

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1057

(SENATE AUTHORS: DZIEDZIC, Tomassoni and Hawj)

DATE	D-PG	OFFICIAL STATUS
03/05/2013	570	Introduction and first reading Joint rule 2.03, referred to Rules and Administration
03/13/2013	904	Comm report: Re-referred to Jobs, Agriculture and Rural Development
03/14/2013	999	Comm report: To pass and re-referred to State and Local Government
03/20/2013		Comm report: To pass as amended and re-refer to Finance

A bill for an act

1.1 relating to state government; proposing the governor's budget for jobs and
 1.2 economic development; increasing certain fees; streamlining construction
 1.3 inspections; creating the Minnesota job creation fund; expanding the Minnesota
 1.4 Trade Offices; creating STEP grants; reducing the unemployment insurance
 1.5 tax; creating the transportation economic development assistance program;
 1.6 repealing the Minnesota Science and Technology Authority; requiring reports;
 1.7 appropriating money to various departments, agencies, and boards; amending
 1.8 Minnesota Statutes 2012, sections 116J.8731, subdivisions 2, 3; 326B.184,
 1.9 subdivisions 1, 2, by adding a subdivision; 326B.37, by adding a subdivision;
 1.10 326B.49, subdivisions 2, 3; 341.321; proposing coding for new law in Minnesota
 1.11 Statutes, chapter 116J; repealing Minnesota Statutes 2012, sections 116W.01;
 1.12 116W.02; 116W.03; 116W.035; 116W.04; 116W.05; 116W.06; 116W.20;
 1.13 116W.21; 116W.23; 116W.24; 116W.25; 116W.26; 116W.27; 116W.28; 116W.29;
 1.14 116W.30; 116W.31; 116W.32; 116W.33; 116W.34; Minnesota Rules, part
 1.15 1307.0032.
 1.16

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

ARTICLE 1

APPROPRIATIONS

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

1.21 The amounts shown in this section summarize direct appropriations, by fund, made
 1.22 in this article.

	<u>2014</u>	<u>2015</u>	<u>Total</u>
1.23 <u>General</u>	\$ 149,962,000	\$ 136,916,000	\$ 286,878,000
1.24 <u>Workforce Development</u>	17,451,000	17,451,000	34,902,000
1.25 <u>Remediation</u>	700,000	700,000	1,400,000
1.26 <u>Workers' Compensation</u>	22,784,000	22,574,000	45,358,000
1.27 <u>Total</u>	<u>\$ 190,897,000</u>	<u>\$ 177,641,000</u>	<u>\$ 368,538,000</u>

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

2.2 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.3 agencies and for the purposes specified in this article. The appropriations are from the
 2.4 general fund, or another named fund, and are available for the fiscal years indicated
 2.5 for each purpose. The figures "2014" and "2015" used in this article mean that the
 2.6 appropriations listed under them are available for the fiscal year ending June 30, 2014, or
 2.7 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal
 2.8 year 2015. "The biennium" is fiscal years 2014 and 2015.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2014</u>	<u>2015</u>

2.13 **Sec. 3. DEPARTMENT OF EMPLOYMENT**
2.14 **AND ECONOMIC DEVELOPMENT**

2.15	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>84,440,000</u>	<u>\$</u>	<u>84,440,000</u>
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	<u>Appropriations by Fund</u>		
	<u>2014</u>	<u>2015</u>	
2.17			
2.18	<u>General</u>	<u>67,318,000</u>	<u>67,318,000</u>
2.19	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.20	<u>Workforce</u>		
2.21	<u>Development</u>	<u>16,422,000</u>	<u>16,422,000</u>

2.22 The amounts that may be spent for each
 2.23 purpose are specified in the following
 2.24 subdivisions.

2.25	<u>Subd. 2. Business and Community</u>		
2.26	<u>Development</u>	<u>38,481,000</u>	<u>38,481,000</u>

	<u>Appropriations by Fund</u>		
	<u>2014</u>	<u>2015</u>	
2.27			
2.28	<u>General</u>	<u>37,442,000</u>	<u>37,442,000</u>
2.29	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.30	<u>Workforce</u>		
2.31	<u>Development</u>	<u>339,000</u>	<u>339,000</u>

2.32 (a) \$15,000,000 each year is for the
 2.33 Minnesota Investment Fund under
 2.34 Minnesota Statutes, section 116J.8731. This
 2.35 appropriation is available until spent.

3.1 (b) \$12,500,000 each year is for the
 3.2 Minnesota job creation fund under Minnesota
 3.3 Statutes, section 116J.8748. Of this amount,
 3.4 the commissioner of employment and
 3.5 economic development may use up to three
 3.6 percent for administrative expenses. This
 3.7 appropriation is available until spent.

3.8 (c) \$1,272,000 the first year and \$1,272,000
 3.9 the second year are from the general fund for
 3.10 contaminated site cleanup and development
 3.11 grants under Minnesota Statutes, sections
 3.12 116J.551 to 116J.558.

3.13 (d) \$700,000 the first year and \$700,000 the
 3.14 second year are from the remediation fund for
 3.15 contaminated site cleanup and development
 3.16 grants under Minnesota Statutes, sections
 3.17 116J.551 to 116J.558. This appropriation is
 3.18 available until expended.

3.19 (e) \$757,000 the first year and \$757,000
 3.20 the second year are from the general
 3.21 fund and \$339,000 the first year and
 3.22 \$339,000 the second year are from the
 3.23 workforce development fund for the business
 3.24 development competitive grant program.

3.25 (f) \$4,195,000 each year is from the general
 3.26 fund for the Minnesota job skills partnership
 3.27 program under Minnesota Statutes, sections
 3.28 116L.01 to 116L.17. If the appropriation for
 3.29 either year is insufficient, the appropriation
 3.30 for the other year is available. This
 3.31 appropriation is available until spent.

3.32 Subd. 3. **Workforce Development** 10,083,000 10,083,000

4.1	<u>Appropriations by Fund</u>		
4.2	<u>General</u>	<u>830,000</u>	<u>830,000</u>
4.3	<u>Workforce</u>		
4.4	<u>Development</u>	<u>9,253,000</u>	<u>9,253,000</u>
4.5	<u>(a) \$830,000 each year from the general fund</u>		
4.6	<u>and \$1,905,000 each year from the workforce</u>		
4.7	<u>development fund is for the adult workforce</u>		
4.8	<u>development competitive grant program.</u>		
4.9	<u>(b) \$3,500,000 each year is from the</u>		
4.10	<u>workforce development fund for the</u>		
4.11	<u>Minnesota youth program under Minnesota</u>		
4.12	<u>Statutes, sections 116L.56 and 116L.561.</u>		
4.13	<u>(c) \$1,000,000 each year is from the</u>		
4.14	<u>workforce development fund for the</u>		
4.15	<u>youthbuild program under Minnesota</u>		
4.16	<u>Statutes, sections 116L.361 to 116L.366.</u>		
4.17	<u>(d) \$2,848,000 each year is from the</u>		
4.18	<u>workforce development fund for the youth</u>		
4.19	<u>workforce development competitive grant</u>		
4.20	<u>program.</u>		
4.21	<u>Subd. 4. General Support Services</u>	<u>1,018,000</u>	<u>1,018,000</u>
4.22	<u>Subd. 5. Minnesota Trade Office</u>	<u>2,242,000</u>	<u>2,242,000</u>
4.23	<u>(a) \$300,000 in fiscal year 2014 and \$300,000</u>		
4.24	<u>in fiscal year 2015 are for the STEP grants in</u>		
4.25	<u>Minnesota Statutes, section 116J.979.</u>		
4.26	<u>(b) \$180,000 in fiscal year 2014 and</u>		
4.27	<u>\$180,000 in fiscal year 2015 are for the Invest</u>		
4.28	<u>Minnesota marketing initiative in Minnesota</u>		
4.29	<u>Statutes, section 116J.9801. Notwithstanding</u>		
4.30	<u>any other law, this provision does not expire.</u>		
4.31	<u>Subd. 6. Vocational Rehabilitation</u>	<u>26,691,000</u>	<u>26,691,000</u>

5.1	<u>Appropriations by Fund</u>		
5.2	<u>General</u>	<u>19,861,000</u>	<u>19,861,000</u>
5.3	<u>Workforce</u>		
5.4	<u>Development</u>	<u>6,830,000</u>	<u>6,830,000</u>

5.5 (a) \$10,800,000 each year is from the general
 5.6 fund for the state's vocational rehabilitation
 5.7 program under Minnesota Statutes, chapter
 5.8 268A.

5.9 (b) \$2,261,000 each year is from the general
 5.10 fund for grants to centers for independent
 5.11 living under Minnesota Statutes, section
 5.12 268A.11.

5.13 (c) \$5,245,000 each year from the general
 5.14 fund and \$6,830,000 each year from the
 5.15 workforce development fund is for extended
 5.16 employment services for persons with severe
 5.17 disabilities under Minnesota Statutes, section
 5.18 268A.16.

5.19 (d) \$1,555,000 each year is from the general
 5.20 fund for grants to programs that provide
 5.21 employment support services to persons with
 5.22 mental illness under Minnesota Statutes,
 5.23 sections 268A.13 and 268A.14.

5.24 Subd. 7. **Services for the Blind** 5,925,000 5,925,000

5.25 Sec. 4. **HOUSING FINANCE AGENCY**

5.26 Subdivision 1. **Total Appropriation** \$ 51,048,000 \$ 38,048,000

5.27 The amounts that may be spent for each
 5.28 purpose are specified in the following
 5.29 subdivisions.

5.30 This appropriation is for transfer to the
 5.31 housing development fund for the programs
 5.32 specified in this section. Except as otherwise
 5.33 indicated, this transfer is part of the agency's
 5.34 permanent budget base.

- 6.1 Subd. 2. Challenge Program 16,955,000 6,955,000
- 6.2 (a) This appropriation is for the economic
- 6.3 development and housing challenge program
- 6.4 under Minnesota Statutes, section 462A.33.
- 6.5 Of this amount, \$1,208,000 each year shall
- 6.6 be made available during the first 11 months
- 6.7 of the fiscal year exclusively for housing
- 6.8 projects for American Indians. Any funds not
- 6.9 committed to housing projects for American
- 6.10 Indians in the first 11 months of the fiscal year
- 6.11 shall be available for any eligible activity
- 6.12 under Minnesota Statutes, section 462A.33.
- 6.13 (b) Of this amount, \$10,000,000 is a onetime
- 6.14 appropriation and is targeted for housing in
- 6.15 communities and regions that have:
- 6.16 (1)(i) low housing vacancy rates; and
- 6.17 (ii) cooperatively developed a plan that
- 6.18 identifies current and future housing needs;
- 6.19 and
- 6.20 (2)(i) experienced job growth since 2005 and
- 6.21 have at least 2,000 jobs within the commuter
- 6.22 shed;
- 6.23 (ii) evidence of anticipated job expansion; or
- 6.24 (iii) a significant portion of area employees
- 6.25 who commute more than 30 miles between
- 6.26 their residence and their employment.
- 6.27 (c) Preference must be given among
- 6.28 comparable housing proposals to proposals
- 6.29 that include a meaningful contribution from
- 6.30 area employers that reduces the need for
- 6.31 deferred loan or grant funds from state
- 6.32 resources.
- 6.33 (d) The base funding for this program in the
- 6.34 2016-2017 biennium is \$6,955,000 each year.

7.1	<u>Subd. 3. Housing Trust Fund</u>	<u>12,555,000</u>	<u>9,555,000</u>
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7.2 (a) This appropriation is for deposit in the
 7.3 housing trust fund account created under
 7.4 Minnesota Statutes, section 462A.201, and
 7.5 may be used for the purposes provided in
 7.6 that section.

7.7 (b) Of this amount, \$2,000,000 is a onetime
 7.8 appropriation for temporary rental assistance
 7.9 for families with school-age children who
 7.10 have changed school or home at least
 7.11 once in the last school year. The agency,
 7.12 in consultation with the Department of
 7.13 Education, may establish additional targeting
 7.14 criteria.

7.15 (c) Of this amount, \$1,000,000 is a onetime
 7.16 appropriation for temporary rental assistance
 7.17 for adults who are in the process of being
 7.18 released from state correctional facilities
 7.19 or on supervised release in the community
 7.20 who are homeless or at risk of becoming
 7.21 homeless. The agency, in consultation with
 7.22 the Department of Corrections, may establish
 7.23 additional targeting criteria to identify
 7.24 those adults most at risk of reentering state
 7.25 correctional facilities.

7.26 (d) The base funding for this program in fiscal
 7.27 years 2016 and 2017 is \$9,555,000 each year.

7.28	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>2,638,000</u>	<u>2,638,000</u>
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7.29 This appropriation is for the rental housing
 7.30 assistance program under Minnesota
 7.31 Statutes, section 462A.2097.

7.32	<u>Subd. 5. Family Homeless Prevention</u>	<u>7,465,000</u>	<u>7,465,000</u>
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8.1 This appropriation is for the family homeless
 8.2 prevention and assistance programs under
 8.3 Minnesota Statutes, section 462A.204.

8.4 **Subd. 6. Home Ownership Assistance Fund** 797,000 797,000

8.5 This appropriation is for the home ownership
 8.6 assistance program under Minnesota
 8.7 Statutes, section 462A.21, subdivision 8.

8.8 **Subd. 7. Affordable Rental Investment Fund** 4,218,834 4,218,834

8.9 (a) This appropriation is for the affordable
 8.10 rental investment fund program under
 8.11 Minnesota Statutes, section 462A.21,
 8.12 subdivision 8b, to finance the acquisition,
 8.13 rehabilitation, and debt restructuring of
 8.14 federally assisted rental property and for
 8.15 making equity takeout loans under Minnesota
 8.16 Statutes, section 462A.05, subdivision 39.

8.17 (b) The owner of federally assisted rental
 8.18 property must agree to participate in
 8.19 the applicable federally assisted housing
 8.20 program and to extend any existing
 8.21 low-income affordability restrictions on the
 8.22 housing for the maximum term permitted.

8.23 The owner must also enter into an agreement
 8.24 that gives local units of government,
 8.25 housing and redevelopment authorities,
 8.26 and nonprofit housing organizations the
 8.27 right of first refusal if the rental property
 8.28 is offered for sale. Priority must be given
 8.29 among comparable federally assisted rental
 8.30 properties to properties with the longest
 8.31 remaining term under an agreement for
 8.32 federal assistance. Priority must also be
 8.33 given among comparable rental housing
 8.34 developments to developments that are or
 8.35 will be owned by local government units, a

9.1 housing and redevelopment authority, or a
 9.2 nonprofit housing organization.

9.3 (c) The appropriation also may be used to
 9.4 finance the acquisition, rehabilitation, and
 9.5 debt restructuring of existing supportive
 9.6 housing properties. For purposes of this
 9.7 subdivision, "supportive housing" means
 9.8 affordable rental housing with links to
 9.9 services necessary for individuals, youth, and
 9.10 families with children to maintain housing
 9.11 stability.

9.12 (d) The base funding for the affordable rental
 9.13 investment fund program under Minnesota
 9.14 Statutes, section 462A.21, subdivision 8b,
 9.15 in fiscal years 2016 and 2017, is \$8,996,000
 9.16 each year.

9.17 **Subd. 8. Housing Rehabilitation** 5,543,166 5,543,166

9.18 This appropriation is for the housing
 9.19 rehabilitation program under Minnesota
 9.20 Statutes, section 462A.05, subdivision 14.

9.21 **Subd. 9. Homeownership Education,**
 9.22 **Counseling, and Training** 751,000 751,000

9.23 This appropriation is for the homeownership
 9.24 education, counseling, and training program
 9.25 under Minnesota Statutes, section 462A.209.

9.26 **Subd. 10. Capacity-Building Grants** 125,000 125,000

9.27 This appropriation is for nonprofit
 9.28 capacity-building grants under Minnesota
 9.29 Statutes, section 462A.21, subdivision 3b.

9.30 **Sec. 5. DEPARTMENT OF LABOR AND**
 9.31 **INDUSTRY**

9.32 **Subdivision 1. Total Appropriation** **\$ 22,866,000** **\$ 22,866,000**

9.33 Appropriations by Fund
 9.34 2014 2015

10.1	<u>General</u>	<u>966,000</u>	<u>966,000</u>
10.2	<u>Workers'</u>		
10.3	<u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
10.4	<u>Workforce</u>		
10.5	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

10.6 The amounts that may be spent for each
 10.7 purpose are specified in the following
 10.8 subdivisions.

10.9 **Subd. 2. Workers' Compensation** 10,678,000 10,678,000

10.10 This appropriation is from the workers'
 10.11 compensation fund.

10.12 \$200,000 each year is for grants to the
 10.13 Vinland Center for rehabilitation services.

10.14 Grants shall be distributed as the department
 10.15 refers injured workers to the Vinland Center
 10.16 for rehabilitation services.

10.17 **Subd. 3. Labor Standards and Apprenticeship** 1,995,000 1,995,000

10.18	<u>Appropriations by Fund</u>		
10.19	<u>General</u>	<u>966,000</u>	<u>966,000</u>
10.20	<u>Workforce</u>		
10.21	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

10.22 (a) \$816,000 each year is from the
 10.23 general fund for the labor standards and
 10.24 apprenticeship program.

10.25 (b) \$150,000 each year is from the general
 10.26 fund for a child labor initiative for expanding
 10.27 education and outreach to high schools and
 10.28 targeted industries to ensure minors entering
 10.29 the workforce are safe.

10.30 (c) \$879,000 each year is appropriated from
 10.31 the workforce development fund for the
 10.32 apprenticeship program under Minnesota
 10.33 Statutes, chapter 178, and includes \$100,000
 10.34 for labor education and advancement
 10.35 program grants and to expand and promote

11.1 registered apprenticeship training in
 11.2 nonconstruction trade programs.
 11.3 (d) \$150,000 each year is appropriated
 11.4 from the workforce development fund for
 11.5 prevailing wage enforcement.

11.6 **Subd. 4. Workplace Safety** 4,154,000 4,154,000

11.7 This appropriation is from the workers'
 11.8 compensation fund.

11.9 **Subd. 5. General Support** 6,039,000 6,039,000

11.10 This appropriation is from the workers'
 11.11 compensation fund.

11.12 **Sec. 6. EXPLORE MINNESOTA TOURISM** **\$ 16,225,000** **\$ 16,225,000**

11.13 (a) Of this amount, \$12,000 each year is for a
 11.14 grant to the Upper Minnesota Film Office.

11.15 (b)(1) To develop maximum private sector
 11.16 involvement in tourism, \$500,000 in fiscal
 11.17 year 2014 and \$500,000 in fiscal year 2015
 11.18 must be matched by Explore Minnesota
 11.19 Tourism from nonstate sources. Each \$1 of
 11.20 state incentive must be matched with \$6 of
 11.21 private sector funding. Cash match is defined
 11.22 as revenue to the state or documented cash
 11.23 expenditures directly expended to support
 11.24 Explore Minnesota Tourism programs. Up
 11.25 to one-half of the private sector contribution
 11.26 may be in-kind or soft match. The incentive
 11.27 in fiscal year 2014 shall be based on fiscal
 11.28 year 2013 private sector contributions. The
 11.29 incentive in fiscal year 2015 shall be based on
 11.30 fiscal year 2014 private sector contributions.

11.31 This incentive is ongoing.

11.32 (2) Funding for the marketing grants is
 11.33 available either year of the biennium.

13.1 Bureau of Mediation Services for transfer
 13.2 to the Office of Enterprise Technology to
 13.3 develop a new business management system
 13.4 for case and document management. This is
 13.5 a onetime appropriation and is available for
 13.6 spending until June 30, 2015. Any ongoing
 13.7 information technology support or costs for
 13.8 this application will be incorporated into the
 13.9 service level agreement and will be paid to
 13.10 the Office of Enterprise Technology by the
 13.11 Bureau of Mediation Services under the rates
 13.12 and mechanism specified in that agreement.
 13.13 Of this amount, \$25,000 each year is added
 13.14 to the Bureau of Mediation Services base
 13.15 budget to cover the information technology
 13.16 support costs for this application.

13.17 Sec. 9. BOARD OF ACCOUNTANCY \$ 480,000 \$ 480,000

13.18 Sec. 10. BOARD OF ARCHITECTURE,
 13.19 ENGINEERING, LAND SURVEYING,
 13.20 LANDSCAPE ARCHITECTURE,
 13.21 GEOSCIENCE, AND INTERIOR DESIGN \$ 774,000 \$ 774,000

13.22 Sec. 11. BOARD OF COSMETOLOGIST
 13.23 EXAMINERS \$ 1,046,000 \$ 1,046,000

13.24 Sec. 12. BOARD OF BARBER EXAMINERS \$ 257,000 \$ 257,000

13.25 Sec. 13. WORKERS' COMPENSATION
 13.26 COURT OF APPEALS \$ 1,913,000 \$ 1,703,000

13.27 This appropriation is from the workers'
 13.28 compensation fund.

13.29 Of this appropriation, \$110,000 is a
 13.30 onetime appropriation and is available for
 13.31 spending until June 30, 2015. \$110,000 in
 13.32 fiscal year 2014 is appropriated from the
 13.33 workers' compensation fund to the Workers'

14.1 Compensation Court of Appeals for transfer
 14.2 to the Office of Enterprise Technology to
 14.3 develop a paperless case management system
 14.4 and to ensure that services and hardware
 14.5 are accessible and compatible with systems
 14.6 with which the Workers' Compensation
 14.7 Court of Appeals must interact. This is a
 14.8 onetime appropriation and is available for
 14.9 spending until June 30, 2015. Any ongoing
 14.10 information technology support or costs for
 14.11 this application will be incorporated into the
 14.12 service level agreement and will be paid to
 14.13 the Office of Enterprise Technology by the
 14.14 Workers' Compensation Court of Appeals
 14.15 under the rates and mechanism specified in
 14.16 that agreement.

14.17 **ARTICLE 2**

14.18 **DEPARTMENT OF LABOR AND INDUSTRY**

14.19 Section 1. Minnesota Statutes 2012, section 326B.184, subdivision 1, is amended to
 14.20 read:

14.21 Subdivision 1. **Permits.** No person may construct, install, alter, repair, or remove
 14.22 an elevator without first filing an application for a permit with the department or a
 14.23 municipality authorized by subdivision 4 to inspect elevators. A permit issued by the
 14.24 department is valid for work commenced within 12 months of application and completed
 14.25 within two years of application. Where no work is commenced within 12 months of
 14.26 application, an applicant may cancel the permit and request a refund of inspection fees.

14.27 Sec. 2. Minnesota Statutes 2012, section 326B.184, is amended by adding a
 14.28 subdivision to read:

14.29 Subd. 1a. **Department permit and inspection fees.** (a) The department permit and
 14.30 inspection fees to construct, install, alter, repair, or remove an elevator are as follows:

14.31 (1) the permit fee is \$100;

14.32 (2) the inspection fee is 0.015 of the total cost of the permitted work for labor and
 14.33 materials, including related electrical and mechanical equipment. The inspection fee
 14.34 covers two inspections. The inspection fee for additional inspections is \$80 per hour;

15.1 (3) when inspections scheduled by the permit submitter are not able to be completed
15.2 because the work is not complete, a fee equal to two hours at the hourly rate of \$80 must
15.3 be paid by the permit submitter; and

15.4 (4) when the owner or permit holder requests inspections be performed outside of
15.5 normal work hours or on weekends or holidays, an hourly rate of \$120 in addition to
15.6 the inspection fee must be paid.

15.7 (b) The department fees for inspection of existing elevators when requested by the
15.8 elevator owner or as a result of an accident resulting in personal injury are at an hourly rate
15.9 of \$80 during normal work hours or \$120 outside of normal work hours or on weekends or
15.10 holidays, with a one-hour minimum.

15.11 Sec. 3. Minnesota Statutes 2012, section 326B.184, subdivision 2, is amended to read:

15.12 Subd. 2. **Operating permits and fees; periodic inspections.** (a) No person may
15.13 operate an elevator without first obtaining an annual operating permit from the department
15.14 or a municipality authorized by subdivision 4 to issue annual operating permits. A \$100
15.15 annual operating permit fee must be paid to the department for each annual operating
15.16 permit issued by the department, except that the original annual operating permit must
15.17 be included in the permit fee for the initial installation of the elevator. Annual operating
15.18 permits must be issued at 12-month intervals from the date of the initial annual operating
15.19 permit. For each subsequent year, an owner must be granted an annual operating permit
15.20 for the elevator upon the owner's or owner's agent's submission of a form prescribed by
15.21 the commissioner and payment of the \$100 fee. Each form must include the location of
15.22 the elevator, the results of any periodic test required by the code, and any other criteria
15.23 established by rule. An annual operating permit may be revoked by the commissioner upon
15.24 an audit of the periodic testing results submitted with the application or a failure to comply
15.25 with elevator code requirements, inspections, or any other law related to elevators. Except
15.26 for an initial operating permit fee, hand-powered manlifts and electric endless belt manlifts,
15.27 and vertical reciprocating conveyors are not subject to a subsequent operating permit fee.

15.28 (b) All elevators are subject to periodic inspections by the department or a
15.29 municipality authorized by subdivision 4 to perform periodic inspections, except that
15.30 hand-powered manlifts and electric endless belt manlifts are exempt from periodic
15.31 inspections. Periodic inspections by the department shall be performed at the following
15.32 intervals:

15.33 (1) a special purpose personnel elevator is subject to inspection not more than once
15.34 every five years;

- 16.1 (2) an elevator located within a house of worship that does not have attached school
 16.2 facilities is subject to inspection not more than once every three years; and
 16.3 (3) all other elevators are subject to inspection not more than once each year.

16.4 Sec. 4. Minnesota Statutes 2012, section 326B.37, is amended by adding a subdivision
 16.5 to read:

16.6 Subd. 15. Utility interconnected wind generation installations. (a) Fees
 16.7 associated with utility interconnected generation installations consisting of one or more
 16.8 generator sources interconnected with a utility power system and not supplying other
 16.9 premises loads are calculated according to paragraph (b) or (c).

16.10 (b) The inspection fee is calculated according to subdivisions 2, 3, 4, and 6,
 16.11 paragraphs (d), (f), (j), and (k). A fee must be included for the generators and utility
 16.12 interconnect feeders, but not for a utility service.

16.13 (c) There is a plan review fee and inspection fee for the entire electrical installation.
 16.14 The plan review fee is based on the valuation of the electrical installation related to one of
 16.15 the generator systems that is part of the overall installation, not to include the supporting
 16.16 tower or other nonelectrical equipment or structures, calculated according to section
 16.17 326B.153, subdivision 2. The inspection fee is \$80 for each individual tower, including
 16.18 any voltage matching transformers located at the tower, and the fee for the feeders
 16.19 interconnecting the individual towers to the utility power system is calculated according to
 16.20 subdivisions 4 and 6, paragraph (k).

16.21 Sec. 5. Minnesota Statutes 2012, section 326B.49, subdivision 2, is amended to read:

16.22 **Subd. 2. Fees for plan reviews and audits.** Plumbing system plans and
 16.23 specifications that are submitted to the commissioner for review shall be accompanied by
 16.24 the appropriate plan examination fees. If the commissioner determines, upon review of
 16.25 the plans, that inadequate fees were paid, the necessary additional fees shall be paid prior
 16.26 to plan approval. The commissioner shall charge the following fees for plan reviews and
 16.27 audits of plumbing installations for public, commercial, and industrial buildings:

16.28 (1) systems with both water distribution and drain, waste, and vent systems and
 16.29 having:

- 16.30 (i) 25 or fewer drainage fixture units, \$150;
 16.31 (ii) 26 to 50 drainage fixture units, \$250;
 16.32 (iii) 51 to 150 drainage fixture units, \$350;
 16.33 (iv) 151 to 249 drainage fixture units, \$500;

17.1 (v) 250 or more drainage fixture units, \$3 per drainage fixture unit to a maximum
17.2 of \$4,000; and

17.3 (vi) interceptors, separators, or catch basins, \$70 per interceptor, separator, or catch
17.4 basin design;

17.5 (2) building sewer service only, \$150;

17.6 (3) building water service only, \$150;

17.7 (4) building water distribution system only, no drainage system, \$5 per supply
17.8 fixture unit or \$150, whichever is greater;

17.9 (5) storm drainage system, a minimum fee of \$150 or:

17.10 (i) \$50 per drain opening, up to a maximum of \$500; and

17.11 (ii) \$70 per interceptor, separator, or catch basin design;

17.12 (6) manufactured home park or campground, one to 25 sites, \$300;

17.13 (7) manufactured home park or campground, 26 to 50 sites, \$350;

17.14 (8) manufactured home park or campground, 51 to 125 sites, \$400;

17.15 (9) manufactured home park or campground, more than 125 sites, \$500; and

17.16 ~~(10) accelerated review, double the regular fee, one-half to be refunded if no
17.17 response from the commissioner within 15 business days; and~~

17.18 ~~(11)~~ (10) revision to previously reviewed or incomplete plans:

17.19 (i) review of plans for which the commissioner has issued two or more requests for
17.20 additional information, per review, \$100 or ten percent of the original fee, whichever
17.21 is greater;

17.22 (ii) proposer-requested revision with no increase in project scope, \$50 or ten percent
17.23 of original fee, whichever is greater; and

17.24 (iii) proposer-requested revision with an increase in project scope, \$50 plus the
17.25 difference between the original project fee and the revised project fee.

17.26 **EFFECTIVE DATE.** This section is effective January 1, 2014.

17.27 Sec. 6. Minnesota Statutes 2012, section 326B.49, subdivision 3, is amended to read:

17.28 Subd. 3. **Inspection Permits; fees.** ~~The commissioner shall charge the following
17.29 fees for inspections under sections 326B.42 to 326B.49:~~

17.30	Residential inspection fee (each visit)	\$ 50
17.31	Public, Commercial, and Industrial Inspections	Inspection Fee
17.32	25 or fewer drainage fixture units	\$ 300
17.33	26 to 50 drainage fixture units	\$ 900
17.34	51 to 150 drainage fixture units	\$ 1,200
17.35	151 to 249 drainage fixture units	\$ 1,500

18.1 ~~250 or more drainage fixture units~~ \$ 1,800
 18.2 ~~Callback fee (each visit)~~ \$ 100

18.3 (a) The permit fee is \$100.

18.4 (b) The residential inspection fee is \$50 for each inspection trip.

18.5 (c) The public, commercial, and industrial inspection fees are as follows:

18.6 (1) for systems with water distribution, drain, waste, and vent system connection:

18.7 (i) \$25 for each fixture, permanently connected appliance, floor drain, or other

18.8 appurtenance;

18.9 (ii) \$25 for each water conditioning, water treatment, or water filtration system;

18.10 (iii) \$25 for each interceptor, separator, catch basin, or manhole;

18.11 (2) roof drains, \$25 for each drain;

18.12 (3) building sewer service only, \$100;

18.13 (4) building water service only, \$100;

18.14 (5) building water distribution system only, no drainage system, \$5 for each fixture
 18.15 supplied;

18.16 (6) storm drainage system, a minimum fee of \$25 for each drain opening, interceptor,
 18.17 separator, or catch basin;

18.18 (7) manufactured home park or campground, \$25 for each site;

18.19 (8) reinspection fee to verify corrections, regardless of the total fee submitted, \$100
 18.20 for each reinspection; and

18.21 (9) each \$100 in fees paid covers one inspection trip.

18.22 (d) In addition to the fees in paragraph (c), the fee submitter must pay an hourly rate of
 18.23 \$80 during regular business hours, or \$120 when inspections are requested to be performed
 18.24 outside of normal work hours or on weekends and holidays, with a two-hour minimum
 18.25 where the fee submitter requests inspections of installations as systems are being installed.

18.26 (e) The fee submitter must pay a fee equal to two hours at the hourly rate of \$80
 18.27 when inspections scheduled by the submitter are not able to be completed because the
 18.28 work is not complete.

18.29 Sec. 7. Minnesota Statutes 2012, section 341.321, is amended to read:

18.30 **341.321 FEE SCHEDULE.**

18.31 (a) The fee schedule for professional licenses issued by the commissioner is as
 18.32 follows:

18.33 (1) referees, ~~\$45~~ \$80 for each initial license and each renewal;

18.34 (2) promoters, ~~\$400~~ \$700 for each initial license and each renewal;

18.35 (3) judges and knockdown judges, ~~\$45~~ \$80 for each initial license and each renewal;

- 19.1 (4) trainers, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.2 (5) ring announcers, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.3 (6) seconds, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.4 (7) timekeepers, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.5 (8) combatants, ~~\$45~~ \$120 for each initial license and each renewal;
- 19.6 (9) managers, ~~\$45~~ \$80 for each initial license and each renewal; and
- 19.7 (10) ringside physicians, ~~\$45~~ \$80 for each initial license and each renewal.

19.8 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision
 19.9 2, if applicable, an individual who applies for a professional license on the same day the
 19.10 combative sporting event is held shall pay a late fee of \$100 plus the original license fee of
 19.11 ~~\$45~~ \$120 at the time the application is submitted.

19.12 (b) The fee schedule for amateur licenses issued by the commissioner is as follows:

- 19.13 (1) referees, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.14 (2) promoters, ~~\$400~~ \$700 for each initial license and each renewal;
- 19.15 (3) judges and knockdown judges, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.16 (4) trainers, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.17 (5) ring announcers, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.18 (6) seconds, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.19 (7) timekeepers, ~~\$45~~ \$80 for each initial license and each renewal;
- 19.20 (8) combatant, ~~\$25~~ \$60 for each initial license and each renewal;
- 19.21 (9) managers, ~~\$45~~ \$80 for each initial license and each renewal; and
- 19.22 (10) ringside physicians, ~~\$45~~ \$80 for each initial license and each renewal.

19.23 (c) The commissioner shall establish a contest fee for each combative sport contest.

19.24 The professional combative sport contest fee is \$1,500 per event or not more than four
 19.25 percent of the gross ticket sales, whichever is greater, as determined by the commissioner
 19.26 when the combative sport contest is scheduled, ~~except that~~ the amateur combative sport
 19.27 contest fee shall be ~~\$500~~ \$1,500 or not more than four percent of the gross ticket sales,
 19.28 whichever is greater. The commissioner shall consider the size and type of venue when
 19.29 establishing a contest fee. The commissioner may establish the maximum number
 19.30 of complimentary tickets allowed for each event by rule. A professional or amateur
 19.31 combative sport contest fee is nonrefundable.

19.32 (d) All fees and penalties collected by the commissioner must be deposited in the
 19.33 commissioner account in the special revenue fund.

19.34 **Sec. 8. REPEALER.**

19.35 Minnesota Rules, part 1307.0032, is repealed.

20.1 **ARTICLE 3**

20.2 **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

20.3 Section 1. Minnesota Statutes 2012, section 116J.8731, subdivision 2, is amended to
20.4 read:

20.5 Subd. 2. **Administration.** The commissioner shall administer the fund as part of
20.6 the Small Cities Development Block Grant Program. Funds shall be made available to
20.7 local communities and recognized Indian tribal governments in accordance with the rules
20.8 adopted for economic development grants in the small cities community development
20.9 block grant program, except that all units of general purpose local government are eligible
20.10 applicants for Minnesota investment funds. The commissioner may provide forgivable
20.11 loans directly to a private enterprise and not require a local community or recognized
20.12 Indian tribal government application other than a resolution supporting the assistance.

20.13 The commissioner may also make funds available within the department for eligible
20.14 expenditures under subdivision 3, clause (2). A home rule charter or statutory city, county,
20.15 or town may loan or grant money received from repayment of funds awarded under
20.16 this section to a regional development commission, other regional entity, or statewide
20.17 community capital fund as determined by the commissioner, to capitalize or to provide the
20.18 local match required for capitalization of a regional or statewide revolving loan fund.

20.19 Sec. 2. Minnesota Statutes 2012, section 116J.8731, subdivision 3, is amended to read:

20.20 Subd. 3. **Eligible expenditures.** The money appropriated for this section may
20.21 be used to:

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

20.26 (2) fund strategic investments in renewable energy market development, such as
20.27 low interest loans for renewable energy equipment manufacturing, training grants to
20.28 support renewable energy workforce, development of a renewable energy supply chain
20.29 that represents and strengthens the industry throughout the state, and external marketing
20.30 to garner more national and international investment into Minnesota's renewable sector.
20.31 Expenditures in external marketing for renewable energy market development are not
20.32 subject to the limitations in clause (1); and

20.33 (3) provide private entrepreneurs with training, other technical assistance, and
20.34 financial assistance, as provided in the small cities development block grant program.

21.1 Sec. 3. [116J.8748] MINNESOTA JOB CREATION FUND.

21.2 Subdivision 1. Definitions. (a) For purposes of this section, the following terms
21.3 have the meanings given.

21.4 (b) "Agreement" or "business subsidy agreement" means a business subsidy
21.5 agreement under section 116J.994 that must include, but is not limited to: specification
21.6 of the duration of the agreement, job goals and a timeline for achieving those goals over
21.7 the duration of the agreement, construction and other investment goals and a timeline for
21.8 achieving those goals over the duration of the agreement, and the value of benefits the
21.9 firm may receive following achievement of construction and employment goals. The local
21.10 government and business must report to the commissioner on the business performance
21.11 using the forms developed by the commissioner.

21.12 (c) "Business" means an individual, corporation, partnership, limited liability
21.13 company, association, or other entity.

21.14 (d) "Capital investment" means money that is expended for the purpose of building
21.15 or improving real fixed property where employees under paragraphs (g) and (h) are or will
21.16 be employed and also includes construction materials, services, and supplies.

21.17 (e) "Commissioner" means the commissioner of employment and economic
21.18 development.

21.19 (f) "Minnesota job creation fund business" means a business that is designated
21.20 by the commissioner under subdivision 3.

21.21 (g) "New full-time employee" means an employee who:

21.22 (1) begins work at a Minnesota job creation fund business facility noted in a business
21.23 subsidy agreement and following the execution of the agreement; and

21.24 (2) has expected work hours of at least 2,080 hours annually.

21.25 (h) "Retained job" means a full-time position:

21.26 (1) that existed at the facility prior to the execution of the agreement; and

21.27 (2) has expected work hours of at least 2,080 hours annually.

21.28 (i) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

21.29 Subd. 2. Application. (a) In order to qualify for designation as a Minnesota job
21.30 creation fund business under subdivision 3, a business must submit an application to the
21.31 local government entity where the facility is or will be located.

21.32 (b) A local government must submit the business application along with other
21.33 application materials to the commissioner for approval.

21.34 (c) The applications required under paragraphs (a) and (b) must be in the form and
21.35 be made under the procedures specified by the commissioner.

22.1 Subd. 3. Minnesota job creation fund business designation; requirements. (a)

22.2 To receive designation as a Minnesota job creation fund business, a business must satisfy
22.3 all of the following conditions:

22.4 (1) the business is or will be engaged in, within Minnesota, one of the following
22.5 as its primary business activity:

22.6 (i) manufacturing;

22.7 (ii) warehousing;

22.8 (iii) distribution;

22.9 (iv) information technology;

22.10 (v) finance;

22.11 (vi) insurance; or

22.12 (vii) professional or technical services;

22.13 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;
22.14 professional sports; political consulting; leisure; hospitality; or professional services
22.15 provided by attorneys, accountants, business consultants, physicians, or health care
22.16 consultants; or primarily engaged in making retail sales to purchasers who are physically
22.17 present at the business's location;

22.18 (3) the business must enter into a binding construction and job creation business
22.19 subsidy agreement with the commissioner to expend at least \$500,000 in capital
22.20 investment in a construction project that includes a new, expanded, or remodeled facility
22.21 within one year following designation as a Minnesota job creation fund business and:

22.22 (i) create at least ten new full-time employee positions within two years of the
22.23 benefit date following the designation as a Minnesota job creation fund business; or

22.24 (ii) expend at least \$25,000,000 in capital investment and retain at least 200
22.25 employees;

22.26 (4) positions or employees moved or relocated from another Minnesota location
22.27 of the Minnesota job creation fund business must not be included in any calculation or
22.28 determination of job creation or new positions under this paragraph; and

22.29 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce
22.30 the working hours of an employee for the purpose of hiring an individual to satisfy job
22.31 creation goals under this subdivision.

22.32 (b) Prior to approving the proposed designation of a business under this subdivision,
22.33 the commissioner shall consider the following:

22.34 (1) the economic outlook of the industry in which the business engages;

22.35 (2) the projected sales of the business that will be generated from outside the state
22.36 of Minnesota;

23.1 (3) how the business will build on existing regional, national, and international
 23.2 strengths to diversify the state's economy;

23.3 (4) whether the business activity would occur without financial assistance;

23.4 (5) whether the business is unable to expand at an existing Minnesota operation
 23.5 due to facility or land limitations;

23.6 (6) whether the business has viable location options outside Minnesota;

23.7 (7) the effect of financial assistance on industry competitors in Minnesota;

23.8 (8) financial contributions to the project made by local governments; and

23.9 (9) any other criteria the commissioner deems necessary.

23.10 (c) Upon receiving notification of local approval under subdivision 2, the
 23.11 commissioner shall review the determination by the local government and consider the
 23.12 conditions listed in paragraphs (a) and (b), to determine whether it is in the best interests of
 23.13 the state and local area to designate a business as a Minnesota job creation fund business.

23.14 (d) If the commissioner designates a business as a Minnesota job creation fund
 23.15 business, the business subsidy agreement shall include the performance outcome
 23.16 commitments and the expected financial value of any Minnesota job creation fund benefits.

23.17 (e) The commissioner may amend an agreement once, upon request of a local
 23.18 government on behalf of a business, only if the performance is expected to exceed
 23.19 thresholds stated in the original agreement.

23.20 (f) A business may apply to be designated as a Minnesota job creation fund business
 23.21 at the same location more than once only if all goals under a previous Minnesota job
 23.22 creation fund agreement had been met and the agreement was completed.

23.23 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
 23.24 creation fund business as eligible to receive a specific value of benefit under paragraphs
 23.25 (b) and (c) when the business has achieved its job creation and construction goals noted in
 23.26 its agreement under subdivision 3.

23.27 (b) A qualified Minnesota job creation fund business may be certified eligible for the
 23.28 benefits in this paragraph for up to five years as determined by the commissioner when
 23.29 considering the best interests of the state and local area. The eligibility for the following
 23.30 benefits begins the date the commissioner certifies the business as a qualified Minnesota
 23.31 job creation fund business under this subdivision:

23.32 (1) up to five percent rebate on capital investment on qualifying purchases as
 23.33 provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

23.34 (2) an award of up to \$500,000 based on full-time job creation and wages paid as
 23.35 provided in subdivision 6 with the total award not to exceed \$500,000;

24.1 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation
24.2 awards are allowable for projects that have at least \$25,000,000 in capital investment and
24.3 200 new employees; and

24.4 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that
24.5 have at least \$25,000,000 in capital investment and 200 retained employees.

24.6 (c) The job creation award may be provided in multiple years as long as the qualified
24.7 Minnesota job creation fund business continues to meet the job creation goals provided
24.8 for in its agreement under subdivision 3 and the total award does not exceed \$500,000
24.9 except as provided under paragraph (b), clauses (3) and (4).

24.10 (d) No rebates or award may be provided until the Minnesota job creation fund
24.11 business has at least \$500,000 in capital investment in the project and at least ten full-time
24.12 jobs have been created and maintained for at least one year or the retained employees, as
24.13 provided in paragraph (b), clause (4), remain for at least one year. The agreement may
24.14 require additional performance outcomes that need to be achieved before rebates and
24.15 awards are provided. If fewer retained jobs are maintained, the capital investment award
24.16 shall be reduced on a proportionate basis.

24.17 (e) The forms needed to be submitted to document performance by the Minnesota
24.18 job creation fund business must be in the form and be made under the procedures specified
24.19 by the commissioner. The forms shall include documentation and certification by the
24.20 business that it is in compliance with the business subsidy agreement, sections 116L.66,
24.21 116J.871, and other provisions as specified by the commissioner.

24.22 (f) Minnesota job creation fund businesses must pay each new full-time employee
24.23 added pursuant to the agreement total compensation, including benefits not mandated by
24.24 law, that on an annualized basis is equal to at least 110 percent of the federal poverty
24.25 level for a family of four.

24.26 Subd. 5. **Capital investment rebate.** (a) A qualified Minnesota job creation fund
24.27 business is eligible for a rebate on the purchase and use of construction materials, services,
24.28 and supplies used for or consumed in the construction project as described in the goals
24.29 under the agreement provided under subdivision 1, paragraph (a).

24.30 (b) The rebate under this subdivision applies regardless of whether the purchases are
24.31 made by the qualified Minnesota job creation fund business or a contractor hired to perform
24.32 work or provide services at the qualified Minnesota job creation fund business location.

24.33 (c) Minnesota job creation fund businesses seeking the rebate for capital investment
24.34 provided under subdivision 4 must submit forms and applications to the Department of
24.35 Employment and Economic Development as prescribed by the commissioner of each
24.36 department.

25.1 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business
 25.2 is eligible for an annual award for each new job created and maintained by the business
 25.3 using the following schedule: \$1,000 for each job position paying annual wages at least
 25.4 \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but
 25.5 less than \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted
 25.6 in the goals under the agreement provided under subdivision 1.

25.7 (b) The job creation award schedule must be adjusted annually using the percentage
 25.8 increase in the federal poverty level for a family of four.

25.9 (c) Minnesota job creation fund businesses seeking an award credit provided under
 25.10 subdivision 4 must submit forms and applications to the Department of Employment and
 25.11 Economic Development as prescribed by the commissioner.

25.12 Subd. 7. **Rules.** The procedures and operations used by the commissioner are
 25.13 exempt from the rulemaking provisions of chapter 14.

25.14 **EFFECTIVE DATE.** This section is effective January 1, 2014.

25.15 Sec. 4. **[116J.978] MINNESOTA TRADE OFFICES IN FOREIGN MARKETS.**

25.16 (a) The commissioner of employment and economic development shall establish
 25.17 three new Minnesota Trade Offices in key foreign markets selected for their potential to
 25.18 increase Minnesota exports and attract foreign direct investment.

25.19 (b) The commissioner shall establish a performance rating system for the new offices
 25.20 established under this section and create specific annual goals for the offices to meet. The
 25.21 commissioner shall monitor activities of the office, including, but not limited to, the number
 25.22 of inquiries and projects received and completed, meetings arranged between Minnesota
 25.23 companies and potential investors, distributors, or customers, and agreements signed.

25.24 Sec. 5. **[116J.979] MINNESOTA STEP GRANTS.**

25.25 Subdivision 1. **Establishment.** The commissioner of employment and economic
 25.26 development shall create a State Trade and Export Promotion grants program, hereafter
 25.27 STEP grants, to provide financial and technical assistance to eligible Minnesota small
 25.28 businesses with an active interest in exporting products or services to foreign markets.

25.29 Subd. 2. **Grants.** Recipients may apply, on an application devised by the
 25.30 commissioner, for up to \$7,500 in reimbursement for approved export-development
 25.31 activities, including, but not limited to:

25.32 (1) participation in trade missions;

25.33 (2) export training;

25.34 (3) exhibition at trade shows or industry-specific events;

- 26.1 (4) translation of marketing materials;
 26.2 (5) development of foreign language Web sites, Gold Key, or other business
 26.3 matchmaking services;
 26.4 (6) company-specific international sales activities; and
 26.5 (7) testing and certification required to sell products in foreign markets.

26.6 **Sec. 6. [116J.9801] INVEST MINNESOTA.**

26.7 The commissioner shall establish the Invest Minnesota marketing initiative. This
 26.8 initiative must focus on branding the state's economic development initiatives and
 26.9 promoting Minnesota business opportunities. The initiative may include measures to
 26.10 communicate the benefits of doing business in Minnesota to companies considering
 26.11 relocating, establishing a United States presence, or expanding.

26.12 **Sec. 7. UNEMPLOYMENT INSURANCE EMPLOYER TAX REDUCTION.**

26.13 (a) Notwithstanding Minnesota Statutes, section 268.051, subdivision 2, if, on
 26.14 September 30, 2013, the balance in the Minnesota Unemployment Trust Fund is more than
 26.15 \$800,000,000, the base tax rate for calendar year 2014 is 0.1 percent and there will be no
 26.16 additional assessment assigned. If, on September 30, 2014, the balance in the Minnesota
 26.17 Unemployment Trust Fund is more than \$900,000,000, the base tax rate for calendar year
 26.18 2015 is 0.1 percent and there will be no additional assessment assigned.

26.19 (b) This section expires December 31, 2015.

26.20 **ARTICLE 4**

26.21 **DEPARTMENT OF TRANSPORTATION**

26.22 **Section 1. [116J.4365] TRANSPORTATION ECONOMIC DEVELOPMENT**
 26.23 **ASSISTANCE PROGRAM.**

26.24 Subdivision 1. **Program established.** (a) The commissioners of transportation and
 26.25 employment and economic development shall develop and implement a transportation
 26.26 economic development assistance program as provided in this section, for providing
 26.27 financial assistance on a geographically balanced basis through competitive grants
 26.28 for projects in all modes of transportation that provide measurable local, regional, or
 26.29 statewide economic benefit.

26.30 (b) The commissioners of transportation and employment and economic
 26.31 development may provide financial assistance for a transportation project at their
 26.32 discretion, subject to the requirements of this section.

27.1 Subd. 2. **Transportation economic development account.** (a) A transportation
27.2 economic development account is established in the special revenue fund under the
27.3 budgetary jurisdiction of the senate and house of representatives committees having
27.4 jurisdiction over transportation finance. The account consists of funds donated, allotted,
27.5 transferred, or otherwise provided to the account.

27.6 (b) Money in the account may be expended only as appropriated by law.

27.7 (c) Notwithstanding paragraph (a), the account may not contain money transferred
27.8 or otherwise provided from the trunk highway fund.

27.9 Subd. 3. **Program administration.** In implementing the transportation economic
27.10 development assistance program, the commissioners of transportation and employment
27.11 and economic development shall make reasonable efforts to (1) publicize each solicitation
27.12 for applications among all eligible recipients, and (2) provide technical and informational
27.13 assistance in creating and submitting applications.

27.14 Subd. 4. **Economic impact performance measures.** The commissioner of
27.15 employment and economic development shall develop economic impact performance
27.16 measures to analyze projects for which financial assistance under this section is being
27.17 applied for or has been previously provided.

27.18 Subd. 5. **Financial assistance; criteria.** The commissioners of transportation and
27.19 employment and economic development shall establish criteria for evaluating projects
27.20 for financial assistance under this section. At a minimum, the criteria must provide an
27.21 objective method to prioritize and select projects on the basis of:

27.22 (1) the extent to which the project provides measurable economic benefit;

27.23 (2) consistency with relevant state and local transportation plans;

27.24 (3) the availability and commitment of funding or in-kind assistance for the project
27.25 from nonpublic sources;

27.26 (4) the need for the project as part of the overall transportation system;

27.27 (5) the extent to which completion of the project will improve the movement of
27.28 people and freight; and

27.29 (6) geographic balance as required under subdivision 7, paragraph (b).

27.30 Subd. 6. **Financial assistance; project evaluation process.** (a) Following the
27.31 criteria established under subdivision 4, the commissioner of employment and economic
27.32 development shall (1) evaluate proposed projects, and (2) certify those that may receive
27.33 financial assistance.

27.34 (b) As part of the project evaluation process, the commissioner of transportation
27.35 shall certify that a project constitutes an eligible and appropriate transportation project.

28.1 Subd. 7. **Financial assistance; awards.** (a) The financial assistance awarded by the
 28.2 commissioners of transportation and employment and economic development may not
 28.3 exceed 70 percent of a project's total costs.

28.4 (b) The commissioners of transportation and employment and economic development
 28.5 shall ensure that financial assistance is provided in a manner that is balanced throughout
 28.6 the state, including with respect to (1) the number of projects receiving funding in a
 28.7 particular geographic location or region of the state, and (2) the total amount of financial
 28.8 assistance provided for projects in a particular geographic location or region of the state.

28.9 Subd. 8. **Legislative report.** (a) By February 1 of each odd-numbered year, the
 28.10 commissioner of transportation, with assistance from the commissioner of employment
 28.11 and economic development, shall submit a report on the transportation economic
 28.12 development assistance program to the chairs and ranking minority members of the
 28.13 house of representatives and senate committees with jurisdiction over transportation
 28.14 policy and finance.

28.15 (b) At a minimum, the report must:

28.16 (1) summarize the requirements and implementation of the transportation economic
 28.17 development assistance program established in this section;

28.18 (2) review the criteria and economic impact performance measures used for
 28.19 evaluation, prioritization, and selection of projects;

28.20 (3) provide a brief overview of each project that received financial assistance under
 28.21 the program, which must at a minimum identify:

28.22 (i) basic project characteristics, such as funding recipient, geographic location,
 28.23 and type of transportation modes served;

28.24 (ii) sources and respective amounts of project funding; and

28.25 (iii) the degree of economic benefit anticipated or observed, following the economic
 28.26 impact performance measures established under subdivision 4;

28.27 (4) identify the allocation of funds, including but not limited to a breakdown of total
 28.28 project funds by transportation mode, the amount expended for administrative costs, and
 28.29 the amount transferred to the transportation economic development assistance account;

28.30 (5) evaluate the overall economic impact of the program consistent with the
 28.31 accountability measurement requirements under section 116J.997; and

28.32 (6) provide recommendations for any legislative changes related to the program.

28.33 **ARTICLE 5**

28.34 **REPEAL MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY**

28.35 Section 1. **REPEALER.**

- 29.1 Minnesota Statutes 2012, sections 116W.01; 116W.02; 116W.03; 116W.035;
29.2 116W.04; 116W.05; 116W.06; 116W.20; 116W.21; 116W.23; 116W.24; 116W.25;
29.3 116W.26; 116W.27; 116W.28; 116W.29; 116W.30; 116W.31; 116W.32; 116W.33; and
29.4 116W.34, are repealed.

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ARTICLE 5	AUTHORITY	Page.Ln 28.33

116W.01 MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY ACT.

This chapter may be cited as the "Minnesota Science and Technology Authority Act."

116W.02 DEFINITIONS.

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology Authority.

Subd. 3. **Eligible recipient.** "Eligible recipient" means an entity primarily operating to create and retain jobs in the state's industrial base and maximize the economic growth of the state through:

- (1) high-technology research and development capabilities;
- (2) product and process innovation and commercialization;
- (3) high-technology manufacturing capabilities;
- (4) science and technology business environment; or
- (5) science and technology workforce preparation.

Subd. 4. **Advisory commission.** "Advisory commission" means the advisory commission under section 116W.051.

116W.03 MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY.

Subdivision 1. **Membership.** The Minnesota Science and Technology Authority consists of the commissioner of employment and economic development, the commissioner of management and budget, the commissioner of revenue, the commissioner of commerce, and the commissioner of agriculture.

Subd. 2. **Chair; other officers.** The commissioner of employment and economic development shall serve as the chair and chief executive officer of the authority. The authority shall rotate the position of vice-chair annually among its members. The commissioner of employment and economic development shall convene the first meeting of the authority no later than July 1, 2010. In the absence of the chair or vice-chair at meetings of the authority members may elect a chair for the meeting, and may elect other officers as necessary from its members.

Subd. 3. **Delegation.** In addition to any powers to delegate that members of the authority have as commissioners, they may delegate to the chair, vice-chair, or executive director their responsibilities as members of the authority for reviewing and approving financing of eligible projects, projects that have been authorized by law, or programs specifically authorized by resolution of the authority.

Subd. 4. **Actions.** (a) A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

(b) The authority may conduct its business by any technological means available, including teleconference calls or interactive video, that allows for an interaction between members. If a meeting is conducted under this paragraph, a specific location must be available for the public to attend the meeting and at least one member must be present at that location.

Subd. 5. **Executive director; staffing.** The authority shall employ an executive director in the unclassified service. The initial executive director must be the individual in the position of director of the Office of Science and Technology as of January 1, 2010, under Minnesota Statutes 2008, section 116J.657. The executive director is responsible for hiring staff necessary to assist the executive director to carry out the duties and responsibilities of the authority. The executive director shall perform duties that the authority may require in carrying out its responsibilities to manage and implement the funds and programs in this chapter, and comply with all state and federal program requirements, and state and federal securities and tax laws and regulations. The executive director shall assist the advisory board in fulfilling its duties under this chapter.

Subd. 6. **Administrative services.** The authority shall enter into agreements for administrative and professional services and technical support.

Subd. 7. **Expiration.** This section expires June 30, 2018. Section 15.059, subdivision 5, does not apply to the authority.

116W.035 INFORMATION TECHNOLOGY.

To the extent the projects or grants approved by the authority or other work of the authority impact state information systems, these information systems are subject to the jurisdiction of the Office of Enterprise Technology in chapter 16E, including, but not limited to:

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- (1) evaluation and approval as specified in section 16E.03, subdivisions 3 and 4;
- (2) review to ensure compliance with security policies, guidelines, and standards as specified in section 16E.03, subdivision 7; and
- (3) assurance of compliance with accessibility standards developed under section 16E.03, subdivision 9.

116W.04 POWERS AND DUTIES.

Subdivision 1. **Duties.** The Science and Technology Authority shall:

- (1) coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small-sized and medium-sized businesses;
- (2) promote contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors;
- (3) work with Minnesota nonprofit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities;
- (4) develop a framework for Minnesota companies to establish sole-source relationships with federal agencies;
- (5) provide grants or other forms of financial assistance to eligible recipients for purposes of this chapter;
- (6) coordinate workshops, assistance with business proposals, licensing, intellectual property protection, commercialization, and government auditing with the University of Minnesota and Minnesota State Colleges and Universities; and
- (7) develop and implement a comprehensive science and technology economic development strategy for the state.

Subd. 2. **Technology matchmaking.** The authority must assist businesses in identifying qualified suppliers and vendors through a program to serve as a conduit for Minnesota-based companies to network with firms able to support their success. Firms outside Minnesota can participate in the technology matchmaking network if one of the participating companies is located in Minnesota.

Subd. 3. **Commercialization assistance.** The authority must provide commercialization assistance to Minnesota firms that have received a Phase I Small Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer (STTR) award and are submitting a Phase II proposal. Local service providers must assist the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The authority may provide SBIR Phase I proposal technical review.

Subd. 4. **Power to sue; enter contracts.** The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 5. **Gifts; grants.** The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury and is appropriated to the authority to carry out its duties.

Subd. 6. **Contract for services.** The authority may retain or contract for the services of accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 7. **Fees.** The authority may set and collect fees for costs incurred by the authority, the Department of Employment and Economic Development, the Department of Management and Budget, the Department of Revenue, the Department of Commerce, the Department of Labor and Industry, and the Department of Agriculture, including costs for personnel, professional, and administrative services.

Subd. 8. **Reports.** (a) The authority shall report by February 1 each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over finance and economic development on its progress to design, coordinate, and administer a strategic science and technology program for the state to promote the welfare of the people of the state, maximize the economic growth of the state, and create and retain jobs in the state's industrial base through enhancement of Minnesota's:

- (1) high-technology research and development capabilities;
- (2) product and process innovation and commercialization;
- (3) high-technology manufacturing capabilities;
- (4) science and technology business environment; and
- (5) science and technology workforce preparation.

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(b) The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Subd. 9. **Consultative and technical services.** The authority may provide general consultative and technical services to assist eligible projects and enter into agreements or other transactions concerning the receipt or provision of those services.

Subd. 10. **Financial information.** Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding financial assistance, is private data with regard to data on individuals as defined in section 13.02, subdivision 12, and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 9.

Subd. 11. **General.** The authority shall have all powers necessary and appropriate to fulfill its responsibilities under this chapter.

116W.05 PROJECT FINANCIAL ASSISTANCE.

Subdivision 1. **Determination of financial assistance.** The authority shall assist eligible recipients in identifying grants or other sources of financial assistance available to finance projects and may assist eligible recipients in applying for and obtaining grants and other forms of assistance.

Subd. 2. **Financial feasibility review.** (a) The authority shall review the proposed financing for each project submitted to the authority to determine whether: (1) the proposed project and financing plan is an eligible use of the money; and (2) the proposal is in compliance with applicable state and federal tax and securities laws and regulations. Grants in excess of \$50,000 must be approved by the authority. Grants of \$50,000 or less may be authorized by the executive director. All grant approvals or disapprovals must be completed within 30 days of submission to the authority. Grants approved by the executive director must be reviewed by the authority each month.

(b) Unless a project is specifically authorized by law, the authority may reject the proposed financing for a project meeting the requirements in paragraph (a) if there are not sufficient funds available or if a majority of members believe the financing of the project would not be in the best interests of the state or would be detrimental to the authority's funds or programs. A determination to reject a proposed project must not be made in an arbitrary and capricious manner and must be supported by substantive evidence and documented by a resolution of the authority stating its findings.

116W.06 ADVISORY COMMISSION.

Subdivision 1. **Advisory commission membership.** A Science and Technology Initiative Advisory Commission of 18 members is established and is comprised of:

- (1) two representatives of the University of Minnesota, selected by the president of the university, including a faculty member actively involved in science and technology research;
- (2) two representatives of the Minnesota State Colleges and Universities, selected by the chancellor, including a faculty member actively involved in science and technology research;
- (3) the chief executive officer of Mayo Clinic or a designee;
- (4) six chief executive officers or designees from science-oriented or technology-oriented companies;
- (5) four representatives from science-oriented and technology-oriented organizations;
- (6) one representative of organized labor;
- (7) a venture capital representative; and
- (8) a representative of angel investors.

A member must have experience in science or technology in order to serve on the commission.

Members of the commission listed in clauses (4) to (8) shall be appointed by the authority.

Subd. 2. **Advisory commission duties.** The advisory commission must assist the authority in developing a comprehensive science and technology economic development plan to be presented to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over economic development and higher education by January 15, 2011. The plan must include recommendations in strategic areas for science and technology investments, recommendations on additional programs to support science and technology focused economic development activities in the state, selection of specific programs and grantees for support

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from program funds authorized by the advisory commission and ongoing assessment of the effectiveness of programmatic elements according to metrics to be developed by the authority in consultation with the advisory commission. The advisory commission may also advise and assist the authority in fulfilling its duties under section 116W.04.

Subd. 3. **Membership terms; vacancies; compensation.** The membership terms, removal of members, and filling of vacancies are as provided under section 15.059. The executive director may provide compensation to members if funds are available.

Subd. 4. **Expiration.** The advisory commission expires June 30, 2013.

Subd. 5. **Convening of meetings; staffing.** The executive director of the authority must convene the first meeting of the commission by August 1, 2010. The executive director must provide administrative support and staff to the commission.

116W.20 MONEY OF THE AUTHORITY.

Subdivision 1. **Functions of commissioner of management and budget.** Except as otherwise provided in this section, money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of management and budget on requisition of the executive director of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the commissioner or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits. All money paid to the commissioner as agent of the authority is appropriated to the authority. The commissioner must annually report to the committees of the legislature with responsibility for economic development and management and budget on the use of appropriations under this section.

Subd. 2. **System of accounts.** The commissioner of management and budget shall prescribe a system of accounts.

116W.21 NONLIABILITY.

Subdivision 1. **Nonliability of individuals.** No member of the authority, staff of the authority, or other person executing other agreements or contracts of the authority is liable personally or is subject to any personal liability or accountability by reason of their issuance, execution, delivery, or performance.

Subd. 2. **Nonliability of state.** The state is not liable on loans or other agreements or contracts of the authority issued or entered into under this chapter and the loans or other agreements or contracts of the authority are not a debt of the state. The loans or other agreements or contracts of the authority must contain on their face a statement to that effect.

116W.23 STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.

The state pledges and agrees with parties to any loans or other agreements or contracts of the authority that the state will not: (1) limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the parties to any loans or other agreements or contracts of the authority; or (2) in any way impair the rights and remedies of the parties to any loans or other agreements or contracts of the authority. The authority may include this pledge and agreement of the state in any agreement with the parties in any loans or other agreements or contracts of the authority.

116W.24 RESERVES; FUNDS; ACCOUNTS.

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

116W.25 CITATION.

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Sections 116W.26 to 116W.34 may be cited as the "Minnesota science and technology program."

116W.26 DEFINITIONS.

Subdivision 1. **Applicability.** For the purposes of sections 116W.26 to 116W.34, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology Authority established under this chapter.

Subd. 3. **College or university.** "College or university" means an institution of postsecondary education, public or private, that grants undergraduate or postgraduate academic degrees, and conducts significant research or development activities in the areas of science and technology.

Subd. 4. **Commercialization.** "Commercialization" means any of the full spectrum of activities required for a new technology, product, or process to be developed from its basic research of conceptual stage through applied research or development to the marketplace including, without limitation, the steps leading up to and including licensure, sales, and services.

Subd. 5. **Commercialized research project.** "Commercialized research project" means research conducted within a college or university or nonprofit research institution or by a qualified science and technology company that has shown advanced commercial potential through license agreements, patents, or other forms of invention disclosure, and by which a qualified science and technology company has been or is being currently formed.

Subd. 6. **Fund.** "Fund" means the Minnesota science and technology fund.

Subd. 7. **Nonprofit research institution.** "Nonprofit research institution" means an entity with its principle place of business in Minnesota, that qualifies under section 501(c) of the Internal Revenue Code, and that conducts significant research or development activities in this state in the areas of science and technology.

Subd. 8. **Program.** "Program" means the Minnesota science and technology program.

Subd. 9. **Qualified science and technology company.** "Qualified science and technology company" means a corporation, limited liability company, S corporation, partnership, limited liability partnership, or sole proprietorship with fewer than 100 employees that is engaged in research, development, or production of science or technology in this state including, without limitation, research, development, or production directed toward developing or providing science and technology products, processes, or services for specific commercial or public purposes.

116W.27 MINNESOTA SCIENCE AND TECHNOLOGY FUND.

A Minnesota science and technology fund is created in the state treasury. The fund is a direct-appropriated special revenue fund. Money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the fund must be paid out only on warrants drawn by the commissioner of management and budget on requisition of the executive director of the authority or designee.

116W.28 MINNESOTA SCIENCE AND TECHNOLOGY FUND; AUTHORIZED USES.

The Minnesota science and technology fund may be used for the following to:

- (1) establish the commercialized research program authorized under section 116W.29;
 - (2) establish the federal research and development support program under section 116W.30;
 - (3) establish the industry technology and competitiveness program under section 116W.31;
- and
- (4) carry out the powers of the authority authorized under sections 116W.04 and 116W.32 that are in support of the programs in clauses (1) to (3).

116W.29 COMMERCIALIZED RESEARCH PROGRAM.

(a) The authority may establish a commercialized research program. The purpose of the program is to accelerate the commercialization of science and technology products, processes, or services from colleges or universities, nonprofit research institutions, or qualified science and technology companies that lead to an increase in science and technology businesses and jobs. The program shall:

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(1) provide science and technology gap funding of up to \$250,000 per science and technology research project to assist in the commercialization and transfer of science and technology research projects from a college or university or nonprofit research institution to a qualified science and technology company; and

(2) provide funding of up to \$250,000 for early stage development for qualified science and technology companies to conduct commercialized research projects.

(b) All activities under the commercialized research program must require:

(1) written criteria set by the authority for the application, award, and use of the funds;

(2) matching funds by the participating qualified science and technology company, college or university, or nonprofit research institution;

(3) no more than 15 percent of the funds awarded by the authority may be used for overhead costs; and

(4) a report by the participating qualified science and technology company, college or university, or nonprofit research institution that provides documentation of the use of funds and outcomes of the award. The report must be submitted to the authority within one calendar year of the date of the award.

116W.30 FEDERAL RESEARCH AND DEVELOPMENT SUPPORT PROGRAM.

The authority may establish a federal research and development support program. The purpose of the program is to increase and coordinate efforts to procure federal funding for research projects of primary benefit to qualified science and technology companies, colleges or universities, and nonprofit research institutions. The program shall:

(1) develop and execute a strategy to identify specific federal agencies and programs that support the growth of science and technology industries in this state; and

(2) provide grants to qualified science and technology companies:

(i) to assist in the development of federal Small Business Innovation (SBIR) or Small Business Technology Transfer (STTR) proposals; and

(ii) to match funds received through SBIR or STTR awards. No more than \$1,500,000 may be awarded in a year for matching grants under this clause.

116W.31 INDUSTRY INNOVATION AND COMPETITIVENESS PROGRAM.

(a) The authority may establish an industry technology and competitiveness program. The purpose of the program is to advance the technological capacity and competitiveness of existing and emerging science and technology industries. The program shall:

(1) provide matching funds to programs and organizations that assist entrepreneurs in starting and growing qualified science and technology companies including, but not limited to, matching funds for mentoring programs, consulting and technical services, and related activities;

(2) fund initiatives that retain engineering, science, technology, and mathematical occupations in the state including, but not limited to, internships, mentoring, and support of industry and professional organizations; and

(3) fund initiatives that support the growth of targeted industry clusters and the competitiveness of existing qualified science and technology companies in developing and marketing new products and services.

(b) All activities under the industry innovation and competitiveness program shall require:

(1) written criteria set by the authority for the application, award, and use of the funds;

(2) matching funds by the participating qualified science and technology company, college or university, or nonprofit research institution; and

(3) a report by the participating qualified science and technology company, college or university, or nonprofit research institution providing documentation on the use of the funds and outcomes of the award. The report must be submitted to the authority within one calendar year from the date of the award.

116W.32 MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY; POWERS UNDER FUND.

Subdivision 1. **General powers.** The authority shall have all of the powers necessary to carry out the purposes and provisions of sections 116W.26 to 116W.34, including, but not limited to, those provided under section 116W.04 and the following:

(1) The authority may make awards in the forms of grants or loans, and charge and receive a reasonable interest for the loans, or take an equity position in form of stock, a convertible note, or other securities in consideration of an award. Interests, revenues, or other proceeds received

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as a result of a transaction authorized by use of this fund shall be deposited to the corpus of the fund and used in the same manner as the corpus of the fund.

(2) In awarding money from the fund, priority shall be given to proposals from qualified science and technology companies that have demonstrable economic benefit to the state in terms of the formation of a new private sector business entity, the creation of jobs, or the attraction of federal and private funding.

(3) In awarding money from the fund, priority shall be given to proposals from colleges or universities and nonprofit research institutions that:

(i) promote collaboration between any combination of colleges or universities, nonprofit research institutions, and private industry;

(ii) enhance existing research superiority by attracting new research entities, research talent, or resources to the state; and

(iii) create new research superiority that attracts significant researchers and resources from outside the state.

(4) Subject to the limits in this clause, money within the fund may be used for reasonable administrative expenses by the authority including staffing and direct operational expenses, and professional fees for accounting, legal, and other technical services required to carry out the intent of the program and administration of the fund. Administrative expenses may not exceed five percent of the first \$5,000,000 in the fund and two percent of any amount in excess of \$5,000,000.

(5) Before making an award, the authority shall enter into a written agreement with the entity receiving the award that specifies the uses of the award.

(6) If the award recipient has not used the award received for the purposes intended, as of the date provided in the agreement, the recipient shall repay that amount and any interest applicable under the agreement to the authority. All repayments must be deposited to the corpus of the fund.

Subd. 2. **Rules.** The authority may adopt rules to implement the programs authorized under sections 116W.29 to 116W.31.

116W.33 REPAYMENT.

An entity must repay all or a portion of the amount of any award, grant, loan, or financial assistance of any type paid by the authority under sections 116W.29 to 116W.32 if the entity relocates outside the state or ceases operation in Minnesota within four years from the date the authority provided the financial award. If the entity relocates outside of this state or ceases operation in Minnesota within three years of the financial award, the entity must repay 100 percent of the award. If the entity relocates or ceases operation in Minnesota after a period of three years but before four years from the date of the financial award, the entity must repay 75 percent of the financial award.

116W.34 EXPIRATION.

Sections 116W.26 to 116W.33 expire on the expiration date of the authority under section 116W.03, subdivision 7. Any unused money in the fund shall be deposited in the general fund.

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1307.0032 FEES.

Subpart 1. **Jurisdiction.** Fees for the installation, alteration, repair, or removal of devices or for routine or periodic inspections covered in this part are as set forth in the fee schedule adopted by the jurisdiction or, in cases under permit issuance by the Department of Labor and Industry, as established in this part.

Subp. 2. **Establishment.** The Department of Labor and Industry's fees for a permit to install, alter, or remove devices within the scope of this code are:

A. A permit fee to install, alter, or remove an elevator is \$100, and \$500 if work that requires a permit is begun without a permit.

B. Inspection fees for installation and alteration of permitted elevator work are 1-1/2 percent of the total cost of the permitted work for labor and materials including related electrical and mechanical equipment. The total inspection fee shall not exceed \$1,000 per permit. The inspection fee covers two inspections. Additional inspections shall cost \$45 per hour, in accordance with part 1302.0600. The cost of special decorative fixtures in the permitted work may be deducted from the cost of the permitted elevator work up to a maximum of five percent of the total cost of the permitted work upon approval of the commissioner.

C. An elevator that passes Department of Labor and Industry's inspection will be issued an operating permit by the department.

Subp. 3. **Inspection fees.** The fees for a requested inspection of existing elevators by the Department of Labor and Industry are:

- A. two stop elevators, \$50;
- B. three stop elevators, \$75;
- C. four stop elevators, \$100;
- D. five stop elevators, \$125;
- E. six or more stop elevators, \$150; and
- F. escalators and moving walks, \$100.

Subp. 4. **Vertical reciprocating conveyor inspection fees.** Vertical reciprocating conveyors (ASME Standard B20.1) are subject to filing and inspection fees for new and altered installations, but are exempt from routine inspections by an elevator inspector.