A bill for an act

relating to economic development; providing for the coordination of economic development and environmental policy; requiring a report; creating a task force; appropriating money; amending Minnesota Statutes 2006, section 116J.8731, subdivision 4; Minnesota Statutes 2007 Supplement, section 116J.575, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Section 1. **[116J.437] COORDINATING ECONOMIC DEVELOPMENT AND ENVIRONMENTAL POLICY.**

Subdivision 1. **Definitions.** For the purpose of this section, "green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

(1) increase the use of energy from renewable sources, as defined in section 216B.1691;

(2) increase the energy efficiency of the electric utility infrastructure system or increase energy conservation related to electricity use, as provided in sections 216B.2401 and 216B.241;

(3) reduce greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigate greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters; or

(5) expand use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels.

Subd. 2. **Coordinating economic development and environmental policy.** The commissioner and the board shall cooperate to promote job training that complements green economy business development.

Sec. 2. Minnesota Statutes 2007 Supplement, section 116J.575, subdivision 1a, is amended to read:

Subd. 1a. **Priorities.** (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, bioscience development, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

(1) the need for redevelopment in conjunction with contamination remediation needs;

(2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;

(3) the redevelopment potential within the municipality;

(4) proximity to public transit if located in the metropolitan area;

(5) redevelopment costs related to expansion of a bioscience business in Minnesota; ~~and~~

(6) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact; or

(7) the project advances or promotes the green economy as defined in section 116J.437.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the redevelopment plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 50 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Sec. 3. Minnesota Statutes 2006, section 116J.8731, subdivision 4, is amended to read:

Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the following conditions:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) increase in the tax base;

(3) the project can demonstrate that investment of public dollars induces private funds;

(4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

(5) the project provides higher wage levels to the community or will add value to current workforce skills;

(6) whether assistance is necessary to retain existing business; ~~and~~

(7) whether assistance is necessary to attract out-of-state business<u>; and</u>

<u>(8) the project promotes or advances the green economy as defined in section 116J.437</u>.

A grant or loan cannot be made based solely on a finding that the conditions in clause (6) or (7) exist. A finding must be made that a condition in clause (1), (2), (3), (4), or (5) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 4. <u>**REPORT.**</u>

<u>The commissioner of commerce, in consultation with the commissioner of employment and economic development, must analyze all state grant and loan programs administered by a state agency to develop a plan specific to each program to optimize the growth of the green economy, as defined in section 1, through program activities. The report, along with any necessary implementing legislation, must be submitted to the chairs of the legislative committees with primary jurisdiction over energy, environmental, and economic development finance or policy issues by January 15, 2009.</u>

Sec. 5. <u>**GREEN ECONOMY TRANSFORMATION TASK FORCE.**</u>

<u>Subdivision 1.</u> <u>**Task force.**</u> <u>(a) A Green Economy Transformation Task Force is created to advise and assist the governor and legislature regarding activities to transform the state's economy, and to develop a statewide action plan as provided under subdivision 2. The task force shall consist of:</u>

(1) three legislators from the house of representatives, including one minority caucus member, appointed by the speaker, and three legislators from the senate, including one minority caucus member, appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(2) six representatives from state agencies and institutions appointed by the governor, including one member from the Office of Energy Security, one member from the Department of Employment and Economic Security, one member from the Job Skills Partnership Board, one member from the University of Minnesota, one member from Minnesota State Colleges and Universities, and one additional member; and

(3) six persons from the private sector appointed by the cochairs of the task force, including one member representing the utility industry, one member representing labor, one member representing manufacturing, one member representing financial institutions, one member representing venture capital, and one additional member. A cochair shall be named from among the legislative members by the appointing authority of each legislative body.

The governor is exempt from the requirements of the open appointments process for purposes of appointing task force members.

(b) The Department of Commerce shall provide staff support to the task force. The task force may accept outside resources to help support its efforts.

Subd. 2. **Duties.** (a) By January 15, 2009, the task force shall develop and present to the legislature and the governor a statewide action plan, including necessary legislation and budget requests, for transforming the economic system of the state to respond to and benefit from the environmental and energy policies of the state contained in the:

(1) renewable energy standard in Minnesota Statutes, section 216B.1691, subdivision 2a;

(2) energy conservation requirement in Minnesota Statutes, section 216B.241, subdivision 1c;

(3) greenhouse gas emission reduction goals in Minnesota Statutes, section 216H.02, subdivision 1;

(4) Clean Water Legacy Act in Minnesota Statutes, chapter 114D; and

(5) biofuels 25 by 2025 initiative in Minnesota Statutes, sections 41A.10, subdivision 2, and 41A.11.

(b) The plan may consist of legislative actions, administrative actions of governmental entities, collaborative actions, and actions of individuals and individual organizations. The plan must be developed following the analysis described in this paragraph and must be based on the analysis. The analysis must include:

(1) a market analysis of the business opportunities and needs created by the laws enumerated in paragraph (a), including local, state, national, and international markets;

(2) an analysis of the labor force needs related to the market analysis opportunities identified in clause (1), including educational, training, and retraining needs; and

(3) an inventory of the current labor and business assets available to respond to the opportunities identified in clause (1) and the labor needs identified in clause (2).

The task force shall contract for the analysis required by this paragraph.

(c) The task force expires June 30, 2009.

Sec. 6. **APPROPRIATION.**

$....... is appropriated in fiscal year 2009 from the general fund to the commissioner of commerce for the purpose of section 5.