting of 13 members,
170.4 five of whom are state senators appointed by the Subcommittee on Committees of the
170.5 Rules Committee of the senate, and five of whom are representatives, appointed by the
170.6 speaker of the house. The remaining members shall be appointed one each by the senate
170.7 majority leader, the speaker of the house, and the governor and must be nonlegislators
170.8 who reside in a taconite assistance area as defined in section 273.1341. The members shall
170.9 be appointed in January of every odd-numbered year, except that the initial nonlegislator
170.10 members shall be appointed by July 1, 1999, and shall serve until January of the next
170.11 odd-numbered year. Vacancies on the board shall be filled in the same manner as the
170.12 original members were chosen. At least a majority of the legislative members of the board
170.13 shall be elected from state senatorial or legislative districts in which over 50 percent
170.14 of the residents reside within a taconite assistance area as defined in section 273.1341.
170.15 All expenditures and projects made by the commissioner of Iron Range resources and
170.16 rehabilitation shall be consistent with the priorities established in subdivision 8 and shall
170.17 first be submitted to the Iron Range Resources and Rehabilitation Board for approval of
170.18 expenditures and projects for rehabilitation purposes as provided by this section, and
170.19 the method, manner, and time of payment of all funds proposed to be disbursed, by a
170.20 ~~majority of the board of expenditures and projects for rehabilitation purposes as provided~~
170.21 ~~by this section, and the method, manner, and time of payment of all funds proposed to be~~
170.22 ~~disbursed shall be first approved or disapproved by the board~~ at least seven Iron Range
170.23 Resources and Rehabilitation Board members. The board shall biennially make its report
170.24 to the governor and the legislature on or before November 15 of each even-numbered
170.25 year. The expenses of the board shall be paid by the state from the funds raised pursuant to
170.26 this section. Members of the board who are legislators may be reimbursed for expenses
170.27 in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per
170.28 diem payments during the interims between legislative sessions in the manner provided
170.29 in section 3.099, subdivision 1. Members of the board who are not legislators may
170.30 receive per diem payments and be reimbursed for expenses at the lowest rate provided
170.31 for legislative members.

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

170.33 Sec. 5. Minnesota Statutes 2008, section 298.22, subdivision 5a, is amended to read:

170.34 Subd. 5a. **Forest trust.** The commissioner, upon the affirmative vote ~~of a majority~~
170.35 ~~of the members of the board,~~ of at least seven Iron Range Resources and Rehabilitation

171.1 Board members, may purchase forest lands in the taconite assistance area defined in under
171.2 section 273.1341 with funds specifically authorized for the purchase. The acquired forest
171.3 lands must be held in trust for the benefit of the citizens of the taconite assistance area
171.4 as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and
171.5 developed for recreation and economic development purposes. The commissioner, upon
171.6 the affirmative vote ~~of a majority of the members of the board~~, of at least seven Iron Range
171.7 Resources and Rehabilitation Board members, may sell forest lands purchased under this
171.8 subdivision if the board finds that the sale advances the purposes of the trust. Proceeds
171.9 derived from the management or sale of the lands and from the sale of timber or removal
171.10 of gravel or other minerals from these forest lands shall be deposited into an Iron Range
171.11 Miners' Memorial Forest account that is established within the state financial accounts.
171.12 Funds may be expended from the account upon approval ~~of a majority of the members~~
171.13 ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board members,
171.14 to purchase, manage, administer, convey interests in, and improve the forest lands. By
171.15 ~~majority~~ an affirmative vote of the members of the board, of at least seven Iron Range
171.16 Resources and Rehabilitation Board members, money in the Iron Range Miners' Memorial
171.17 Forest account may be transferred into the corpus of the Douglas J. Johnson economic
171.18 protection trust fund established under sections 298.291 to 298.294. The property acquired
171.19 under the authority granted by this subdivision and income derived from the property or
171.20 the operation or management of the property are exempt from taxation by the state or its
171.21 political subdivisions while held by the forest trust.

171.22 Sec. 6. Minnesota Statutes 2008, section 298.22, subdivision 6, is amended to read:

171.23 Subd. 6. **Private entity participation.** The board may acquire an equity interest in
171.24 any project for which it provides funding. The commissioner may establish, participate in
171.25 the management of, and dispose of the assets of charitable foundations, nonprofit limited
171.26 liability companies, and nonprofit corporations associated with any project for which it
171.27 provides funding, including specifically, but without limitation, a corporation within the
171.28 meaning of section 317A.011, subdivision 6.

171.29 Sec. 7. Minnesota Statutes 2008, section 298.22, subdivision 7, is amended to read:

171.30 Subd. 7. **Project area development authority.** (a) In addition to the other powers
171.31 granted in this section and other law and notwithstanding any limitations contained in
171.32 subdivision 5, the commissioner, for purposes of fostering economic development and
171.33 tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area,
171.34 may spend any money made available to the agency under section 298.28 to acquire real

172.1 or personal property or interests therein by gift, purchase, or lease and may convey by
172.2 lease, sale, or other means of conveyance or commitment any or all property interests
172.3 owned or administered by the commissioner within such areas.

172.4 (b) In furtherance of development of the Giants Ridge Recreation Area or the
172.5 Ironworld Discovery Center area, the commissioner may establish and participate in
172.6 charitable foundations, nonprofit limited liability companies, and nonprofit corporations,
172.7 including a corporation within the meaning of section 317A.011, subdivision 6.

172.8 (c) The term "Giants Ridge recreation area" refers to an economic development
172.9 project area established by the commissioner in furtherance of the powers delegated in this
172.10 section within St. Louis County in the ~~western~~ following portions of the town of White and
172.11 ~~in the eastern portion of the westerly, adjacent, unorganized township.~~ city of Biwabik:

172.12 Township 59 North, Range 15 West, Sections 7, 8, 17-20 and 29-32;

172.13 Township 59 North, Range 16 West, Sections 12, 13, 24, 25, and 36;

172.14 Township 58 North, Range 16 West, Section 1; and

172.15 Township 58 North, Range 15 West, Sections 5 and 6.

172.16 (d) ~~The term~~ "Ironworld Discovery Center area" ~~refers to~~ means an economic
172.17 development and tourism promotion project area established by the commissioner in
172.18 furtherance of the powers delegated in this section within St. Louis County in the south
172.19 portion of the town of Balkan.

172.20 Sec. 8. Minnesota Statutes 2008, section 298.22, subdivision 8, is amended to read:

172.21 Subd. 8. **Spending priority.** In making or approving any expenditures on programs
172.22 or projects, the commissioner and the board shall give the highest priority to programs
172.23 and projects that target relief to those areas of the taconite assistance area as defined in
172.24 section 273.1341, that have the largest percentages of job losses and population losses
172.25 directly attributable to the economic downturn in the taconite industry since the 1980s.
172.26 The commissioner and the board shall compare the 1980 population and employment
172.27 figures with the 2000 population and employment figures, and shall specifically consider
172.28 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,
172.29 in making or approving expenditures consistent with this subdivision, as well as the areas
172.30 of residence of persons who suffered job loss for which relief is to be targeted under this
172.31 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon
172.32 the terms determined by the commissioner and approved by ~~the board~~ at least seven Iron
172.33 Range Resources and Rehabilitation Board members, surface and mineral interests owned
172.34 or acquired by the state of Minnesota acting by and through the office of the commissioner
172.35 of Iron Range resources and rehabilitation within those portions of the taconite assistance

173.1 area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes.
173.2 The payments and royalties from these leases must be deposited into the fund established
173.3 in section 298.292. This subdivision supersedes any other conflicting provisions of law
173.4 and does not preclude the commissioner and the board from making expenditures for
173.5 programs and projects in other areas.

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

173.7 Sec. 9. Minnesota Statutes 2008, section 298.22, subdivision 10, is amended to read:

173.8 Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range
173.9 resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or
173.10 Giants Ridge Golf and Ski Resort without prior approval by ~~a majority vote of the board~~ at
173.11 least seven Iron Range Resources and Rehabilitation Board members.

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

173.13 Sec. 10. Minnesota Statutes 2008, section 298.22, subdivision 11, is amended to read:

173.14 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation
173.15 shall annually prepare a budget for operational expenditures, programs, and projects, and
173.16 submit it to the Iron Range Resources and Rehabilitation Board and the governor ~~for~~
173.17 ~~approval.~~ After the budget is approved by ~~the board~~ at least seven Iron Range Resources
173.18 and Rehabilitation Board members and the governor, the commissioner may spend money
173.19 in accordance with the approved budget.

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

173.21 Sec. 11. Minnesota Statutes 2008, section 298.221, is amended to read:

173.22 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

173.23 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota
173.24 pursuant to the terms of any contract entered into by the state under authority of section
173.25 298.22 and any fees which may, in the discretion of the commissioner of Iron Range
173.26 resources and rehabilitation, be charged in connection with any project pursuant to that
173.27 section as amended, shall be deposited in the state treasury to the credit of the Iron Range
173.28 Resources and Rehabilitation Board account in the special revenue fund and are hereby
173.29 appropriated for the purposes of section 298.22.

173.30 (b) Notwithstanding section 16A.013, merchandise may be accepted by the
173.31 commissioner of the Iron Range Resources and Rehabilitation Board for payment of

174.1 advertising contracts if the commissioner determines that the merchandise can be used
174.2 for special event prizes or mementos at facilities operated by the board. Nothing in this
174.3 paragraph authorizes the commissioner or a member of the board to receive merchandise
174.4 for personal use.

174.5 (c) All fees charged by the commissioner in connection with public use of the
174.6 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other
174.7 revenues derived by the commissioner from the operation or lease of those facilities
174.8 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge
174.9 Recreation Area must be deposited into an Iron Range Resources and Rehabilitation
174.10 Board account that is created within the state enterprise fund. All funds deposited in the
174.11 enterprise fund account are appropriated to the commissioner to be expended, subject
174.12 to approval ~~of a majority of the board,~~ by at least seven Iron Range Resources and
174.13 Rehabilitation Board members, as follows:

174.14 (1) to pay costs associated with the construction, equipping, operation, repair, or
174.15 improvement of the Giants Ridge Recreation Area facilities or lands;

174.16 (2) to pay principal, interest and associated bond issuance, reserve, and servicing
174.17 costs associated with the financing of the facilities; and

174.18 (3) to pay the costs of any other project authorized under section 298.22.

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

174.20 Sec. 12. Minnesota Statutes 2008, section 298.2211, subdivision 3, is amended to read:

174.21 Subd. 3. **Project approval.** All projects authorized by this section shall be
174.22 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board;
174.23 ~~which shall recommend approval or disapproval or modification of the projects for~~
174.24 approval by at least seven Iron Range Resources and Rehabilitation Board members.

174.25 Prior to the commencement of a project involving the exercise by the commissioner of
174.26 any authority of sections 469.174 to 469.179, the governing body of each municipality in
174.27 which any part of the project is located and the county board of any county containing
174.28 portions of the project not located in an incorporated area shall by majority vote approve
174.29 or disapprove the project. Any project, ~~as so approved by the board~~ at least seven Iron
174.30 Range Resources and Rehabilitation Board members and the applicable governing bodies,
174.31 if any, together with detailed information concerning the project, its costs, the sources of
174.32 its funding, and the amount of any bonded indebtedness to be incurred in connection
174.33 with the project, shall be transmitted to the governor, who shall approve, disapprove, or
174.34 return the proposal for additional consideration within 30 days of receipt. No project
174.35 authorized under this section shall be undertaken, and no obligations shall be issued and

175.1 no tax increments shall be expended for a project authorized under this section until the
175.2 project has been approved by the governor.

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

175.4 Sec. 13. Minnesota Statutes 2008, section 298.2213, subdivision 4, is amended to read:

175.5 Subd. 4. **Project approval.** The board and commissioner shall by August 1 each
175.6 year prepare a list of projects to be funded from the money appropriated in this section
175.7 with necessary supporting information including descriptions of the projects, plans, and
175.8 cost estimates. A project must not be approved by the board unless it finds that:

175.9 (1) the project will materially assist, directly or indirectly, the creation of additional
175.10 long-term employment opportunities;

175.11 (2) the prospective benefits of the expenditure exceed the anticipated costs; and

175.12 (3) in the case of assistance to private enterprise, the project will serve a sound
175.13 business purpose.

175.14 Each project must be approved by ~~a majority of the~~ at least seven Iron Range
175.15 Resources and Rehabilitation Board members and the commissioner of Iron Range
175.16 resources and rehabilitation. The list of projects must be submitted to the governor,
175.17 who shall, by November 15 of each year, approve, disapprove, or return for further
175.18 consideration, each project. The money for a project may be spent only upon approval of
175.19 the project by the governor. The board may submit supplemental projects for approval at
175.20 any time.

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

175.22 Sec. 14. Minnesota Statutes 2008, section 298.2214, is amended by adding a
175.23 subdivision to read:

175.24 Subd. 6. **Per diem.** Members of the committee may be reimbursed for expenses
175.25 in the manner provided in section 298.22, subdivision 2.

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

175.27 Sec. 15. Minnesota Statutes 2008, section 298.223, is amended to read:

175.28 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

175.29 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental
175.30 protection fund is created for the purpose of reclaiming, restoring and enhancing those
175.31 areas of northeast Minnesota located within the taconite assistance area defined in section

176.1 273.1341, that are adversely affected by the environmentally damaging operations
176.2 involved in mining taconite and iron ore and producing iron ore concentrate and for the
176.3 purpose of promoting the economic development of northeast Minnesota. The taconite
176.4 environmental protection fund shall be used for the following purposes:

176.5 ~~(a)~~ (1) to initiate investigations into matters the Iron Range Resources and
176.6 Rehabilitation Board determines are in need of study and which will determine the
176.7 environmental problems requiring remedial action;

176.8 ~~(b)~~ (2) reclamation, restoration, or reforestation of mine lands not otherwise
176.9 provided for by state law;

176.10 ~~(c)~~ (3) local economic development projects but only if those projects are approved
176.11 by ~~the board~~, at least seven Iron Range Resources and Rehabilitation Board members,
176.12 and public works, including construction of sewer and water systems located within the
176.13 taconite assistance area defined in section 273.1341;

176.14 ~~(d)~~ (4) monitoring of mineral industry related health problems among mining
176.15 employees;

176.16 (5) local public works projects under section 298.227, paragraph (c); and

176.17 (6) local public works projects as provided under this clause. The following amounts
176.18 shall be distributed in 2009:

176.19 (i) .4651 cents per ton to the city of Aurora for street repair and renovation;

176.20 (ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure
176.21 improvements to the south side industrial site;

176.22 (iii) .6460 cent per ton to the city of Buhl for street repair;

176.23 (iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;

176.24 (v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure
176.25 upgrades;

176.26 (vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure
176.27 upgrades;

176.28 (vii) .7752 cent per ton to the city of Mountain Iron for water and sewer
176.29 infrastructure;

176.30 (viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility
176.31 modifications for the miners' memorial;

176.32 (ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;

176.33 (x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;

176.34 (xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;

176.35 (xii) .6460 cent per ton to the town of Balkan for community center repairs;

176.36 (xiii) .9044 cent per ton to the city of Babbitt for city garage construction;

- 177.1 (xiv) .5168 cent per ton to the city of Cook for replacement of a water tower;
177.2 (xv) .5168 cent per ton to the city of Ely for reconstruction of 2cnd Avenue West;
177.3 (xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;
177.4 (xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;
177.5 (xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;
177.6 (xvix) .3230 cent per ton to Lake County for trail construction;
177.7 (xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand
177.8 Marais;
177.9 (xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure
177.10 improvements;
177.11 (xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;
177.12 (xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer
177.13 improvements along Gayley Avenue;
177.14 (xxiv) .3876 cent per ton to the city of Marble for construction of a city
177.15 administration facility;
177.16 (xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the
177.17 community center;
177.18 (xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure
177.19 upgrades;
177.20 (xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades
177.21 along Depot Street;
177.22 (xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter
177.23 improvements;
177.24 (xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer
177.25 infrastructure upgrades at Pokegema Golf Course and Park Place;
177.26 (xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades
177.27 for 1st Avenue from River Road to 3rd Street SE; and
177.28 (xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing
177.29 at Highway 2 and County Road 62.

177.30 Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall
177.31 be administered by the commissioner of the Iron Range Resources and Rehabilitation
177.32 Board. The commissioner shall by September 1 of each year submit to the board a list
177.33 of projects to be funded from the taconite area environmental protection fund, with such
177.34 supporting information including description of the projects, plans, and cost estimates as
177.35 may be necessary.

178.1 (b) Each year no less than one-half of the amounts deposited into the taconite
178.2 environmental protection fund must be used for public works projects, including
178.3 construction of sewer and water systems, as specified under subdivision 1, ~~paragraph (c)~~
178.4 clause (3). The Iron Range Resources and Rehabilitation Board with ~~a majority vote of~~
178.5 ~~the members~~, approval by at least seven Iron Range Resources and Rehabilitation Board
178.6 members, may waive the requirements of this paragraph.

178.7 (c) Upon approval by ~~a majority of the members of the Iron Range Resources and~~
178.8 ~~Rehabilitation Board~~, at least seven Iron Range Resources and Rehabilitation Board
178.9 members, the list of projects approved under this subdivision shall be submitted to the
178.10 governor by November 1 of each year. By December 1 of each year, the governor shall
178.11 approve or disapprove, or return for further consideration, each project. Funds for a project
178.12 may be expended only upon approval of the project by ~~the board~~ at least seven Iron Range
178.13 Resources and Rehabilitation Board members, and the governor. The commissioner may
178.14 submit supplemental projects to the board and governor for approval at any time.

178.15 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron
178.16 Range resources and rehabilitation taconite area environmental protection funds necessary
178.17 to carry out approved projects and programs and the funds necessary for administration of
178.18 this section. Annual administrative costs, not including detailed engineering expenses for
178.19 the projects, shall not exceed five percent of the amount annually expended from the fund.

178.20 Funds for the purposes of this section are provided by section 298.28, subdivision
178.21 11, relating to the taconite area environmental protection fund.

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

178.23 Sec. 16. Minnesota Statutes 2008, section 298.227, is amended to read:

178.24 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

178.25 (a) An amount equal to that distributed pursuant to each taconite producer's taxable
178.26 production and qualifying sales under section 298.28, subdivision 9a, shall be held by
178.27 the Iron Range Resources and Rehabilitation Board in a separate taconite economic
178.28 development fund for each taconite and direct reduced ore producer. Money from the
178.29 fund for each producer shall be released by the commissioner after review by a joint
178.30 committee consisting of an equal number of representatives of the salaried employees and
178.31 the nonsalaried production and maintenance employees of that producer. The District 11
178.32 director of the United States Steelworkers of America, on advice of each local employee
178.33 president, shall select the employee members. In nonorganized operations, the employee
178.34 committee shall be elected by the nonsalaried production and maintenance employees.

179.1 The review must be completed no later than six months after the producer presents a
179.2 proposal for expenditure of the funds to the committee. The funds held pursuant to this
179.3 section may be released only for workforce development and associated public facility
179.4 improvement, or for acquisition of plant and stationary mining equipment and facilities
179.5 for the producer or for research and development in Minnesota on new mining, or
179.6 taconite, iron, or steel production technology, but only if the producer provides a matching
179.7 expenditure to be used for the same purpose of at least 50 percent of the distribution based
179.8 on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for
179.9 expenditures of money from the fund beginning May 26, 2007, the commissioner may
179.10 not release the funds before the next scheduled meeting of the board. If ~~the board rejects~~
179.11 a proposed expenditure is not approved by at least seven Iron Range Resources and
179.12 Rehabilitation Board members, the funds must be deposited in the Taconite Environmental
179.13 Protection Fund under sections 298.222 to 298.225. If a producer uses money which has
179.14 been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile
179.15 equipment, or mining shovels, and the producer removes the piece of equipment from the
179.16 taconite tax relief area defined in section 273.134 within ten years from the date of receipt
179.17 of the money from the fund, a portion of the money granted from the fund must be repaid
179.18 to the taconite economic development fund. The portion of the money to be repaid is 100
179.19 percent of the grant if the equipment is removed from the taconite tax relief area within 12
179.20 months after receipt of the money from the fund, declining by ten percent for each of the
179.21 subsequent nine years during which the equipment remains within the taconite tax relief
179.22 area. If a taconite production facility is sold after operations at the facility had ceased, any
179.23 money remaining in the fund for the former producer may be released to the purchaser of
179.24 the facility on the terms otherwise applicable to the former producer under this section. If
179.25 a producer fails to provide matching funds for a proposed expenditure within six months
179.26 after the commissioner approves release of the funds, the funds are available for release to
179.27 another producer in proportion to the distribution provided and under the conditions of
179.28 this section. Any portion of the fund which is not released by the commissioner within
179.29 one year of its deposit in the fund shall be divided between the taconite environmental
179.30 protection fund created in section 298.223 and the Douglas J. Johnson economic protection
179.31 trust fund created in section 298.292 for placement in their respective special accounts.
179.32 Two-thirds of the unreleased funds shall be distributed to the taconite environmental
179.33 protection fund and one-third to the Douglas J. Johnson economic protection trust fund.
179.34 (b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of
179.35 distributions and the review process, an amount equal to ten cents per taxable ton of
179.36 production in 2007, for distribution in 2008 only, that would otherwise be distributed

180.1 under paragraph (a), may be used for a loan for the cost of construction of a biomass
180.2 energy facility. This amount must be deducted from the distribution under paragraph (a)
180.3 for which a matching expenditure by the producer is not required. The granting of the loan
180.4 is subject to approval by ~~the Iron Range Resources and Rehabilitation Board~~ at least seven
180.5 Iron Range Resources and Rehabilitation Board members; interest must be payable on the
180.6 loan at the rate prescribed in section 298.2213, subdivision 3. (ii) Repayments of the loan
180.7 and interest must be deposited in the ~~northeast Minnesota economic development~~ taconite
180.8 environment protection fund established in section 298.2213 under sections 298.222 to
180.9 298.225. If a loan is not made under this paragraph by July 1, 2009, the amount that
180.10 had been made available for the loan under this paragraph must be transferred to the
180.11 ~~northeast Minnesota economic development~~ taconite environment protection fund under
180.12 sections 298.222 to 298.225. (iii) Money distributed in 2008 to the fund established
180.13 under this section that exceeds ten cents per ton is available to qualifying producers under
180.14 paragraph (a) on a pro rata basis.

180.15 If 2008 H.F. No. 1812 is enacted and includes a provision that amends this section
180.16 in a manner that is different from the amendment in this section, the amendment in this
180.17 section supersedes the amendment in 2008 H.F. No. 1812, notwithstanding section 645.26.

180.18 (c) Repayment or transfer of money to the taconite environmental protection fund
180.19 under paragraph (b), item (ii), must be allocated by the Iron Range Resources and
180.20 Rehabilitation Board for public works projects in house legislative districts in the same
180.21 proportion as taxable tonnage of production in 2007 in each house legislative district, for
180.22 distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution
180.23 in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph
180.24 do not require approval by the governor. For purposes of this paragraph, "house legislative
180.25 districts" means the legislative districts in existence on the effective date of this section.

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

180.27 Sec. 17. Minnesota Statutes 2008, section 298.28, subdivision 9d, is amended to read:

180.28 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must
180.29 be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in
180.30 an Iron Range higher education account that is hereby created, to be used for higher
180.31 education programs conducted at educational institutions in the taconite assistance area
180.32 defined in section 273.1341. The Iron Range Higher Education committee under section
180.33 298.2214₂ and the Iron Range Resources and Rehabilitation Board by an affirmative vote
180.34 of at least seven Iron Range Resources and Rehabilitation Board members, must approve
180.35 all expenditures from the account.

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

181.2 Sec. 18. Minnesota Statutes 2008, section 298.292, subdivision 2, is amended to read:

181.3 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
181.4 fund may be used for the following purposes:

181.5 (1) to provide loans, loan guarantees, interest buy-downs and other forms of
181.6 participation with private sources of financing, but a loan to a private enterprise shall be
181.7 for a principal amount not to exceed one-half of the cost of the project for which financing
181.8 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the
181.9 lesser of eight percent or an interest rate three percentage points less than a full faith
181.10 and credit obligation of the United States government of comparable maturity, at the
181.11 time that the loan is approved;

181.12 (2) to fund reserve accounts established to secure the payment when due of the
181.13 principal of and interest on bonds issued pursuant to section 298.2211;

181.14 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest
181.15 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,
181.16 or retrofitting heating facilities in connection with district heating systems or systems
181.17 utilizing alternative energy sources;

181.18 (4) to invest in a venture capital fund or enterprise that will provide capital to other
181.19 entities that are engaging in, or that will engage in, projects or programs that have the
181.20 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
181.21 or enterprise unless at least two other unrelated investors make investments of at least
181.22 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas
181.23 J. Johnson economic protection trust fund may not exceed the amount of the largest
181.24 investment by an unrelated investor in the venture capital fund or enterprise. For purposes
181.25 of this subdivision, an "unrelated investor" is a person or entity that is not related to
181.26 the entity in which the investment is made or to any individual who owns more than 40
181.27 percent of the value of the entity, in any of the following relationships: spouse, parent,
181.28 child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of
181.29 the value of all interests in it. For purposes of determining the limitations under this
181.30 clause, the amount of investments made by an investor other than the Douglas J. Johnson
181.31 economic protection trust fund is the sum of all investments made in the venture capital
181.32 fund or enterprise during the period beginning one year before the date of the investment
181.33 by the Douglas J. Johnson economic protection trust fund; and

181.34 (5) to purchase forest land in the taconite assistance area defined in section 273.1341
181.35 to be held and managed as a public trust for the benefit of the area for the purposes

182.1 authorized in section 298.22, subdivision 5a. Property purchased under this section may
182.2 be sold by the commissioner upon approval ~~by a majority vote of the board~~ by at least
182.3 seven Iron Range Resources and Rehabilitation Board members. The net proceeds must
182.4 be deposited in the trust fund for the purposes and uses of this section.

182.5 Money from the trust fund shall be expended only in or for the benefit of the taconite
182.6 assistance area defined in section 273.1341.

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

182.8 Sec. 19. **[298.2931] TRANSFER OF FUNDS.**

182.9 The amount deposited in the fund in 2009 in repayment of a loan for the Mesaba
182.10 Nugget project at the Erie Mining site in Hoyt Lakes shall be transferred to the taconite
182.11 environmental protection fund and deposited in a special account to be used as provided
182.12 under section 298.223, subdivision 1, clause (6).

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

182.14 Sec. 20. Minnesota Statutes 2008, section 298.294, is amended to read:

182.15 **298.294 INVESTMENT OF FUND.**

182.16 (a) The trust fund established by section 298.292 shall be invested pursuant to law
182.17 by the State Board of Investment and the net interest, dividends, and other earnings arising
182.18 from the investments shall be transferred, except as provided in paragraph (b), on the first
182.19 day of each month to the trust and shall be included and become part of the trust fund.
182.20 The amounts transferred, including the interest, dividends, and other earnings earned
182.21 prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year
182.22 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the
182.23 commissioner of Iron Range resources and rehabilitation for deposit in a separate account
182.24 for expenditure for the purposes set forth in section 298.292. Amounts appropriated
182.25 pursuant to this section shall not cancel but shall remain available unless expended.

182.26 (b) For fiscal years 2010 and 2011 only, \$1,000,000 of the net interest, dividends,
182.27 and other earnings under paragraph (a) shall be transferred to a special account. Funds in
182.28 the special account are available for loans or grants to businesses, with priority given to
182.29 businesses with 25 or fewer employees. Funds may be used for wage subsidies of up to \$5
182.30 per hour or other activities that will create additional jobs in the taconite assistance area
182.31 under section 273.1341. Expenditures from the special account must be approved by at
182.32 least seven Iron Range Resources and Rehabilitation Board members.

183.1 (c) To qualify for a grant or loan, a business must be currently operating and have
183.2 been operating for one year immediately prior to its application for a loan or grant, and its
183.3 corporate headquarters must be located in the taconite assistance area.

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

183.5 Sec. 21. Minnesota Statutes 2008, section 298.296, subdivision 2, is amended to read:

183.6 Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended
183.7 on projects and for administration of the trust fund only from the net interest, earnings,
183.8 and dividends arising from the investment of the trust at any time, including net interest,
183.9 earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made
183.10 available for use in fiscal year 1983, except that any amount required to be paid out of the
183.11 trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article
183.12 X, section 4, and to make school bond payments and payments to recipients of taconite
183.13 production tax proceeds pursuant to section 298.225, may be taken from the corpus of
183.14 the trust.

183.15 (b) Additionally, upon recommendation by the board, up to \$13,000,000 from the
183.16 corpus of the trust may be made available for use as provided in subdivision 4, and up to
183.17 \$10,000,000 from the corpus of the trust may be made available for use as provided in
183.18 section 298.2961.

183.19 (c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust
183.20 on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts
183.21 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article
183.22 8, section 17, may be expended on projects. Funds may be expended for projects under
183.23 this paragraph only if the project:

183.24 (1) is for the purposes established under section 298.292, subdivision 1, clause
183.25 (1) or (2); and

183.26 (2) is approved by the board upon an affirmative vote of at least ten of its members.

183.27 No money made available under this paragraph or paragraph (d) can be used for
183.28 administrative or operating expenses of the Iron Range Resources and Rehabilitation
183.29 Board or expenses relating to any facilities owned or operated by the board on May 18,
183.30 2002.

183.31 (d) Upon recommendation by a unanimous vote of all members of the board,
183.32 amounts in addition to those authorized under paragraphs (a), (b), and (c) may be
183.33 expended on projects described in section 298.292, subdivision 1.

184.1 (e) Annual administrative costs, not including detailed engineering expenses for the
184.2 projects, shall not exceed five percent of the net interest, dividends, and earnings arising
184.3 from the trust in the preceding fiscal year.

184.4 (f) Principal and interest received in repayment of loans made pursuant to this
184.5 section, and earnings on other investments made under section 298.292, subdivision 2,
184.6 clause (4), shall be deposited in the state treasury and credited to the trust. These receipts
184.7 are appropriated to the board for the purposes of sections 298.291 to 298.298.

184.8 (g) Additionally, notwithstanding section 298.293, upon the affirmative vote
184.9 ~~of a majority of the members of the board,~~ of at least seven Iron Range Resources and
184.10 Rehabilitation Board members, money from the corpus of the trust may be expanded to
184.11 purchase forest lands within the taconite assistance area as provided in sections 298.22,
184.12 subdivision 5a, and 298.292, subdivision 2, clause (5).

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

184.14 Sec. 22. Minnesota Statutes 2008, section 298.2961, is amended to read:

184.15 **298.2961 PRODUCER GRANTS.**

184.16 Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas
184.17 J. Johnson economic protection trust fund to a special account in the taconite area
184.18 environmental protection fund for grants to producers on a project-by-project basis as
184.19 provided in this section.

184.20 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, are
184.21 appropriated for grants to producers on a project-by-project basis as provided in this
184.22 section.

184.23 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

184.24 (1) environmentally unique reclamation projects; or

184.25 (2) pit or plant repairs, expansions, or modernizations other than for a value added
184.26 iron products plant.

184.27 (b) To be proposed by the board, a project must be approved by at least eight Iron
184.28 Range Resources and Rehabilitation Board members. The money for a project may
184.29 be spent only upon approval of the project by the governor. The board may submit
184.30 supplemental projects for approval at any time.

184.31 (c) The board may require that it receive an equity percentage in any project to
184.32 which it contributes under this section.

184.33 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations
184.34 at the facility had ceased, any money remaining in the taconite environmental fund for the

185.1 former producer may be released to the purchaser of the facility on the terms otherwise
185.2 applicable to the former producer under this section.

185.3 (b) Any portion of the taconite environmental fund that is not released by the
185.4 commissioner within three years of its deposit in the taconite environmental fund shall be
185.5 divided between the taconite environmental protection fund created in section 298.223
185.6 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for
185.7 placement in their respective special accounts. Two-thirds of the unreleased funds must be
185.8 distributed to the taconite environmental protection fund and one-third to the Douglas J.
185.9 Johnson economic protection trust fund.

185.10 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions
185.11 under section 298.28, subdivision 9b, and to make grants or loans as provided in this
185.12 subdivision. Any grant or loan made under this subdivision must be approved by ~~a majority~~
185.13 ~~of the members of the Iron Range Resources and Rehabilitation Board,~~ at least seven Iron
185.14 Range Resources and Rehabilitation Board members, established under section 298.22.

185.15 (b) Distributions received in calendar year 2005 are allocated to the city of Virginia
185.16 for improvements and repairs to the city's steam heating system.

185.17 (c) Distributions received in calendar year 2006 are allocated to a project of the
185.18 public utilities commissions of the cities of Hibbing and Virginia to convert their electrical
185.19 generating plants to the use of biomass products, such as wood.

185.20 (d) Distributions received in calendar year 2007 must be paid to the city of Tower to
185.21 be used for the East Two Rivers project in or near the city of Tower.

185.22 (e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution
185.23 must be paid to St. Louis County for deposit in its county road and bridge fund to be
185.24 used for relocation of St. Louis County Road 715, commonly referred to as Pike River
185.25 Road. The remainder of the 2008 distribution must be paid to St. Louis County for a
185.26 grant to the city of Virginia for connecting sewer and water lines to the St. Louis County
185.27 maintenance garage on Highway 135, further extending the lines to interconnect with the
185.28 city of Gilbert's sewer and water lines. All distributions received in 2009 and subsequent
185.29 years are allocated for projects under section 298.223, subdivision 1.

185.30 Subd. 5. **Public works and local economic development fund.** For distributions in
185.31 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would
185.32 be allocated under section 298.28, subdivision 6. The following amounts are allocated to
185.33 St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

185.34 (1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for
185.35 construction of a combined wastewater facility and notwithstanding section 298.28,

186.1 subdivision 11, paragraph (a), or any other law, interest accrued on this money while held
186.2 by St. Louis County shall also be distributed to the recipient;

186.3 (2) six cents per ton to the city of Eveleth to redesign and design and construct
186.4 improvements to renovate its water treatment facility;

186.5 (3) one cent per ton for the East Range Joint Powers Board to acquire land for and to
186.6 design a central wastewater collection and treatment system;

186.7 (4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;

186.8 (5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;

186.9 (6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;

186.10 (7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and
186.11 Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment
186.12 and Economic Development;

186.13 (8) 0.4 cents per ton to the city of Keewatin for a new city well;

186.14 (9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous
186.15 materials center;

186.16 (10) 0.9 cents per ton to Aitkin County Growth for an economic development
186.17 project for peat harvesting;

186.18 (11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;

186.19 (12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive
186.20 plan;

186.21 (13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;

186.22 (14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake
186.23 Environmental Learning Center;

186.24 (15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;

186.25 (16) 0.5 cents per ton to the Economic Development Authority of the city of Grand
186.26 Rapids for planning for the North Central Research and Technology Laboratory;

186.27 (17) 0.6 cents per ton to the city of Bovey for sewer and water extension;

186.28 (18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and

186.29 (19) ten cents per ton to the commissioner of Iron Range Resources and
186.30 Rehabilitation for deposit in a Highway 1 Corridor Account established by the
186.31 commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook,
186.32 Ely, or Tower, for economic development projects approved by ~~the Iron Range Resources~~
186.33 ~~and Rehabilitation Board~~ at least seven Iron Range Resources and Rehabilitation Board
186.34 members; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law,
186.35 interest accrued on this money while held by St. Louis County or the commissioner
186.36 shall also be distributed to the recipient.

187.1 Subd. 6. **Renewable energy.** For distributions in 2009 only, a special account is
187.2 established in the taconite environmental protection fund to receive 15.5 cents per ton that
187.3 otherwise would be allocated under section 298.28, subdivision 6. The funds are available
187.4 for cooperative projects between the Iron Range Resources and Rehabilitation Board and
187.5 local governments for renewable energy initiatives.

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