

This Document can be made available in alternative formats upon request

State of Minnesota

Printed Page No. 370

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3732

- 02/25/2026 Authored by Pinto and Baker
- 04/20/2026 The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy
- 04/20/2026 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/28/2026 Adoption of Report: Placed on the General Register as Amended
- Read for the Second Time
- 05/04/2026 Calendar for the Day
- Read for the Third Time
- Passed by the House and transmitted to the Senate

1.1 A bill for an act

1.2 relating to state government; appropriating money for the Department of

1.3 Employment and Economic Development; modifying economic development and

1.4 workforce development policy; making labor and industry policy changes; canceling

1.5 and modifying prior appropriations; modifying fees; requiring reports; amending

1.6 Minnesota Statutes 2024, sections 116J.435, by adding a subdivision; 116J.575,

1.7 subdivision 1a; 116J.8731, subdivision 4; 116L.20, subdivision 2; 116L.362,

1.8 subdivision 1; 116L.364, subdivision 1; 116L.561, subdivision 6; 116L.665, by

1.9 adding a subdivision; 116L.99, subdivision 3; 116T.02; 116T.03, subdivision 1;

1.10 116U.24; 116U.242; 116U.25; 326B.107, subdivision 2; 326B.32, subdivision 2;

1.11 326B.33, subdivisions 4, 19; 326B.36, subdivision 3; 326B.37, subdivision 7;

1.12 446A.07, subdivision 9; Minnesota Statutes 2025 Supplement, sections 116L.05,

1.13 subdivision 5; 116L.562, subdivision 1; 116L.90, subdivision 3; 116L.98,

1.14 subdivision 3; 326B.37, subdivisions 5, 6; 446A.07, subdivision 8; proposing

1.15 coding for new law in Minnesota Statutes, chapter 116L; repealing Minnesota

1.16 Statutes 2024, sections 116J.437; 116J.438; 116J.617, subdivisions 1, 2, 3, 4;

1.17 116J.658; 116J.872; 116J.8745; 116J.876; 116J.8761; 116J.8762; 116J.8763;

1.18 116J.8764; 116J.8765; 116J.8766; 116J.8767; 116J.8768; 116J.8769; 116J.8770;

1.19 116J.8771; 116J.9922; 116L.18; 326B.31, subdivision 7; 326B.33, subdivisions

1.20 3, 5, 6; 469.309.

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

1.22 ARTICLE 1

1.23 DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

1.24 Section 1. Minnesota Statutes 2024, section 116J.435, is amended by adding a subdivision
1.25 to read:

1.26 Subd. 8. Development restrictions expiration. If, within ten years from the date of the
1.27 grant award under this section, the eligible project for which the public infrastructure was
1.28 intended has not been developed, the public infrastructure may thereafter be used to support

2.1 any other lawful project. The city or county must notify the commissioner of the alternative
2.2 project.

2.3 Sec. 2. Minnesota Statutes 2024, section 116L.362, subdivision 1, is amended to read:

2.4 Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible
2.5 organizations for programs to provide education and training services to targeted youth,
2.6 which may include support services that assist targeted youth with entering and completing
2.7 that education or training. The purpose of these programs is to provide specialized training
2.8 and work experience for targeted youth who have not been served effectively by the current
2.9 educational system. The programs are to include a work experience component with work
2.10 projects that result in the rehabilitation, improvement, or construction of (1) residential units
2.11 for the homeless; (2) improvements to the energy efficiency and environmental health of
2.12 residential units and other green jobs purposes; (3) facilities to support community garden
2.13 projects; or (4) education, social service, or health facilities which are owned by a public
2.14 agency or a private nonprofit organization.

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

2.17 (1) Head Start or day care centers, including playhouses or similar incidental structures;

2.18 (2) homeless, battered women, or other shelters;

2.19 (3) transitional housing and tiny houses;

2.20 (4) youth or senior citizen centers;

2.21 (5) community health centers; and

2.22 (6) community garden facilities.

2.23 (c) Two or more eligible organizations may jointly apply for a grant. The commissioner
2.24 shall administer the grant program.

2.25 Sec. 3. Minnesota Statutes 2024, section 116L.364, subdivision 1, is amended to read:

2.26 Subdivision 1. **Program purpose.** The grants awarded under section 116L.362 are for
2.27 a youth employment and training program directed at targeted youth who are likely to be
2.28 at risk of not completing their high school education. Each program must include education,
2.29 work experience, job skills, and leadership training and peer support components and may
2.30 include support services that assist targeted youth with entering and completing their
2.31 education and training. Each participant must be offered counseling and other services to

3.1 identify and overcome problems that might interfere with successfully completing the
3.2 program.

3.3 Sec. 4. Minnesota Statutes 2024, section 116L.561, subdivision 6, is amended to read:

3.4 Subd. 6. **Allowable cost categories.** Of the total allocation, up to 15 percent may be
3.5 used for administrative purposes and the remainder may be used for a combination of training
3.6 and participant support activities, which may include support services that assist youth with
3.7 entering and completing their training.

3.8 Sec. 5. Minnesota Statutes 2025 Supplement, section 116L.562, subdivision 1, is amended
3.9 to read:

3.10 Subdivision 1. **Establishment.** The commissioner shall award grants to eligible
3.11 organizations for the purpose of providing workforce development and training opportunities
3.12 or preemployment services and mentorship opportunities to economically disadvantaged
3.13 or at-risk youth ages 14 to 24, which may include support services that assist youth with
3.14 entering and completing such training and services.

3.15 Sec. 6. Minnesota Statutes 2024, section 116L.665, is amended by adding a subdivision
3.16 to read:

3.17 Subd. 9. **Report to legislature.** (a) The board must convene a subcommittee of its
3.18 members, plus four members specially appointed by the governor, to review applications
3.19 from nonprofit organizations and recommend to the legislature which applicants should
3.20 receive appropriations from the workforce development fund. The subcommittee must
3.21 consist of:

3.22 (1) four members who are legislators;

3.23 (2) three members who represent businesses;

3.24 (3) two members who represent labor organizations;

3.25 (4) one worker representative who is not a representative of a labor organization,
3.26 appointed by the governor; and

3.27 (5) three members, appointed by the governor, who represent community organizations
3.28 and have experience with workforce development, including lived experience.

3.29 (b) The subcommittee must, in alignment with Minnesota's current Workforce Innovation
3.30 and Opportunity Act combined state plan, identify workforce needs that are not likely to
3.31 be met by market forces.

4.1 (c) The subcommittee must conduct outreach to make nonprofit organizations that
4.2 provide workforce development services aware of the opportunity to apply to receive the
4.3 board's recommendation for a legislative appropriation.

4.4 (d) In reviewing applications, the subcommittee must consider, at a minimum:

4.5 (1) the applicant's ability to meet the requirements of chapter 16B;

4.6 (2) the applicant's ability to meet workforce development needs identified in paragraph
4.7 (b);

4.8 (3) past state funding received by the applicant;

4.9 (4) the applicant's number of employees and executive compensation details;

4.10 (5) the applicant's past record of success at providing workforce development services;
4.11 and

4.12 (6) the proposal's eligibility for existing competitive grant programs.

4.13 (e) After conducting this review, the subcommittee must submit a report to the board
4.14 that contains recommendations to the legislature for which applicants should receive
4.15 appropriations from the workforce development fund, along with the recommended amount
4.16 and purpose of each appropriation. These recommendations should be grouped by the type
4.17 of workforce development services that would be funded. The total amount of appropriations
4.18 recommended may not exceed \$10,000,000.

4.19 (f) The board must consider the subcommittee's report under paragraph (d) and vote to
4.20 either approve the report or return it to the subcommittee for further consideration.

4.21 (g) By February 1 of every odd-numbered year, beginning in February 1, 2027, the board
4.22 must submit an approved version of the report under paragraph (d) to the chairs and ranking
4.23 minority members of the legislative committees with jurisdiction over workforce
4.24 development.

4.25 Sec. 7. Minnesota Statutes 2025 Supplement, section 116L.90, subdivision 3, is amended
4.26 to read:

4.27 Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations
4.28 may be used for ~~both~~:

4.29 (1) developing a training program relevant to the legal cannabis industry ~~and for~~;

4.30 (2) providing such training to individuals; and

4.31 (3) support services for individuals enrolled in such training.

5.1 (b) The commissioner must award grants to eligible organizations through a competitive
5.2 grant process.

5.3 (c) To receive grant money, an eligible organization must submit a written application
5.4 to the commissioner, using a form developed by the commissioner, explaining the
5.5 organization's ability to train individuals for successful careers in the legal cannabis industry,
5.6 particularly individuals facing barriers to education or employment.

5.7 (d) An eligible organization's grant application must also include:

5.8 (1) a description of the proposed training;

5.9 (2) an analysis of the degree of demand in the legal cannabis industry for the skills gained
5.10 through the proposed training;

5.11 (3) any evidence of the organization's past success in training individuals for successful
5.12 careers, particularly in new or emerging industries;

5.13 (4) an estimate of the cost of providing the proposed training;

5.14 (5) the sources and amounts of any nonstate funds or in-kind contributions that will
5.15 supplement grant money, including any amounts that individuals will be charged to
5.16 participate in the training; and

5.17 (6) any additional information requested by the commissioner.

5.18 (e) In awarding grants under this subdivision, the commissioner shall give weight to
5.19 applications from organizations that demonstrate a history of successful career training,
5.20 particularly for individuals facing barriers to education or employment. The commissioner
5.21 shall also give weight to applications where the proposed training will:

5.22 (1) result in an industry-relevant credential; or

5.23 (2) include opportunities for hands-on or on-site experience in the industry.

5.24 The commissioner shall fund training for a broad range of careers in the legal cannabis
5.25 industry, including both potential business owners and employees and for work in the
5.26 growing, processing, and retail sectors of the legal cannabis industry.

5.27 **Sec. 8. [116L.92] HEALTH CARE WORKFORCE GRANT PROGRAM.**

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

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

6.1 (c) "Eligible applicant" means a unit of local government, a nonprofit organization, or
6.2 an educational institution.

6.3 (d) "Health care workforce grant program" or "program" means the competitive grant
6.4 program created in this section.

6.5 Subd. 2. **Establishment.** The commissioner must establish a competitive grant program
6.6 to address workforce shortages in the health care sector that are unlikely to be solved by
6.7 normal market forces.

6.8 Subd. 3. **Grant process.** (a) The commissioner must award grants to eligible applicants
6.9 through a competitive grant process using forms designed by the commissioner.

6.10 (b) All reporting requirements for grant recipients must be outlined in plain language in
6.11 both the request for proposal and the grant contract.

6.12 (c) The commissioner must provide applicants with technical assistance with
6.13 understanding application procedures and program guidelines, so that the program is
6.14 accessible to even very small organizations without prior state grant experience.

6.15 (d) The commissioner must make efforts to ensure that grants are awarded in a manner
6.16 that achieves geographic diversity, demographic diversity, and access for organizations that
6.17 have not previously received state grants.

6.18 Subd. 4. **Award criteria.** The commissioner must develop criteria for evaluating
6.19 applications and awarding grants. The commissioner's scoring criteria must evaluate each
6.20 application's potential for successfully addressing workforce shortages in the health care
6.21 sector that are unlikely to be solved by normal market forces.

6.22 Subd. 5. **Performance metrics.** The commissioner must establish performance metrics
6.23 for grants that capture the effect of grant funds on workforce shortages in the health care
6.24 sector.

6.25 Subd. 6. **Reporting.** By January 15 of every year that follows a year when the program
6.26 received state funding, beginning in 2028, the commissioner must submit a report to the
6.27 chairs and minority leads of the legislative committees with jurisdiction over workforce
6.28 development on program outcomes and the performance metrics under subdivision 5 of
6.29 individual grant projects.

7.1 Sec. 9. Minnesota Statutes 2025 Supplement, section 116L.98, subdivision 3, is amended
7.2 to read:

7.3 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December
7.4 31 each even-numbered year, the commissioner must report to the chairs and ranking
7.5 minority members of the committees of the house of representatives and the senate having
7.6 jurisdiction over economic development and workforce policy and finance the following
7.7 information separately for the previous two fiscal or calendar ~~year~~ years, for each program
7.8 subject to the requirements of subdivision 1:

7.9 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

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

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

7.29 (13) the total cost of the program;

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

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

8.1 (16) the administrative cost of the program.

8.2 (b) In addition to meeting any reporting requirements included in the grant agreement,
8.3 each program grant recipient and any individually specified grantee named in an appropriation
8.4 to be administered by or through the commissioner is subject to this section and must provide
8.5 the following information to the commissioner:

8.6 (1) a summary of the purpose of the grant;

8.7 (2) the amount of the grant awarded to the grantee;

8.8 (3) the amount of previous grants issued by or through the commissioner of employment
8.9 and economic development to the grantee for the previous four years;

8.10 (4) to the extent that participant geographic data is available, if a grantee uses grant
8.11 money to provide services to persons who reside outside of Minnesota, the grantee must
8.12 list the states where non-Minnesotan participants reside and an explanation of why grant
8.13 money was used to provide services to non-Minnesota residents; and

8.14 (5) the organization's charitable giving ratio if available on the grantee's Internal Revenue
8.15 Service Form 990.

8.16 The commissioner must provide the information required in this paragraph for each grantee
8.17 separately in the report required under paragraph (a). A grantee must provide updated
8.18 information required to complete the report under paragraph (a) to the commissioner ~~annually~~
8.19 by the October 1 immediately preceding the due date of the commissioner's report, until
8.20 October 1 in the year when all of the grant funds have been spent or canceled.

8.21 (c) The report to the legislature must contain participant information by education level,
8.22 race and ethnicity, gender, and geography, and a comparison of exited participants who
8.23 completed training and those who did not.

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

8.26 (e) As a condition of receiving a grant from the department, a grantee must agree to
8.27 provide the commissioner any information necessary to complete the report required by
8.28 this section.

8.29 **Sec. 10. [116L.981] PATHWAYS TO PROSPERITY PROGRAM.**

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

9.1 (b) "Barriers to employment" means life circumstances that make finding and maintaining
9.2 employment more difficult. This includes but is not limited to:

9.3 (1) being economically disadvantaged;

9.4 (2) being from a low-income community;

9.5 (3) having limited English proficiency;

9.6 (4) involvement with the justice system;

9.7 (5) having a disability;

9.8 (6) having a substance use disorder;

9.9 (7) receiving public assistance;

9.10 (8) being homeless, having a history of homelessness, or being housing insecure;

9.11 (9) being the single parent of a minor child; or

9.12 (10) having a basic skills deficiency.

9.13 (c) "Commissioner" means the commissioner of employment and economic development.

9.14 (d) "Pathways to prosperity program" or "program" means the competitive grant program
9.15 created in this section.

9.16 Subd. 2. **Establishment.** The pathways to prosperity program is established to assist
9.17 adults facing barriers to employment with preparing for and finding employment that can
9.18 lead to a family-sustaining career. The commissioner must award competitive grants to
9.19 eligible organizations to accomplish this purpose.

9.20 Subd. 3. **Eligible services.** To be eligible for a pathways to prosperity grant, an applicant
9.21 must propose a plan to provide one or more of the following services:

9.22 (1) individualized counseling to achieve personalized education and career goals;

9.23 (2) education, training, and other services, including English language learning, adult
9.24 basic education, and GED preparation, tailored to the individual student in a manner that
9.25 lowers barriers to completion and accelerates career advancement to the greatest extent
9.26 practicable;

9.27 (3) training that results in a relevant academic award, certificate, or industry-recognized
9.28 credential that helps the individual enter or advance in a specific occupation or occupational
9.29 cluster;

9.30 (4) targeted placement and job search assistance; or

10.1 (5) wraparound support services to assist individuals with entering and completing a
10.2 training program, including, but not limited to, assistance with housing, transportation, child
10.3 care, adult basic education, and English as a second language services.

10.4 Subd. 4. **Award criteria.** The commissioner must develop criteria for evaluating
10.5 applications and awarding grants. The commissioner's scoring criteria must evaluate each
10.6 application's potential for successfully:

10.7 (1) providing one or more services listed under subdivision 3;

10.8 (2) working with populations facing significant barriers to employment;

10.9 (3) preparing participants for long-term employment opportunities with family-sustaining
10.10 wages;

10.11 (4) aligning with the demands of the labor market of the community where the
10.12 organization operates;

10.13 (5) leveraging nonstate funds in any amount, either in cash or in-kind; and

10.14 (6) either continuing a history of achieving positive outcomes or pursuing a novel but
10.15 evidence-informed approach for achieving positive outcomes.

10.16 Subd. 5. **Grant process.** (a) The commissioner must award grants to applicants through
10.17 a competitive grant process using forms designed by the commissioner.

10.18 (b) All reporting requirements for grant recipients must be outlined in plain language in
10.19 both the request for proposal and the grant contract.

10.20 (c) The commissioner must provide applicants with technical assistance with
10.21 understanding application procedures and program guidelines, so that the program is
10.22 accessible to even very small organizations without prior state grant experience.

10.23 (d) The commissioner must make efforts to ensure that grants are awarded in a manner
10.24 that achieves geographic diversity, demographic diversity, and access for organizations that
10.25 have not previously received state workforce development grants.

10.26 Subd. 6. **Performance metrics.** Reporting and performance outcomes for the program
10.27 must comply with the requirements under section 116L.98.

10.28 Sec. 11. Minnesota Statutes 2024, section 116L.99, subdivision 3, is amended to read:

10.29 Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

10.30 (1) recruitment, preparation, placement, and retention of women, including women of
10.31 color, low-income women and women over 50 years old, in registered apprenticeships,

11.1 postsecondary education programs, on-the-job training, and permanent employment in
11.2 high-wage, high-demand, nontraditional occupations;

11.3 (2) secondary or postsecondary education or other training to prepare women to succeed
11.4 in high-wage, high-demand, nontraditional occupations. Activities under this clause may
11.5 be conducted by the grantee or in collaboration with another institution, including but not
11.6 limited to a public or private secondary or postsecondary school;

11.7 (3) innovative, hands-on, best practices that stimulate interest in high-wage, high-demand,
11.8 nontraditional occupations among girls, increase awareness among girls about opportunities
11.9 in high-wage, high-demand, nontraditional occupations, or increase access to secondary
11.10 programming leading to jobs in high-wage, high-demand, nontraditional occupations. Best
11.11 practices include but are not limited to mentoring, internships, or apprenticeships for girls
11.12 in high-wage, high-demand, nontraditional occupations;

11.13 (4) training and other staff development for job seeker counselors and Minnesota family
11.14 investment program (MFIP) caseworkers on opportunities in high-wage, high-demand,
11.15 nontraditional occupations;

11.16 (5) incentives for employers and sponsors of registered apprenticeship programs to retain
11.17 women in high-wage, high-demand, nontraditional occupations for more than one year;

11.18 (6) training and technical assistance for employers to create a safe and healthy workplace
11.19 environment designed to retain and advance women, including best practices for addressing
11.20 sexual harassment, and to overcome gender inequity among employers and registered
11.21 apprenticeship programs;

11.22 (7) public education and outreach activities to overcome stereotypes about women in
11.23 high-wage, high-demand, nontraditional occupations, including the development of
11.24 educational and marketing materials;

11.25 (8) ~~services to support~~ services for women in high-wage, high-demand, nontraditional
11.26 occupations, or training for such occupations, including but not limited to assistance with
11.27 balancing work responsibilities; skills training and education; family caregiving; financial
11.28 assistance for child care, transportation, and safe and stable housing; workplace issues
11.29 resolution; and access to advocacy assistance and services; and

11.30 (9) recruitment, participation, and support of girls of color in approved training programs
11.31 or a valid apprenticeship program subject to section 181A.07, subdivision 7.

11.32 (b) Grant applications must include detailed information about how the applicant plans
11.33 to:

12.1 (1) increase women's participation in high-wage, high-demand occupations in which
12.2 women are currently underrepresented in the workforce;

12.3 (2) comply with the requirements under subdivision 3;

12.4 (3) use grant funds in conjunction with funding from other public or private sources;
12.5 and

12.6 (4) collaborate with existing, successful programs for training, education, recruitment,
12.7 preparation, placement, and retention of women of color in high-wage, high-demand,
12.8 nontraditional occupations and STEM occupations.

12.9 (c) In awarding grants under this subdivision, the commissioner shall give priority to
12.10 eligible organizations:

12.11 (1) with demonstrated success in recruiting and preparing women, especially low-income
12.12 women, women of color, and women over 50 years old, for high-wage, high-demand,
12.13 nontraditional occupations; and

12.14 (2) that leverage additional public and private resources.

12.15 (d) At least 50 percent of total grant funds must be awarded to programs providing
12.16 services and activities targeted to low-income women and women of color.

12.17 (e) The commissioner of employment and economic development in conjunction with
12.18 the commissioner of labor and industry shall monitor the use of funds under this section,
12.19 collect and compile information on the activities of other state agencies and public or private
12.20 entities that have purposes similar to those under this section, and identify other public and
12.21 private funding available for these purposes.

12.22 (f) By January 15, 2019, and each January 15 thereafter, the commissioner must submit
12.23 a report to the chairs and ranking minority members of the committees of the house of
12.24 representatives and the senate having jurisdiction over workforce development that details
12.25 the use of grant funds. If data is available, the report must contain data that is disaggregated
12.26 by race, cultural groups, family income, age, geographical location, migrant or foreign
12.27 immigrant status, primary language, whether the participant is an English learner under
12.28 section 124D.59, disability, and status of homelessness.

12.29 **Sec. 12. IRON ORE MINING ADDITIONAL UNEMPLOYMENT BENEFITS**
12.30 **PROGRAM.**

12.31 Subdivision 1. Availability of additional benefits. Additional unemployment benefits
12.32 are available from the Minnesota unemployment insurance trust fund to an applicant who

13.1 was laid off due to lack of work on or after November 1, 2025, and before March 15, 2026,
13.2 from:

13.3 (1) an employer in the iron ore mining industry that laid off 40 percent or more of the
13.4 employer's workforce on or after March 15, 2025, and before June 16, 2025; or

13.5 (2) an employer that is in the explosive manufacturing industry and providing goods or
13.6 services to an employer in the iron ore mining industry, if the applicant was laid off due to
13.7 the cessation or substantial reduction in operations of an employer in the iron ore mining
13.8 industry as described in clause (1).

13.9 Subd. 2. **Eligibility requirements.** An applicant is eligible to receive additional
13.10 unemployment benefits under this section for any week through the week ending March
13.11 20, 2027, if:

13.12 (1) the applicant established a benefit account under Minnesota Statutes, section 268.07,
13.13 with 50 percent or greater of the wage credits from an employer as described in subdivision
13.14 1, and has exhausted the maximum amount of regular unemployment benefits available on
13.15 that benefit account; and

13.16 (2) the applicant meets the same requirements that an applicant for regular unemployment
13.17 benefits must meet under Minnesota Statutes, section 268.069, subdivision 1.

13.18 Subd. 3. **Weekly and maximum amount of additional unemployment benefits.** (a)
13.19 The weekly benefit amount of additional unemployment benefits is the same as the weekly
13.20 benefit amount of regular unemployment benefits on the benefit account established in
13.21 subdivision 2, clause (1).

13.22 (b) The maximum amount of additional unemployment benefits available to an applicant
13.23 under this section is an amount equal to 26 weeks of payment at the applicant's weekly
13.24 additional unemployment benefit amount.

13.25 (c) If an applicant qualifies for a new regular benefit account that meets the requirements
13.26 of subdivision 4, paragraph (b), before the applicant has been paid additional unemployment
13.27 benefits, and the new regular benefit account meets the requirements of subdivision 2, clause
13.28 (1), the applicant's weekly additional unemployment benefit amount is equal to the weekly
13.29 unemployment benefit amount on the applicant's new regular benefit account.

13.30 Subd. 4. **Qualifying for a new regular benefit account.** (a) If, after exhausting the
13.31 maximum amount of regular unemployment benefits available as a result of the layoff under
13.32 subdivision 1, an applicant qualifies for the new regular benefit account under Minnesota

14.1 Statutes, section 268.07, the applicant must apply for and establish the new regular benefit
14.2 account.

14.3 (b) If the applicant's weekly benefit amount under the new regular benefit account is
14.4 equal to or higher than the applicant's weekly additional unemployment benefit amount, the
14.5 applicant must request unemployment benefits under the new regular benefit account. An
14.6 applicant is ineligible for additional unemployment benefits under this section until the
14.7 applicant has exhausted the maximum amount of unemployment benefits available on the
14.8 new regular benefit account.

14.9 (c) If the applicant's weekly unemployment benefit amount on the new regular benefit
14.10 account is less than the applicant's weekly benefit amount of additional unemployment
14.11 benefits, the applicant must request additional unemployment benefits. An applicant is
14.12 ineligible for new regular unemployment benefits until the applicant has exhausted the
14.13 maximum amount of additional unemployment benefits available under this section.

14.14 Subd. 5. **Eligibility for federal Trade Readjustment Allowance benefits.** An applicant
14.15 who has applied and been determined eligible for federal Trade Readjustment Allowance
14.16 benefits is not eligible for additional unemployment benefits under this section.

14.17 **EFFECTIVE DATE.** This section is effective retroactively from November 1, 2025.

14.18 **Sec. 13. EXTENDED EMPLOYMENT.**

14.19 (a) Beginning July 1, 2026, through June 30, 2028, the commissioner of employment
14.20 and economic development must waive enforcement of Minnesota Rules, part 3300.6005,
14.21 subpart 1, item B, for a program participant when:

14.22 (1) no provider licensed under Minnesota Statutes, chapter 245D, that offers employment
14.23 supports is available to serve the participant; or

14.24 (2) waitlists of existing providers licensed under Minnesota Statutes, chapter 245D,
14.25 result in the inability to access services and the delay could reasonably result in disruption
14.26 of services for the participant, potentially jeopardizing the participant's ability to maintain
14.27 employment.

14.28 Nonwaivered participants must be prioritized without being waitlisted for the extended
14.29 employment program.

14.30 (b) To qualify for a waiver under paragraph (a), the program provider must submit a
14.31 form, developed by the commissioner, in consultation with the commissioner of human
14.32 services and providers, that:

15.1 (1) demonstrates or attests to the participant's qualifying circumstances under paragraph
15.2 (a); and

15.3 (2) documents that the individual is receiving separate services from the waiver program
15.4 and the extended employment program and that no services are billed or reimbursed by
15.5 more than one program.

15.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and
15.7 expires July 1, 2028.

15.8 Sec. 14. **RURAL CANCER INSTITUTE PILOT PROGRAM APPROPRIATION**
15.9 **MODIFICATION.**

15.10 (a) The appropriation for the Rural Cancer Institute pilot program in Laws 2025, First
15.11 Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), must prioritize
15.12 Minnesota clinicians and students. The Rural Cancer Institute may work with clinicians and
15.13 students from elsewhere in the United States if the clinician or student receives the
15.14 recommendation of a practicing Minnesota oncologist and all care is provided in Minnesota.

15.15 (b) The appropriations in fiscal years 2026 and 2027 for the Rural Cancer Institute pilot
15.16 program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3,
15.17 paragraph (bbb), are available until June 30, 2028.

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

15.19 Sec. 15. **OFFICE OF COMMUNITY INVESTMENT; APPROPRIATION.**

15.20 \$400,000 in fiscal year 2027 is appropriated from the general fund to the commissioner
15.21 of employment and economic development for the establishment and operation of a
15.22 centralized Office of Community Investment overseen by a director appointed by the
15.23 commissioner. The director is responsible for overseeing all grant processes at the Department
15.24 of Employment and Economic Development, including engaging with stakeholders in the
15.25 legislature, executive branch, and wider community to develop a strategic direction for
15.26 grant-making, coordinating across the agency on orienting program design around achieving
15.27 specific goals with documentable outcomes, ensuring compliance with all state and federal
15.28 grant requirements, streamlining operations, increasing the accessibility and transparency
15.29 of grant-making, maintaining best practices, and tracking grant outcomes.

16.1 Sec. 16. APPROPRIATION.

16.2 \$401,000 in fiscal year 2027 is appropriated from the workforce development fund to
 16.3 the commissioner of employment and economic development for the subcommittee and
 16.4 report required under Minnesota Statutes, section 116L.665, subdivision 9.

16.5 Sec. 17. APPROPRIATION.

16.6 \$41,000 in fiscal year 2027 is appropriated from the general fund to the commissioner
 16.7 of employment and economic development for the establishment of the health care workforce
 16.8 grant program under Minnesota Statutes, section 116L.92. This is a onetime appropriation.

16.9 **ARTICLE 2**16.10 **DEPARTMENT OF LABOR AND INDUSTRY**

16.11 Section 1. Minnesota Statutes 2024, section 326B.107, subdivision 2, is amended to read:

16.12 Subd. 2. **Municipal agreement for all building projects.** (a) The commissioner shall
 16.13 enter into an agreement with a municipality other than the state for plan review, inspection,
 16.14 code administration, and code enforcement on public buildings and state-licensed facilities
 16.15 in the jurisdiction if the municipality requests to provide those services and the commissioner
 16.16 determines that the municipality has enough adequately trained and qualified ~~inspectors~~
 16.17 persons to provide those services. In determining whether a municipality has enough
 16.18 adequately trained and qualified ~~inspectors~~ persons to provide the service, the commissioner
 16.19 must consider all ~~inspectors~~ code enforcement staff who are employed by the municipality,
 16.20 are under contract with the municipality to provide ~~inspection~~ code enforcement services,
 16.21 or are obligated to provide ~~inspection~~ code enforcement services to the municipality under
 16.22 any other lawful agreement.

16.23 (b) The criteria used to make this determination shall be provided in writing to the
 16.24 municipality requesting an agreement.

16.25 (c) If the commissioner determines that the municipality lacks enough adequately trained
 16.26 and qualified ~~inspectors~~ persons to provide the required services, a written explanation of
 16.27 the deficiencies shall be provided to the municipality.

16.28 (d) The municipality shall be given an opportunity to remedy any deficiencies and request
 16.29 reconsideration of the commissioner's determination. A request for reconsideration must
 16.30 be in writing and accompanied by substantiating documentation. A request for reconsideration
 16.31 must be received by the commissioner within 90 days of the determination explanation.

17.1 The commissioner shall review the information and issue a final determination to the
17.2 municipality within 30 days of the request.

17.3 (e) A municipality aggrieved by a final decision of the commissioner to not enter into
17.4 an agreement may appeal to be heard as a contested case in accordance with chapter 14.

17.5 Sec. 2. Minnesota Statutes 2024, section 326B.32, subdivision 2, is amended to read:

17.6 Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power
17.7 to:

17.8 (1) elect its chair, vice-chair, and secretary;

17.9 (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board,
17.10 and containing other provisions as may be useful and necessary for the efficient conduct of
17.11 the business of the board;

17.12 (3) adopt the Minnesota Electrical Code, which must be the most current edition of the
17.13 National Electrical Code and any amendments thereto. The board shall adopt the most
17.14 current edition of the National Electrical Code and any amendments thereto pursuant to
17.15 chapter 14 and as provided in subdivision 6, paragraphs (b) and (c);

17.16 (4) review requests for final interpretations and issue final interpretations as provided
17.17 in section 326B.127, subdivision 5;

17.18 (5) adopt rules that regulate the licensure or registration of electrical businesses, electrical
17.19 contractors, master electricians, journeyworker electricians, ~~Class A installer~~, Class B
17.20 installer, power limited technicians, and other persons who perform electrical work except
17.21 for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall
17.22 adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (d)
17.23 and (e);

17.24 (6) adopt rules that regulate continuing education for individuals licensed or registered
17.25 as electrical businesses, electrical contractors, master electricians, journeyworker electricians,
17.26 ~~Class A installer~~, Class B installer, power limited technicians, and other persons who perform
17.27 electrical work. The board shall adopt these rules pursuant to chapter 14 and as provided
17.28 in subdivision 6, paragraphs (d) and (e);

17.29 (7) advise the commissioner regarding educational requirements for electrical inspectors;

17.30 (8) refer complaints or other communications to the commissioner, whether oral or in
17.31 writing, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or
17.32 order that the commissioner has the authority to enforce pertaining to code compliance,

18.1 licensure, registration, or an offering to perform or performance of unlicensed electrical
18.2 services;

18.3 (9) approve per diem and expenses deemed necessary for its members as provided in
18.4 subdivision 3;

18.5 (10) approve license reciprocity agreements;

18.6 (11) select from its members individuals to serve on any other state advisory council,
18.7 board, or committee; and

18.8 (12) recommend the fees for licenses and certifications.

18.9 Except for the powers granted to the Plumbing Board, Board of Electricity, and the
18.10 Board of High Pressure Piping Systems, the commissioner of labor and industry shall
18.11 administer and enforce the provisions of this chapter and any rules promulgated pursuant
18.12 thereto.

18.13 (b) The board shall comply with section 15.0597, subdivisions 2 and 4.

18.14 (c) The commissioner shall coordinate the board's rulemaking and recommendations
18.15 with the recommendations and rulemaking conducted by all of the other boards created
18.16 pursuant to this chapter. The commissioner shall provide staff support to the board. The
18.17 support includes professional, legal, technical, and clerical staff necessary to perform
18.18 rulemaking and other duties assigned to the board. The commissioner of labor and industry
18.19 shall supply necessary office space and supplies to assist the board in its duties.

18.20 Sec. 3. Minnesota Statutes 2024, section 326B.33, subdivision 4, is amended to read:

18.21 Subd. 4. **Class B installer.** Notwithstanding the provisions of subdivisions 1, 2, and 14,
18.22 any individual holding a Class B installer license may lay out and install electrical wiring,
18.23 apparatus and equipment on center pivot irrigation booms on the load side of the main
18.24 service on farmsteads, and install such other electrical equipment as is approved by the
18.25 commissioner. As of December 1, 2027, no new Class B installer licenses shall be issued.
18.26 An individual who holds a Class B installer license as of December 1, 2027, may retain and
18.27 renew the license and exercise the privileges the license grants.

18.28 Sec. 4. Minnesota Statutes 2024, section 326B.33, subdivision 19, is amended to read:

18.29 Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless revoked or
18.30 suspended under this chapter, all licenses issued or renewed under this section expire on
18.31 the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered

19.1 year after issuance or renewal. Electrical contractor licenses expire March 1 of each
19.2 even-numbered year after issuance or renewal. Technology system contractor and satellite
19.3 system contractor licenses expire August 1 of each even-numbered year after issuance or
19.4 renewal. All other personal licenses expire two years from the date of original issuance and
19.5 every two years thereafter. Registrations of unlicensed individuals expire one year from the
19.6 date of original issuance and every year thereafter.

19.7 (b) For purposes of calculating license fees and renewal license fees required under
19.8 section 326B.092:

19.9 (1) the registration of an unlicensed individual under subdivision 12 shall be considered
19.10 an entry level license;

19.11 (2) the following licenses shall be considered journeyworker licenses: Class A
19.12 journeyworker electrician, Class B journeyworker electrician, ~~Class A installer~~, Class B
19.13 installer, lineman, maintenance electrician, satellite system installer, and power limited
19.14 technician;

19.15 (3) the following licenses shall be considered master licenses: Class A master electrician
19.16 and Class B master electrician; and

19.17 (4) the following licenses shall be considered business licenses: Class A electrical
19.18 contractor, Class B electrical contractor, satellite system contractor, and technology systems
19.19 contractor.

19.20 (c) For each filing of a certificate of responsible person by an employer, the fee is \$100.

19.21 Sec. 5. Minnesota Statutes 2024, section 326B.36, subdivision 3, is amended to read:

19.22 Subd. 3. **Licenses; bond.** All inspectors shall hold licenses as master or journeyworker
19.23 electricians under this chapter. ~~All inspectors under contract with the department to provide~~
19.24 ~~electrical inspection services shall give bond in the amount of \$1,000, conditioned upon the~~
19.25 ~~faithful performance of their duties.~~

19.26 Sec. 6. Minnesota Statutes 2025 Supplement, section 326B.37, subdivision 5, is amended
19.27 to read:

19.28 Subd. 5. **Inspection fee for dwelling.** (a) The inspection fee for a one-family dwelling
19.29 and each dwelling unit of a two-family dwelling is the following:

19.30 (1) the fee for each service or other source of power as provided in subdivision 3;

19.31 (2) \$165 for up to 30 feeders and circuits; and

20.1 (3) for each additional feeder or circuit, the fee as provided in subdivision 4.

20.2 This fee applies to each separate installation for new dwellings and where ~~15~~ 14 or more
20.3 feeders or circuits are installed or extended in connection with any addition, alteration, or
20.4 repair to existing dwellings. Where existing feeders and circuits are reconnected to
20.5 overcurrent devices installed as part of the replacement of an existing panelboard, the fee
20.6 for each reconnected feeder or circuit is \$2. The maximum number of separate inspections
20.7 shall be determined in accordance with subdivision 2. The fee for additional inspections or
20.8 other installations is that specified in subdivisions 2, 4, 6, and 8. The installer may submit
20.9 fees for additional inspections when filing the request for electrical inspection. The fee for
20.10 each detached accessory structure directly associated with a dwelling unit shall be calculated
20.11 in accordance with subdivisions 3 and 4. When included on the same request for electrical
20.12 inspection form, inspection fees for detached accessory structures directly associated with
20.13 the dwelling unit may be combined with the dwelling unit fees to determine the maximum
20.14 number of separate inspections in accordance with subdivision 2.

20.15 (b) The inspection fee for each dwelling unit of a multifamily dwelling with three or
20.16 more dwelling units is \$110 for a combination of up to 20 feeders and circuits and \$12 for
20.17 each additional feeder or circuit. This fee applies to each separate installation for each new
20.18 dwelling unit and where ten or more feeders or circuits are installed or extended in connection
20.19 with any addition, alteration, or repair to existing dwelling units. Where existing feeders or
20.20 circuits are reconnected to overcurrent devices installed as part of the replacement of an
20.21 existing panelboard, the fee for each reconnected feeder or circuit is \$2. The maximum
20.22 number of separate inspections for each dwelling unit shall be determined in accordance
20.23 with subdivision 2. The fee for additional inspections or for inspection of other installations
20.24 is that specified in subdivisions 2, 4, 6, and 8. These fees include only inspection of the
20.25 wiring within individual dwelling units and the final feeder to that unit where the multifamily
20.26 dwelling is provided with common service equipment and each dwelling unit is supplied
20.27 by a separate feeder or feeders extended from common service or distribution equipment.
20.28 The fee for multifamily dwelling services or other power source supplies and all other
20.29 circuits is that specified in subdivisions 2 to 4.

20.30 (c) A separate request for electrical inspection form must be filed for each dwelling unit
20.31 that is supplied with an individual set of service entrance conductors. These fees are the
20.32 one-family dwelling rate specified in paragraph (a).

21.1 Sec. 7. Minnesota Statutes 2025 Supplement, section 326B.37, subdivision 6, is amended
21.2 to read:

21.3 Subd. 6. **Additions to fees of subdivisions 3 to 5.** (a) The fee for the electrical supply
21.4 for each manufactured home park lot is \$35. This fee includes the service or feeder conductors
21.5 up to and including the service equipment or disconnecting means. The fee for feeders and
21.6 circuits that extend from the service or disconnecting means is that specified in subdivision
21.7 4.

21.8 (b) The fee for each recreational vehicle site electrical supply equipment is \$12 for each
21.9 circuit originating within the equipment. The fee for recreational vehicle park services,
21.10 feeders, and circuits is that specified in subdivisions 3 and 4.

21.11 (c) The fee for each street, parking lot, or outdoor area lighting standard and each traffic
21.12 signal standard is \$5. Circuits originating within the standard or traffic signal controller
21.13 shall not be used when calculating the fee for each standard.

21.14 (d) The fee for transformers for light, heat, and power is \$15 for transformers rated up
21.15 to ten kilovolt-amperes and \$30 for transformers rated in excess of ten kilovolt-amperes.
21.16 The previous sentence does not apply to Class 1 transformers or power supplies for Class
21.17 1 power-limited circuits or to Class 2 or Class 3 transformers or power supplies.

21.18 (e) The fee for transformers and electronic power supplies for electric signs and outline
21.19 lighting is \$5 per unit.

21.20 (f) The fee for technology circuits or systems, and circuits of less than 50 volts, is 75
21.21 cents for each system device or apparatus.

21.22 (g) The fee for each separate inspection of the bonding for a swimming pool, spa,
21.23 fountain, an equipotential plane for an agricultural confinement area, or similar installation
21.24 is ~~\$35~~ \$55. Bonding conductors and connections require an inspection before being
21.25 concealed.

21.26 (h) The fee for all wiring installed on center pivot irrigation booms is \$35 plus \$5 for
21.27 each electrical drive unit.

21.28 (i) The fee for retrofit modifications to existing lighting fixtures is 25 cents per luminaire.

21.29 (j) When a separate inspection of a concrete-encased grounding electrode is performed,
21.30 the fee is \$55.

21.31 (k) The fees required by subdivisions 3 and 4 are doubled for installations over 600
21.32 volts.

22.1 (l) The fee for a class 4 circuit or system transmitter, receiver, or utilization equipment
22.2 is \$0.50 for each system device or apparatus.

22.3 Sec. 8. Minnesota Statutes 2024, section 326B.37, subdivision 7, is amended to read:

22.4 Subd. 7. **Investigation fee: work without electrical inspection request.** (a) Whenever
22.5 any work for which a request for electrical inspection is required has begun without the
22.6 request for electrical inspection form being filed with the commissioner, a special
22.7 investigation shall be made before a request for electrical inspection form is accepted.

22.8 (b) An investigation fee, in addition to the full fee required by subdivisions 1 to 6 and
22.9 16 to 18, shall be paid before an inspection is made. The investigation fee is two times the
22.10 minimum fee specified in subdivision 2 or the applicable inspection fee required by
22.11 subdivisions 1 to 6 and 16 to 18, whichever is greater, not to exceed \$1,000. The payment
22.12 of the investigation fee does not exempt any person from compliance with all other provisions
22.13 of the department rules or statutes nor from any penalty prescribed by law.

22.14 Sec. 9. **REPEALER.**

22.15 (a) Minnesota Statutes 2024, section 326B.33, subdivision 5, is repealed effective
22.16 December 1, 2027.

22.17 (b) Minnesota Statutes 2024, section 326B.33, subdivision 6, is repealed effective August
22.18 1, 2026.

22.19 (c) Minnesota Statutes 2024, sections 326B.31, subdivision 7; and 326B.33, subdivision
22.20 3, are repealed.

22.21 ARTICLE 3

22.22 EXPLORE MINNESOTA

22.23 Section 1. Minnesota Statutes 2024, section 116U.24, is amended to read:

22.24 **116U.24 EXPLORE MINNESOTA COUNCILS.**

22.25 (a) The director shall be advised by the Explore Minnesota Tourism Council and Explore
22.26 Minnesota for Business Council, each consisting of voting members appointed by the
22.27 governor for four-year terms. The director of Explore Minnesota serves as the chair ~~or~~
22.28 ~~each~~ of each council. The director may assign employees of the office to participate in
22.29 oversight of council operations.

22.30 (b) Each council shall act to serve the broader interests of the council's divisions by
22.31 promoting activities and programs of the office that support, maintain, and expand the state's

23.1 domestic and international travel and trade markets, thereby generating increased visitor
23.2 expenditures, revenue, and employment.

23.3 (c) Filling of membership vacancies is as provided in section 15.059. The terms of
23.4 one-half of the members shall be coterminous with the governor, and the terms of the
23.5 remaining one-half of the members shall end on the first Monday in January one year after
23.6 the terms of the other members. Members may serve until their successors are appointed
23.7 and qualify. Members are not compensated. Members may only serve one four-year term.
23.8 A member may not be reappointed.

23.9 (d) ~~The~~ Each council shall meet at least ~~four~~ two times per year and at other times
23.10 determined by each council.

23.11 (e) If compliance with section 13D.02 is impractical, the Explore Minnesota councils
23.12 may conduct a meeting of their members by telephone or other electronic means so long as
23.13 the following conditions are met:

23.14 (1) all members of each council participating in the meeting, wherever their physical
23.15 location, can hear one another and can hear all discussion and testimony;

23.16 (2) members of the public present at the regular meeting location of the council can hear
23.17 clearly all discussion and testimony and all votes of members of each council and, if needed,
23.18 receive those services required by sections 15.44 and 15.441;

23.19 (3) at least one member of each council is physically present at the regular meeting
23.20 location; and

23.21 (4) all votes are conducted by roll call, so each member's vote on each issue can be
23.22 identified and recorded.

23.23 (f) Each member of each council participating in a meeting by telephone or other
23.24 electronic means is considered present at the meeting for purposes of determining a quorum
23.25 and participating in all proceedings.

23.26 (g) If telephone or other electronic means is used to conduct a meeting, each council, to
23.27 the extent practicable, shall allow a person to monitor the meeting electronically from a
23.28 remote location. Each council may require the person making such a connection to pay for
23.29 documented marginal costs that each council incurs as a result of the additional connection.

23.30 (h) If telephone or other electronic means is used to conduct a regular, special, or
23.31 emergency meeting, the council shall provide notice of the regular meeting location, of the
23.32 fact that some members may participate by telephone or other electronic means, and whether

24.1 a cost will be incurred under paragraph (f). The timing and method of providing notice is
24.2 governed by section 13D.04.

24.3 Sec. 2. Minnesota Statutes 2024, section 116U.242, is amended to read:

24.4 **116U.242 EXPLORE MINNESOTA FOR BUSINESS COUNCIL.**

24.5 (a) The director shall be advised by the Explore Minnesota for Business Council
24.6 consisting of up to 14 voting members appointed by the governor for four-year terms,
24.7 including:

24.8 (1) the executive director of Explore Minnesota ~~and the commissioner of employment~~
24.9 ~~and economic development, who serve as cochairs~~ who serves as chair;

24.10 (2) three representatives in marketing, human resources, or executive leadership from
24.11 Minnesota-based companies with more than 100 employees representing Minnesota's key
24.12 industries, including health care, technology, food and agriculture, manufacturing, retail,
24.13 energy, and support services;

24.14 (3) two representatives from statewide or regional marketing or business association
24.15 leadership, the Iron Range, and nonprofits focused on economic development or human
24.16 resource management;

24.17 (4) one representative from a Minnesota college or university staff, faculty, leadership,
24.18 student leadership, or alumni association;

24.19 (5) one member representing Minnesota's small business or start-up and entrepreneurial
24.20 industry who has started at least one Minnesota-based business in the last five years ~~and~~
24.21 ~~has at least 20 employees~~;

24.22 (6) ~~two representatives from~~ one Ojibwe and one Dakota representative appointed by
24.23 the Executive Board of the Minnesota Indian Affairs Council ~~and Minnesota Tribal~~
24.24 ~~leadership, including casino management~~;

24.25 (7) ~~two representatives~~ one representative from Minnesota's Ethnic Chambers of
24.26 Commerce Leadership ~~and the Minnesota Chamber of Commerce~~; and

24.27 (8) ~~one at-large representative in the field of general marketing, talent attraction, or~~
24.28 ~~economic development.~~ representative from the Minnesota Chamber of Commerce;

24.29 (9) one at-large representative in the field of general marketing, talent attraction, or
24.30 economic development; and

25.1 (10) one representative from the Department of Employment and Economic Development
 25.2 who must be the commissioner, deputy commissioner, or an assistant commissioner.

25.3 (b) The council shall act to serve the broader interest of promoting overall livability and
 25.4 workforce and economic opportunity in Minnesota. Members shall advise Explore Minnesota
 25.5 for Business' marketing efforts by emphasizing and prioritizing diversity, equity, inclusion,
 25.6 and accessibility and providing professional marketing insights.

25.7 Sec. 3. Minnesota Statutes 2024, section 116U.25, is amended to read:

25.8 **116U.25 EXPLORE MINNESOTA TOURISM COUNCIL.**

25.9 (a) The director shall be advised by the Explore Minnesota Tourism Council consisting
 25.10 of up to ~~35~~ 25 voting members appointed by the governor for four-year terms, including:

25.11 (1) the director of Explore Minnesota Tourism who serves as the chair;

25.12 (2) ~~fourteen~~ four representatives of statewide tourism-related associations ~~representing~~
 25.13 ~~bed and breakfast establishments, golf, festivals and events, counties, convention and visitor~~
 25.14 ~~bureaus, lodging, resorts, trails, campgrounds, restaurants, craft beverage establishments,~~
 25.15 ~~chambers of commerce, chambers of commerce for underrepresented communities, and~~
 25.16 ~~Tribal nations;~~

25.17 (3) one representative from each of the five tourism marketing regions of the state as
 25.18 designated by the office;

25.19 (4) ~~ten~~ one Ojibwe and one Dakota representative;

25.20 (5) eight representatives of the tourism business representing transportation, retail, travel
 25.21 agencies, tour operators, travel media, convention facilities, arts and culture, sports, outdoor
 25.22 recreation, ~~and~~ or tourism business owners from underrepresented communities;

25.23 ~~(5)~~ (6) ~~one or more~~ ex officio nonvoting ~~members including at least one~~ member from
 25.24 the University of Minnesota Tourism Center;

25.25 ~~(6)~~ (7) four legislators, two from each house, one each from the two largest political
 25.26 party caucuses in each house, appointed according to the rules of the respective houses; and

25.27 ~~(7)~~ (8) other persons, if any, as designated from time to time by the governor.

25.28 (b) The council shall act to serve the broader interests of tourism in Minnesota by
 25.29 promoting activities that support, maintain, and expand the state's domestic and international
 25.30 travel market, thereby generating increased visitor expenditures, tax revenue, and
 25.31 employment.

26.1 ~~(e) Filling of membership vacancies is as provided in section 15.059. The terms of~~
26.2 ~~one-half of the members shall be coterminous with the governor and the terms of the~~
26.3 ~~remaining one-half of the members shall end on the first Monday in January one year after~~
26.4 ~~the terms of the other members. Members may serve until their successors are appointed~~
26.5 ~~and qualify. Members are not compensated. A member may be reappointed.~~

26.6 ~~(d) The council shall meet at least four times per year and at other times determined by~~
26.7 ~~the council.~~

26.8 ~~(e) If compliance with section 13D.02 is impractical, the Explore Minnesota Tourism~~
26.9 ~~Council may conduct a meeting of its members by telephone or other electronic means so~~
26.10 ~~long as the following conditions are met:~~

26.11 ~~(1) all members of the council participating in the meeting, wherever their physical~~
26.12 ~~location, can hear one another and can hear all discussion and testimony;~~

26.13 ~~(2) members of the public present at the regular meeting location of the council can hear~~
26.14 ~~clearly all discussion and testimony and all votes of members of the council and, if needed,~~
26.15 ~~receive those services required by sections 15.44 and 15.441;~~

26.16 ~~(3) at least one member of the council is physically present at the regular meeting location;~~
26.17 ~~and~~

26.18 ~~(4) all votes are conducted by roll call, so each member's vote on each issue can be~~
26.19 ~~identified and recorded.~~

26.20 ~~(f) Each member of the council participating in a meeting by telephone or other electronic~~
26.21 ~~means is considered present at the meeting for purposes of determining a quorum and~~
26.22 ~~participating in all proceedings.~~

26.23 ~~(g) If telephone or other electronic means is used to conduct a meeting, the council, to~~
26.24 ~~the extent practical, shall allow a person to monitor the meeting electronically from a remote~~
26.25 ~~location. The council may require the person making such a connection to pay for~~
26.26 ~~documented marginal costs that the council incurs as a result of the additional connection.~~

26.27 ~~(h) If telephone or other electronic means is used to conduct a regular, special, or~~
26.28 ~~emergency meeting, the council shall provide notice of the regular meeting location, of the~~
26.29 ~~fact that some members may participate by telephone or other electronic means, and of the~~
26.30 ~~provisions of paragraph (g). The timing and method of providing notice is governed by~~
26.31 ~~section 13D.04.~~

ARTICLE 4

NORTHERN TECHNOLOGY INITIATIVE, INC.

Section 1. Minnesota Statutes 2024, section 116T.02, is amended to read:

116T.02 CORPORATION; MEMBERS; BOARD OF DIRECTORS; POWERS.

Subdivision 1. **Public corporation.** Northern Technology Initiative, Inc. is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "Northern Technology Initiative, Inc." or an assumed name that has been filed and published as required under chapter 333.

Subd. 2. **Purpose.** Northern Technology Initiative, Inc. is a regional economic initiative of Minnesota counties, townships, home rule charter or statutory cities within participating counties, economic development groups, state and federal agencies, public and private postsecondary institutions, and businesses. The project area includes, at a minimum, the counties of ~~Carlton~~, Chisago, Isanti, Kanabec, Mille Lacs, and Pine, but may be expanded as other contiguous counties elect to participate. The purpose of the corporation is to engage in an integrated, jointly planned economic development effort with a focus on encouraging growth among existing businesses and attracting ~~technology companies~~ new businesses to the region served by the corporation. A home rule charter city, statutory city, county, township, or other public entity participating in the initiative may budget public funds for the initiative.

Subd. 3. **Board of directors.** The corporation is governed by a board of directors ~~consisting of,~~ the membership composition, membership terms, compensation, removal, and filling of vacancies of which are as provided by the bylaws adopted and amended in accordance with subdivision 4.

~~(1) a member of the governing body of each participating county, appointed by the governing body;~~

~~(2) a member of the governing body of each participating home rule charter or statutory city, appointed by the governing body;~~

~~(3) the president of each participating postsecondary institution;~~

~~(4) the commissioner of the Department of Employment and Economic Development or an employee of the department designated by the commissioner; and~~

~~(5) other members as may be provided by the bylaws adopted and amended in accordance with subdivision 4.~~

28.1 ~~The membership terms, compensation, removal, and filling of vacancies of members of the~~
28.2 ~~board are governed by the bylaws of the corporation.~~

28.3 Subd. 4. **Bylaws.** The board of directors shall adopt bylaws and publish the bylaws and
28.4 amendments to the bylaws in the State Register. The bylaws must provide for financial and
28.5 other contributions by participating entities to cover the operation of the corporation.

28.6 Subd. 5. **Places of business.** The board shall locate and maintain the corporation's places
28.7 of business within ~~Carlton~~, Chisago, Isanti, Kanabec, Mille Lacs, or Pine County.

28.8 Subd. 6. **Meetings and actions of board.** (a) The board must meet at least twice a year
28.9 and may hold additional meetings upon giving notice in accordance with the bylaws of the
28.10 corporation. Except as provided in subdivision 7, board meetings are subject to chapter
28.11 13D.

28.12 (b) A conference among directors by any means of communication through which the
28.13 directors may simultaneously hear each other during the conference constitutes a board
28.14 meeting if the number of directors participating in the conference is sufficient to constitute
28.15 a quorum for the meeting. Participation in a meeting by that means constitutes presence in
28.16 person at the meeting.

28.17 Subd. 7. **Closed meetings; recording.** The board of directors may, by a majority vote
28.18 in a public meeting, decide to hold a closed meeting for purposes of discussing data described
28.19 in subdivision 8 or security information, trade secret information, or labor relations
28.20 information, as defined in section 13.37, subdivision 1. The time and place of the closed
28.21 meeting must be announced at the public meeting. A written roll of members present at the
28.22 closed meeting must be made available to the public after the closed meeting. The
28.23 proceedings of a closed meeting must be tape recorded. The data on the tape are nonpublic
28.24 data or private data on individuals as defined in section 13.02, subdivision 9 or 12, whichever
28.25 is applicable.

28.26 Subd. 8. **Application and investigative data.** Financial data, statistics, and information
28.27 furnished to the corporation in connection with assistance or proposed assistance, including
28.28 credit reports; financial statements; statements of net worth; income tax returns, either
28.29 personal or corporate; and any other business and personal financial records, are private
28.30 data with regard to data on individuals under section 13.02, subdivision 12, or nonpublic
28.31 data with regard to data not on individuals under section 13.02, subdivision 9.

28.32 Subd. 9. **Conflict of interest.** A director, employee, or officer of the corporation may
28.33 not participate in or vote on a decision of the board relating to an organization in which the

29.1 ~~director~~ that director, employee, or officer has either a direct or indirect financial interest
29.2 or a conflict of interest as described in section 10A.07.

29.3 Subd. 10. **Tort claims.** The corporation is a state agency for purposes of section 3.736,
29.4 except the corporation, not the state, is responsible for paying for any tort liability.

29.5 Subd. 11. **Data practices and records management.** The corporation is subject to
29.6 chapter 13 and sections 15.17 and 138.163 to 138.226.

29.7 Sec. 2. Minnesota Statutes 2024, section 116T.03, subdivision 1, is amended to read:

29.8 Subdivision 1. **Generally.** The board shall ~~appoint and set the compensation for the~~
29.9 ~~executive director who serves as chief executive officer of the corporation. The compensation~~
29.10 ~~of the executive director may not exceed 85 percent of the governor's salary. The board may~~
29.11 ~~designate the executive director as its general agent. Subject to the approval of the board,~~
29.12 ~~the executive director shall~~ employ staff consultants and other agents necessary to carry out
29.13 the mission of the corporation.

29.14 ARTICLE 5

29.15 REPEALING OBSOLETE PROGRAMS

29.16 Section 1. Minnesota Statutes 2024, section 116J.575, subdivision 1a, is amended to read:

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

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

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

29.29 (3) the redevelopment potential within the municipality;

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

29.31 (5) redevelopment costs related to expansion of a bioscience business in Minnesota; or

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

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

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

30.13 Sec. 2. Minnesota Statutes 2024, section 116J.8731, subdivision 4, is amended to read:

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

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

30.18 (2) increase in the tax base;

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

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

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

30.24 (6) the project supports the development of microenterprises, as defined by federal
30.25 statutes, through financial assistance, technical assistance, advice, or business services;

30.26 (7) whether assistance is necessary to retain existing business; and

30.27 (8) whether assistance is necessary to attract out-of-state business; ~~and~~.

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

30.29 A grant or loan cannot be made based solely on a finding that the conditions in clause
30.30 (7) or (8) exist. A finding must be made that a condition in clause (1), (2), (3), (4), (5), or
30.31 (6) also exists.

31.1 Applications recommended for funding shall be submitted to the commissioner.

31.2 Sec. 3. Minnesota Statutes 2025 Supplement, section 116L.05, subdivision 5, is amended
31.3 to read:

31.4 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the
31.5 board may use workforce development funds for the purposes outlined in sections 116L.02
31.6 and 116L.04, ~~or to provide incumbent worker training services under section 116L.18~~ if
31.7 the following conditions have been met:

31.8 (1) the board examines relevant economic indicators, including the projected number
31.9 of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining
31.10 and expanding industries, the number of initial applications for and the number of exhaustions
31.11 of unemployment benefits, job vacancy data, county labor force participation rates, and any
31.12 additional relevant information brought to the board's attention;

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

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

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

31.20 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
31.21 committees with jurisdiction over the workforce development fund, to the commissioners
31.22 of revenue and management and budget, and to the public.

31.23 Sec. 4. Minnesota Statutes 2024, section 116L.20, subdivision 2, is amended to read:

31.24 Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under
31.25 this section shall be deposited in the state treasury and credited to the workforce development
31.26 fund to provide for employment and training programs. The workforce development fund
31.27 is created as a special account in the state treasury.

31.28 (b) All money in the fund not otherwise appropriated or transferred is appropriated to
31.29 the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in
31.30 paragraph (d). The board must act as the fiscal agent for the money and must disburse that
31.31 money for the purposes of section 116L.17, not allowing the money to be used for any other
31.32 obligation of the state. All money in the workforce development fund shall be deposited,

32.1 administered, and disbursed in the same manner and under the same conditions and
32.2 requirements as are provided by law for the other special accounts in the state treasury,
32.3 except that all interest or net income resulting from the investment or deposit of money in
32.4 the fund shall accrue to the fund for the purposes of the fund.

32.5 (c) Reimbursement for costs related to collection of the special assessment shall be in
32.6 an amount negotiated between the commissioner and the United States Department of Labor.

32.7 (d) If the board determines that the conditions of section 116L.05, subdivision 5, have
32.8 been met, the board may use funds for the purposes outlined in section 116L.04, ~~or to provide~~
32.9 ~~incumbent worker training services under section 116L.18.~~

32.10 Sec. 5. Minnesota Statutes 2025 Supplement, section 446A.07, subdivision 8, is amended
32.11 to read:

32.12 Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used
32.13 as provided in title VI of the Federal Water Pollution Control Act, including the following
32.14 uses:

32.15 (1) to buy or refinance the debt obligation of governmental units for treatment works
32.16 where debt was incurred and construction begun after March 7, 1985, at or below market
32.17 rates;

32.18 (2) to guarantee or purchase insurance for local obligations to improve credit market
32.19 access or reduce interest rates;

32.20 (3) to provide a source of revenue or security for the payment of principal and interest
32.21 on revenue or general obligation bonds issued by the authority if the bond proceeds are
32.22 deposited in the fund;

32.23 (4) to provide loan guarantees, loans, or set-aside for similar revolving funds established
32.24 by a governmental unit other than state agencies, or state agencies under sections 17.117,
32.25 and 103F.725, subdivision 1a, ~~and 116J.617;~~

32.26 (5) to earn interest on fund accounts; and

32.27 (6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency
32.28 of administering the fund and conducting activities required under the Federal Water Pollution
32.29 Control Act, including water quality management planning under section 205(j) of the act
32.30 and water quality standards continuing planning under section 303(e) of the act.

33.1 (b) The clean water revolving fund may be used to provide additional subsidization as
33.2 permitted under the Federal Water Pollution Control Act and other federal laws to provide
33.3 principal forgiveness or grants:

33.4 (1) based on affordability criteria and requirements established for the water infrastructure
33.5 funding program under section 446A.072;

33.6 (2) for 25 percent of project costs up to a maximum of \$1,000,000 for projects to address
33.7 green infrastructure, water or energy efficiency improvements, or other environmentally
33.8 innovative activities; and

33.9 (3) for 50 percent of project costs up to a maximum of \$3,000,000 for projects that
33.10 address emerging contaminants as defined by the United States Environmental Protection
33.11 Agency.

33.12 Sec. 6. Minnesota Statutes 2024, section 446A.07, subdivision 9, is amended to read:

33.13 Subd. 9. **Payments.** Payments from the fund must be made in accordance with the
33.14 applicable state and federal law governing the payments, except that for projects other than
33.15 those funded under section 17.117, 103F.725, subdivision 1a, ~~116J.617~~, or 462A.05, no
33.16 payment for a project may be made to an eligible recipient until and unless the authority
33.17 has determined the total estimated cost of the project and ascertained that financing of the
33.18 project is assured by:

33.19 (1) a loan authorized by state law or the appropriation of proceeds of bonds or other
33.20 money of the governmental unit to a fund for the construction of the project; and

33.21 (2) an irrevocable undertaking, by resolution of the eligible recipient of the governmental
33.22 unit, to use all money made available for the project exclusively for the project, and to pay
33.23 any additional amount by which the cost of the project exceeds the estimate by the
33.24 appropriation to the construction fund of additional money or the proceeds of additional
33.25 bonds to be issued by the eligible recipient.

33.26 Sec. 7. **CANCELLATION.**

33.27 The amount that remains in the account established under Minnesota Statutes, section
33.28 116J.876, subdivision 4, is canceled to the general fund.

34.1 Sec. 8. **REPEALER.**

34.2 **Subdivision 1. Capital access program.** Minnesota Statutes 2024, sections 116J.876;
34.3 116J.8761; 116J.8762; 116J.8763; 116J.8764; 116J.8765; 116J.8766; 116J.8767; 116J.8768;
34.4 116J.8769; 116J.8770; and 116J.8771, are repealed.

34.5 **Subd. 2. Rural job creation grants.** Minnesota Statutes 2024, section 469.309, is
34.6 repealed.

34.7 **Subd. 3. Tourism loan program.** Minnesota Statutes 2024, section 116J.617,
34.8 subdivisions 1, 2, 3, and 4, are repealed.

34.9 **Subd. 4. Minnesota green enterprise assistance.** Minnesota Statutes 2024, sections
34.10 116J.437; and 116J.438, are repealed.

34.11 **Subd. 5. Special incumbent worker training grants.** Minnesota Statutes 2024, section
34.12 116L.18, is repealed.

34.13 **Subd. 6. Central Minnesota opportunity grant program.** Minnesota Statutes 2024,
34.14 section 116J.9922, is repealed.

34.15 **Subd. 7. Economic response team.** Minnesota Statutes 2024, section 116J.872, is
34.16 repealed.

34.17 **Subd. 8. Microenterprise entrepreneurial assistance.** Minnesota Statutes 2024, section
34.18 116J.8745, is repealed.

34.19 **Subd. 9. Minnesota science and technology economic development project.** Minnesota
34.20 Statutes 2024, section 116J.658, is repealed.

APPENDIX
Article locations for H3732-2

ARTICLE 1	DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT.....	Page.Ln 1.22
ARTICLE 2	DEPARTMENT OF LABOR AND INDUSTRY.....	Page.Ln 16.9
ARTICLE 3	EXPLORE MINNESOTA.....	Page.Ln 22.21
ARTICLE 4	NORTHERN TECHNOLOGY INITIATIVE, INC.....	Page.Ln 27.1
ARTICLE 5	REPEALING OBSOLETE PROGRAMS.....	Page.Ln 29.14

116J.437 COORDINATING ECONOMIC DEVELOPMENT AND ENVIRONMENTAL POLICY.

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

(b) "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, including through achieving the renewable energy standard established in section 216B.1691;

(2) achieve the statewide energy-savings goal established in section 216B.2401, including energy savings achieved by the conservation investment program under section 216B.241;

(3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1, including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water Legacy Act as provided in section 114D.10, subdivision 1;

(5) expand the 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, including activities to achieve the petroleum replacement goal in section 239.7911; or

(6) increase the use of green chemistry, as defined in section 116.9401.

For the purpose of clause (3), "green economy" includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.

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

116J.438 MINNESOTA GREEN ENTERPRISE ASSISTANCE.

(a) The commissioner of employment and economic development, in consultation with the commissioner of commerce, shall lead a multiagency project to advise, promote, market, and coordinate state agency collaboration on green enterprise and green economy projects, as defined in section 116J.437. The multiagency project must include the commissioners of employment and economic development, natural resources, agriculture, transportation, and commerce and the Pollution Control Agency. The project must involve collaboration with the chairs and ranking minority members of legislative committees overseeing energy policy and energy finance, state agencies, local governments, representatives from business and agriculture, and other interested stakeholders. The objective of the project is to utilize existing state resources to expedite the delivery of grants, licenses, permits, and other state authorizations and approvals for green economy projects. The commissioner shall appoint a lead person to coordinate green enterprise assistance activities.

(b) The commissioner of employment and economic development shall seek out and may select persons from the business community to assist the commissioner in project activities.

(c) The commissioner may accept gifts, contributions, and in-kind services for the purposes of this section, under the authority provided in section 116J.035, subdivision 1. Any funds received must be placed in a special revenue account for the purposes of this section.

116J.617 TOURISM LOAN PROGRAM.

Subdivision 1. **Establishment.** The commissioner may establish a tourism revolving loan program and a tourism guarantee loan program to provide loans, participate in loans, or guarantee loans to resorts, campgrounds, lodging facilities, and other tourism-related businesses. The commissioner shall work with financial institutions in making or participating in loans or guaranteeing loans under this section.

Subd. 2. **Eligible borrower.** To receive a loan under this section, the borrower must be a sole proprietorship, partnership, or corporation engaged in a tourism-related business or other entity that is defined by the standard industrial classification codes of 7011 and 7033 as set out in the Code

APPENDIX
Repealed Minnesota Statutes: H3732-2

of Federal Regulations, title 13, section 121.2. An eligible borrower under this section must maintain the business or other entity as a tourism-related entity as defined by this subdivision during the term of the loan. An eligible borrower may not receive a loan or loan guarantee under this section if the borrower has received a tourism-related loan, loan participation, or guarantee made by the state in the past 36 months.

Subd. 3. **Eligible loan.** The maximum loan made or participated in under this section may not be for more than 50 percent of the total cost of the project. Loan proceeds may be used for the following purposes: acquisition of an existing building, building construction and improvement, land site improvement, equipment, other construction costs, and engineering costs. Project-related expenditures made more than 30 days before an application may not be financed by a loan made, guaranteed, or participated in under this section.

Subd. 4. **Loan terms.** The maximum term of a loan made, guaranteed, or participated in under this section may not exceed the useful life of the real property or 80 percent of the useful life of the equipment or machinery, or the following limits, whichever is less:

- (1) ten years for land, building, or other real property;
- (2) five years for equipment or machinery; or
- (3) a weighted average of the limits under clauses (1) and (2) for loans made, guaranteed, or participated in for a combination of real property and equipment or machinery.

The commissioner may establish interest rates for loans made under this section. All loans made must be secured by collateral.

116J.658 MINNESOTA SCIENCE AND TECHNOLOGY ECONOMIC DEVELOPMENT PROJECT.

(a) The commissioner of employment and economic development shall lead a public-private project with science and technology experts from public, academic, and private sectors to advise state agency collaboration to design, coordinate, and administer a strategic science and technology program for the state designed 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.

(b) Project membership shall consist of science and technology experts from public, academic, and private sectors. A member must have a background in science or technology in order to serve on the project. The project members shall consist of at least 13 members as follows:

- (1) a representative of the University of Minnesota;
- (2) a representative of Minnesota State Colleges and Universities;
- (3) the chief executive officer of Mayo Clinic or a designee; and
- (4) six chief executive officers or designees from science- or technology-oriented companies and four representatives from science- and technology-oriented trade organizations.

(c) The commissioner of employment and economic development must report by January 15, 2010, to the legislative committees having jurisdiction over science and technology and economic development policy and finance on the activities of the project and must recommend changes or additions to its organization, including specific recommendations for necessary legislation.

116J.872 ECONOMIC RESPONSE TEAM.

(a) The department shall operate a fast-action economic response team to contact and work with businesses that are identified as being:

- (1) at risk for relocating or expanding outside the state; or
- (2) prospects for expansion or relocation within the state.

(b) The fast-action response team must contact identified businesses within 24 hours.

116J.8745 MICROENTERPRISE ENTREPRENEURIAL ASSISTANCE.

Subdivision 1. **Technical assistance.** The commissioner of employment and economic development shall make grants to nonprofit organizations to provide technical assistance to individuals to support the startup and growth of self-employment and microbusinesses. Eligible businesses are microenterprises employing under five people plus the owner and requiring under \$25,000 or no capital to start or expand the business.

Subd. 2. **Grant eligibility and allocation.** Nonprofit organizations must apply for grants under this section following procedures established by the commissioner. To be eligible for a grant, an organization must demonstrate to the commissioner that it has the appropriate expertise. The commissioner shall give preference for grants to organizations that target nontraditional entrepreneurs such as women, members of a minority, low-income individuals, or persons seeking work who are currently on or recently removed from welfare assistance.

An application must include:

- (1) the local need for microenterprise support;
- (2) proposed criteria for business eligibility;
- (3) proposals for identifying and serving eligible businesses;
- (4) a description of technical assistance to be provided to eligible businesses;
- (5) proposals to coordinate technical assistance with financial assistance;
- (6) a demonstration of ability to collaborate with other agencies including educational and financial institutions; and
- (7) project goals identifying the number of eligible businesses to be assisted with the state funds awarded under the grant.

Subd. 3. **Grant evaluations.** Grant recipients must report to the commissioner by February 1 in each of the two years succeeding the year of receipt of the grant. The report must detail the number of customers served, the number of businesses started, stabilized, or expanded, the number of jobs created and retained, and business success rates. The commissioner shall report to the legislature on the microenterprise entrepreneurial assistance. The report shall contain an evaluation of the results, recommendations to continue or change the program, and a suggested level of funding.

116J.876 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this section and sections 116J.8761 to 116J.8769, the terms defined in this section have the meanings given them.

Subd. 2. **Agreement.** "Agreement" means an agreement between a lender and the commissioner under which a lender may participate in the program.

Subd. 3. **Borrower.** "Borrower" means the recipient of a loan which is, has been, or will be filed by the lender for enrollment under the program and meets the following requirements:

- (1) the borrower is a corporation, partnership, joint venture, sole proprietorship, cooperative, or other entity, whether profit or nonprofit, which is authorized to conduct business in the state; and
- (2) the borrower is not an executive officer, director, or principal shareholder of the lender, or a member of the immediate family of an executive officer, director, or principal shareholder of the lender, or an entity controlled by an executive officer, director, principal shareholder, or member of the immediate family.

Subd. 4. **Capital access account; account.** "Capital access account" or "account" means an account created in the special revenue fund for the purposes of the capital access program.

Subd. 5. **Claim.** "Claim" means any claim filed by the lender under section 116J.8767.

Subd. 6. **Commissioner.** "Commissioner" means the commissioner of employment and economic development.

APPENDIX
Repealed Minnesota Statutes: H3732-2

Subd. 6a. **Community development venture capital fund.** "Community development venture capital fund" means a regional or local venture capital fund that makes equity investments in small or emerging companies and has a financial as well as a social mission.

Subd. 7. **Early loan.** "Early loan" means an enrolled loan where at the time of enrollment the amount of previously enrolled loans made by the lender under the program was less than \$5,000,000.

Subd. 8. **Eligible loan.** "Eligible loan" means a loan made by the lender to a borrower that meets the requirements of section 116J.8764.

Subd. 9. **Enrolled loan.** "Enrolled loan" means a loan enrolled by the commissioner under the terms of section 116J.8764.

Subd. 10. **Lender.** "Lender" means a financial institution as defined in section 13A.01, subdivision 2, that has entered into an agreement with the commissioner to participate in the program.

Subd. 11. **Passive real estate ownership.** "Passive real estate ownership" means ownership of real estate for the purpose of deriving income from speculation, trade, or rentals, except that the term does not include (1) the ownership of that portion of real estate being used or intended to be used for the operation of the business of the owner of the real estate; or (2) ownership of real estate for the purpose of construction or renovation until the completion of the construction or renovation phase.

Subd. 12. **Program.** "Program" means the capital access program created by sections 116J.876 to 116J.8769.

Subd. 13. **Reserve fund.** "Reserve fund" means an administrative account maintained by the commissioner for funds accumulated under an agreement with the commissioner to cover losses sustained by the lender on enrolled loans.

116J.8761 CAPITAL ACCESS PROGRAM; CREATION; ADMINISTRATION.

(a) A capital access program is created in the Department of Employment and Economic Development. The purpose of the capital access program is to provide capital to businesses, particularly small and medium-sized businesses, to foster economic development. Capital may be provided in the form of equity investments for community development venture capital funds or loans for all other assistance under the program. Loans made under this program are to be slightly riskier than conventional loans, but still offer a high degree of soundness in connection with the capital access program.

(b) The commissioner has the power to administer the program, enter into contracts, and take action reasonably necessary to ensure compliance with the program. The lender shall provide the commissioner with information regarding its participation in the program as the commissioner may reasonably require. Upon notice to the lender, the commissioner may inspect the files of the lender relating to any loans enrolled under the program during normal business hours of the lender.

(c) A lender is eligible to participate in the program upon entering into an agreement with the commissioner governing the duties of the commissioner and the lender under the program.

116J.8762 COMMISSIONER; DUTIES.

Subdivision 1. **Duties.** The commissioner must:

(1) with respect to loans:

(i) market the capital access program to businesses and other persons in the state in cooperation with financial institutions and statewide associations representing financial institutions;

(ii) establish a reservation or allocation system so that lenders may reserve an allocation of funds in the account before or after the lender enters into a loan agreement or contract with a borrower; and

(iii) develop the program, in cooperation with financial institutions and statewide associations representing financial institutions, so that the degree of flexibility for the commissioner and the participating lenders is maximized and the state oversight of individual loans is minimized, and the fiscal integrity of the program is maintained; and

(2) with respect to equity investments:

(i) market the program to businesses and community development venture capital funds; and

APPENDIX
Repealed Minnesota Statutes: H3732-2

(ii) enter into appropriate contracts and agreements with community development venture capital funds.

Subd. 2. **Interests of commissioner.** Except upon the exercise of the commissioner's right of subrogation under section 116J.8767, the commissioner has no legal or equitable interest in any collateral, security, or other right of recovery in connection with any loan enrolled in the program, and the commissioner's consent is not necessary for any amendment to the lender's loan documents.

116J.8763 ELIGIBLE LOANS.

Subdivision 1. **Loan types.** Eligible loans may include:

- (1) loans made for industrial, commercial, or agricultural purposes;
- (2) refinancing of loans made for the purposes in clause (1); and
- (3) lines of credit agreements established between the lender and borrower which are used for the purposes in clause (1).

Subd. 2. **Loan restrictions.** Eligible loans must meet the following criteria:

- (1) the lender has not made the loan in order to enroll in the program prior debt which is not covered under the program and which is or was owed by the borrower to the lender;
- (2) the proceeds of the loan will not be used for that portion of a project or development devoted to housing;
- (3) the proceeds of the loan will not be used to finance passive real estate ownership; and
- (4) the proceeds of the loan will be used to finance a project or enterprise located within this state which will foster economic development in Minnesota.

Subd. 3. **Loan provisions.** An eligible loan may provide for an interest rate, fees, and other terms and conditions as the lender and borrower may agree. If the loan amount to be borrowed is determined by a commitment agreement that establishes a line of credit, the amount of the loan is the maximum amount available to the borrower under the agreement.

116J.8764 ENROLLMENT OF LOANS IN PROGRAM.

Subdivision 1. **Filing requirements.** (a) To enroll a loan under this program, the lender must file a completed loan enrollment form with the commissioner. The lender must also certify the following to the commissioner as part of the filing:

- (1) the lender has no substantial reason to believe that the loan is being made to a borrower who does not meet the requirements of section 116J.876, subdivision 3;
- (2) that the lender has received from the borrower a written representation, warranty, pledge, and waiver stating that the borrower has no legal, beneficial, or equitable interest in the nonrefundable premium charges or any other funds credited to the reserve fund established to cover losses sustained by the lender on enrolled loans;
- (3) the loan being filed for enrollment is an eligible loan under section 116J.8763; and
- (4) premium charges required of the borrower and lender under this section have been deposited in the reserve fund.

(b) The lender shall file the loan enrollment form within ten business days after the lender makes the loan. The date on which the lender makes a loan is the date on which the lender first disburses proceeds of the loan to the borrower or an earlier date on which the loan documents have been executed and the lender has obligated itself to disburse proceeds of the loan. The filing date of a loan enrollment form is the date on which the lender delivers the required documentation to the commissioner, delivers it to a professional courier service for delivery to the commissioner, or mails it to the commissioner by certified mail.

Subd. 2. **Commissioner enrollment; acknowledgment.** When the commissioner receives the loan enrollment form, the commissioner shall enroll the loan, unless the information provided under subdivision 1 indicates that the loan is not an eligible loan, and shall deliver to the lender within five business days of receipt an acknowledgment of enrollment, signed by the commissioner or designee, including documentation of the amount being transferred by the commissioner into the reserve fund under this section.

APPENDIX
Repealed Minnesota Statutes: H3732-2

Subd. 2a. **Enrollment of loans without commissioner's full premium payment.** The commissioner may continue to accept loans for enrollment into the program even if the amount of funds contained in the account is zero or an amount less than the full amount that is required to be transferred under section 116J.8765, subdivision 2, paragraph (a), (b), or (c).

Subd. 3. **Amount covered.** When filing a loan enrollment form, the lender may specify an amount to be covered under the program. The amount may be less than the total amount of the loan. Unless the context clearly requires otherwise, when used in connection with a loan or loans, the words "amount" and "proceeds" refer only to the amount covered under the agreement.

Subd. 4. **Amount covered in refinancings.** (a) In the case of a loan to refinance a loan previously made to the borrower by the lender that was not enrolled under the program, the lender may obtain coverage under the program for an amount not exceeding the amount of additional financing.

(b) If an enrolled loan is refinanced and the total amount to be covered under the program does not exceed the covered amount of the loan as previously enrolled, the refinanced loan may continue as an enrolled loan without payment of additional premium charges or transfers by the commissioner to the reserve fund.

(c) If an enrolled loan is refinanced in an amount exceeding the amount of the loan as previously enrolled, the lender may obtain coverage of the amount of the refinanced loan that exceeds the amount covered when the loan was previously enrolled by refiling the loan for enrollment under subdivision 1.

(d) Fluctuations in the outstanding balance of a line of credit, without increasing the enrolled amount under the program, are not a refinancing of the loan.

Subd. 5. **Termination of enrollment.** If the outstanding balance of an enrolled loan which is not a line of credit is reduced to zero, the loan is no longer an enrolled loan. If an enrolled loan which is a line of credit has an outstanding balance of zero for a 12-month period, the line of credit is no longer an enrolled loan, unless, before the expiration of the 12-month period, the lender reaffirms in writing to the borrower that the line of credit will remain open and the borrower acknowledges the reaffirmation in writing.

116J.8765 RESERVE FUND; PREMIUMS.

Subdivision 1. **Creation.** Upon execution of an agreement between the lender and the commissioner, the commissioner shall establish a reserve fund account with the lender in the name of the commissioner for the purpose of receiving all required premium charges to be paid by the lender and the borrower and transfers made by the commissioner under sections 116J.876 to 116J.8769.

Subd. 2. **Premium payments and transfers to reserve fund.** The premium charges payable to the reserve fund by the lender and the borrower in connection with a loan filed for enrollment are determined by the lender. The premium paid by the borrower may not be less than 1.5 percent nor greater than 3.5 percent of the amount of the loan. The premium paid by the lender shall be equal to the amount of the premium paid by the borrower. The lender may recover from the borrower the cost of the lender's premium payment, in any manner in which the lender and borrower agree. When enrolling a loan, the commissioner shall transfer into the reserve fund from the account premium amounts determined as follows:

(a) If the amount of any loan, plus the amount of loans previously enrolled by the lender, is less than \$2,000,000, the premium amount transferred must be equal to 150 percent of the combined premiums paid into the reserve fund by the borrower and the lender for each enrolled loan.

(b) If, prior to the enrollment of the loan, the amount of loans previously enrolled by the lender equals or exceeds \$2,000,000, the premium amount transferred must be equal to the combined premiums paid into the reserve fund by the borrower and the lender for each enrolled loan.

(c) If the amount of loans previously enrolled by the lender is less than \$2,000,000, but the enrollment of a loan will cause the aggregate amount of all enrolled loans made by the lender to exceed \$2,000,000, the premium amount transferred must be equal to a percentage of the combined amount paid by the lender and the borrower. The percentage must be determined by (1) multiplying by 150 that portion of the loan which when added to the amount of all previously enrolled loans totals \$2,000,000, (2) multiplying the balance of the loan by 100, and (3) adding the products of the two amounts and dividing the sum by the total amount of the loan.

Subd. 3. **Limitation of transfers.** A maximum premium amount of \$150,000 may be transferred into the reserve funds of all lenders participating in the program by the commissioner over any

APPENDIX
Repealed Minnesota Statutes: H3732-2

three-year period in connection with any one borrower or any group of borrowers among which a common enterprise exists. This maximum premium amount may be exceeded upon the written request by a lender only if the commissioner approves in writing the transfer of an amount in excess of \$150,000. For the purpose of this subdivision, the term "common enterprise" has the meaning given it in Code of Federal Regulations, title 12, section 32, as amended.

Subd. 4. **Control and investment of reserve fund.** (a) All money credited to the reserve fund is under the exclusive control of the commissioner. The commissioner may not withdraw money from the reserve fund except as specifically provided in this subdivision and sections 116J.8766 and 116J.8768.

(b) Money in the reserve fund must be deposited by the commissioner in an account with the lender unless the commissioner determines that the lender is not in substantial compliance with the requirements of the agreement. If money in the reserve fund is not deposited by the commissioner in an account with the lender, it must be invested or reinvested by the commissioner in (1) direct obligations of the United States or the state of Minnesota or in obligations the principal and interest of which are unconditionally guaranteed by the United States or the state of Minnesota, or (2) a deposit account at a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

(c) Interest or income earned on the money credited to the reserve fund is part of the reserve fund. The commissioner may withdraw at any time from the reserve fund 50 percent of all interest or income that has been credited to the reserve fund, except that after the first withdrawal the commissioner may not withdraw more than 50 percent of all interest or income that has been credited to the reserve fund since the time of the last withdrawal. Any withdrawal made under this subdivision may be made prior to paying any claim. None of the amounts withdrawn need to be transferred back to the reserve fund. Any withdrawal under this subdivision must be credited in the capital access account.

Subd. 5. **Pledge of the reserve fund.** The commissioner shall pledge to the lender that the money in the reserve fund will be available to pay claims under section 116J.8766, that the lender will have a first security interest in the money in the reserve fund to pay the claims, and that the commissioner will not encumber or pledge the money to any other party.

Subd. 6. **Quarterly reports; inspections.** (a) If the reserve fund is not maintained with the lender, the commissioner shall provide to the lender quarterly transaction reports indicating the balance in the reserve fund, payments and transfers into the reserve fund, withdrawals from the reserve fund, and interest or income earned on money credited to the reserve fund.

(b) The records of the commissioner with respect to all payments and transfers into the reserve fund, withdrawals from the reserve fund, and interest or income earned on the money credited to the reserve fund, are available to the lender at the offices of the commissioner during normal business hours.

116J.8766 CLAIMS BY LENDER TO RESERVE FUND.

Subdivision 1. **Claim process.** (a) If the lender charges off all or part of an enrolled loan, the lender may file a claim with the commissioner. The claim must be filed contemporaneously with the charge-off.

(b) The lender's claim may include, in addition to the amount of principal charged off plus accrued interest, one-half of the documented out-of-pocket expenses incurred in pursuing its collection efforts, including preservation of collateral. The amount of principal and accrued interest included in the claim may not exceed the principal amount covered under the program upon enrollment, plus accrued interest attributable to the covered principal amount.

(c) The lender shall determine when and how much to charge off on an enrolled loan in a manner consistent with its normal method for making these determinations on similar loans which are not enrolled loans.

(d) If the lender files two or more claims contemporaneously and there are insufficient funds in its reserve fund at that time to cover the entire amount of the claims, the lender may designate the order of priority in which the commissioner shall pay the claims.

Subd. 2. **Disbursement of reserve fund.** (a) Upon receipt by the commissioner of a claim filed by the lender, the commissioner shall, within ten business days, pay or authorize the lender to withdraw from the reserve fund the amount of the claim as submitted, unless the information provided by the lender was known by the lender to be false at the time the loan was filed for

APPENDIX
Repealed Minnesota Statutes: H3732-2

enrollment. No other violation of sections 116J.876 to 116J.8769 or the agreement is grounds for denial of a claim. All money transferred or credited to the reserve fund from any source is appropriated to the commissioner to pay claims under this section.

(b) If there is insufficient money in the reserve fund to cover the entire amount of the lender's claim, the commissioner shall pay to the lender or authorize the lender to withdraw an amount equal to the current balance in the reserve fund and the following shall apply:

(1) If the enrolled loan for which the claim has been filed is not an early loan, the payment fully satisfies the claim, and the lender has no right to receive any further amount from the reserve fund with respect to that claim.

(2) If the loan is an early loan, the partial payment does not satisfy the lender's claim, and at any time that the remaining balance of the claim is not greater than 75 percent of the balance in the reserve fund at the time of the loss, the commissioner, upon request of the lender, shall pay the remaining balance of the claim.

Subd. 3. Recovery by lender subsequent to claim. (a) If, subsequent to payment of a claim by the commissioner, the lender recovers from a borrower any amount for which payment of the claim was made, the lender shall promptly pay to the commissioner for deposit in the reserve fund the amount recovered, less one-half of any documented out-of-pocket expenses incurred. The lender need pay to the commissioner for deposit in the reserve fund only amounts in excess of the amount of recovery needed to fully cover the lender's loss on an enrolled loan.

(b) For the purposes of this subdivision and section 116J.8767, the lender's loss on an enrolled loan includes any losses on the loan including principal, accrued interest, and one-half of the documented out-of-pocket expenses attributable to principal amounts in excess of the amount covered under the program or the principal amount included in the claim.

Subd. 4. Technical assistance. When a borrower becomes 60 days delinquent in the payments of an enrolled loan or before a lender files a claim with the commissioner, the lender must notify the commissioner of the delinquency. The commissioner, after notification, shall inform the borrower of the technical assistance providers in the borrower's area that may assist in solving any business or management problems experienced by the borrower.

116J.8767 SUBROGATION OF CLAIMS.

Subdivision 1. Limitation. The commissioner may exercise the right of subrogation under this section if the commissioner determines, in the commissioner's discretion, that the lender has not exercised reasonable care and diligence in its collection activities with respect to the loan or that there is a reasonable basis for believing that the lender will not exercise reasonable care and diligence in the future with respect to the collection activities.

Subd. 2. Assignment of rights. If the payment of a claim has fully covered the lender's loss on an enrolled loan, or if the payment of a claim when combined with any recovery from the borrower has fully covered the lender's loss, the commissioner, upon request, is subrogated to the rights of the lender with respect to any collateral, security, or other right of recovery in connection with the loan that has not been realized by the lender. The lender thereafter shall assign to the commissioner any right, title, or interest to any collateral, security, or other right of recovery in connection with the loan.

Subd. 3. Lender obligations. If an assignment has been made, the commissioner is not required to undertake any obligations of the lender under its loan documents, except for any obligations directly related to the commissioner's assigned rights of recovery in connection with the loan. The lender shall fulfill any other obligations it may have under the loan documents in the same manner and to the same degree as required had the assignment not been made. The lender shall provide the commissioner with all reasonable assistance the commissioner requests in proceeding with respect to any collateral, security, or other right of recovery, except that the lender need not incur any out-of-pocket expenses.

Subd. 4. Payment of lender's loss. If the commissioner decides to exercise the right of subrogation in connection with an enrolled loan and would be entitled to exercise the right except for the fact that the lender's loss has not been fully covered, the commissioner may pay from money in the reserve fund an amount sufficient to fully cover the lender's loss even though the payment may cover a principal amount not covered under the program or not included in the lender's claim. Upon making the payment, the commissioner is subrogated to the rights of the lender.

APPENDIX
Repealed Minnesota Statutes: H3732-2

Subd. 5. **Recovered funds.** Any money received by the commissioner as a result of enforcement actions taken with respect to any collateral, security, or other rights of recovery must be promptly deposited by the commissioner in the reserve fund, less any out-of-pocket expenses incurred by the commissioner in taking such enforcement actions.

116J.8768 EXCESS RESERVE FUNDS.

Subdivision 1. **Reports.** The lender shall file quarterly reports with the commissioner indicating the number and aggregate outstanding balance of all enrolled loans as of the end of each quarter. A quarterly report is not required for any quarter that ends with a balance in the reserve fund of zero, except that a calendar year-end report must be filed. In computing the aggregate outstanding balance of all enrolled loans, the balance of any loan may not be greater than the covered amount of the loan as enrolled.

Subd. 2. **Withdrawal of excess reserve funds.** (a) If reports filed under this section indicate that for the immediately preceding 24-month period the balance in the reserve fund continually exceeded the aggregate outstanding balance of all enrolled loans, the commissioner may withdraw from the reserve fund, on or before the last day of the month for which a report is due, an amount not greater than the amount by which the reserve fund balance exceeded the aggregate outstanding balance of all enrolled loans as of the most recent report, unless the lender has provided to the commissioner adequate documentation that at some time during that 24-month period the aggregate outstanding balance of all enrolled loans exceeded the balance then in the reserve fund. Any amounts withdrawn from the reserve fund must be transferred to the account.

(b) If a report is not filed within 30 days of its original due date, the commissioner may withdraw from the reserve fund based on the commissioner's determination from an inspection of the lender's files an amount not greater than the amount by which the reserve fund balance exceeded the aggregate outstanding balance of all enrolled loans as of the date for which the report was required to be filed.

116J.8769 TERMINATION.

The commissioner may terminate the obligation to a lender to enroll loans under the program if the commissioner determines that the lender is not in substantial compliance with the requirements of the program. The termination takes effect on the date specified in the notice of termination, except that the termination does not apply to any loan made on or before the date on which the notice of termination is received by the lender. If the commissioner is terminating the enrollment of loans for all participating lenders under the program, the commissioner shall provide notice of at least 90 days to the lender. Any terminations under this section are prospective only and do not apply to any loans previously refinanced. After termination, the amount covered under the program may not be increased beyond the covered amount as previously enrolled.

116J.8770 EQUITY INVESTMENTS.

The commissioner may invest funds from the capital access account to make equity investments in community development venture capital funds for the purpose of providing capital for small and emerging businesses. The community development venture capital fund must have experience in equity investments with small businesses and the ability to raise private capital.

116J.8771 WAIVER.

The capital access program is exempt from section 16C.05, subdivision 2, paragraph (b).

116J.9922 CENTRAL MINNESOTA OPPORTUNITY GRANT PROGRAM.

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

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

(c) "Community initiative" means a nonprofit organization which provides services to central Minnesota communities of color in one or more of the program areas listed in subdivision 4, paragraph (a).

(d) "Foundation" means the Central Minnesota Community Foundation.

Subd. 2. **Establishment.** The commissioner shall establish a central Minnesota opportunity grant program, administered by the foundation, to identify and support community initiatives in the St. Cloud area that enhance long-term economic self-sufficiency by improving education, housing, and economic outcomes for central Minnesota communities of color.

APPENDIX
Repealed Minnesota Statutes: H3732-2

Subd. 3. **Grant to the Central Minnesota Community Foundation.** The commissioner shall award all grant funds to the foundation, which shall administer the central Minnesota opportunity grant program. The foundation may use up to five percent of grant funds for administrative costs.

Subd. 4. **Grants to community initiatives.** (a) The foundation must award funds through a competitive grant process to community initiatives that will provide services, either alone or in partnership with another nonprofit organization, in one or more of the following areas:

(1) economic development, including but not limited to programs to foster entrepreneurship or small business development;

(2) education, including but not limited to programs to encourage civic engagement or provide youth after-school or recreation programs; or

(3) housing, including but not limited to, programs to prevent and respond to homelessness or to provide access to loans or grants for housing stability and affordability.

(b) To receive grant funds, a community initiative must submit a written application to the foundation, using a form developed by the foundation. This grant application must include:

(1) a description of the activities that will be funded by the grant;

(2) an estimate of the cost of each grant activity;

(3) the total cost of the project;

(4) the sources and amounts of nonstate funds supplementing the grant;

(5) how the project aims to achieve stated outcomes in areas including improved job training; workforce development; small business support; early childhood, kindergarten through grade 12, and higher education achievement; and access to housing, including loans; and

(6) any additional information requested by the foundation.

(c) In awarding grants under this subdivision, the foundation shall give weight to applications from organizations that demonstrate:

(1) a history of successful provision of the services listed in paragraph (a); and

(2) a history of successful fundraising from private sources for such services.

(d) In evaluating grant applications, the foundation shall not consider the composition of a community initiative's governing board.

(e) Grant funds may be used by a community initiative for the following purposes:

(1) operating costs, including but not limited to staff, office space, computers, software, and web development and maintenance services;

(2) program costs;

(3) travel within Minnesota;

(4) consultants directly related to and necessary for delivering services listed in paragraph (a); and

(5) capacity building.

Subd. 5. **Reports to the legislature.** By January 15, 2019, and each January 15 thereafter through 2022, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and the senate committees with jurisdiction over economic development that details the use of grant funds. This report must include data on the number of individuals served and, to the extent practical, measures of progress toward achieving the outcomes stated in subdivision 4, paragraph (b), clause (5).

116L.18 SPECIAL INCUMBENT WORKER TRAINING GRANTS.

Subdivision 1. **Purpose.** The purpose of the special incumbent worker training grants is to expand opportunities for businesses and workers to gain new skills that are in demand in the Minnesota economy. The board shall establish criteria for incumbent worker grants under this section and may encourage creative training models, innovative partnerships, and expansion or replication of promising practices.

APPENDIX
Repealed Minnesota Statutes: H3732-2

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

(b) "Incumbent worker" means an individual employed by a qualifying employer.

(c) "Qualifying employer" means a for-profit business or nonprofit organization in Minnesota with at least one full-time paid employee. Public sector organizations are not considered qualifying employers.

(d) "Eligible organization" has the meaning given in section 116L.17.

Subd. 3. **Amount of grants.** A grant to an eligible organization may not exceed \$400,000.

Subd. 4. **Matching funds.** The board shall require matching funds from qualifying employers in the form of funding, equipment, or faculty.

Subd. 5. **Use of funds.** Eligible organizations shall use funds granted under this section for direct training services to provide a measurable increase in the job-related skills of participating incumbent workers. Eligible organizations may also provide basic assessment, counseling, and preemployment training services requested by the qualifying employer. No funds may be used for support services as described in section 116L.17, subdivision 4, clause (2).

Subd. 6. **Performance outcome measures.** The board and the commissioner of employment and economic development shall jointly develop performance outcome measures and standards for this program. The commissioner and board shall consult with eligible organizations in establishing standards. Measures at a minimum must include posttraining retention, promotion, and wage increase. The board and commissioner shall provide a report to the legislature by March 1 of each year on the previous fiscal year's program performance. Eligible organizations must provide performance data in a timely manner for the completion of this report.

326B.31 DEFINITIONS.

Subd. 7. **Class A installer.** "Class A installer" means an individual who has the necessary qualifications, training, experience, and technical knowledge to properly lay out and install electrical wiring, apparatus, and equipment for major electrical home appliances and such other electrical equipment as is determined by the commissioner pursuant to section 326B.33, subdivision 3, on the load side of the main service on farmsteads or in any town or municipality with less than 1,500 inhabitants, which is not contiguous to a city of the first class and does not contain an established business of a master electrician, and who is licensed as a Class A installer by the commissioner.

326B.33 LICENSES.

Subd. 3. **Class A installer.** Notwithstanding the provisions of subdivisions 1, 2, and 14, any individual holding a Class A installer license may lay out and install and supervise the laying out and installing of electrical wiring, apparatus, or equipment for major electrical home appliances on the load side of the main service on farmsteads and in any town or municipality with fewer than 1,500 inhabitants, which is not contiguous to a city of the first class and does not contain an established business of a contractor. As of December 1, 2007, no new Class A installer licenses shall be issued. An individual who holds a Class A installer license as of December 1, 2007, may retain and renew the license and exercise the privileges it grants.

Subd. 5. **Coursework or experience.** An applicant for a Class A or B installer license shall have completed a post high school course in electricity approved by the commissioner or shall have had at least one year of experience, approved by the commissioner, in electrical wiring.

Subd. 6. **Bond.** Every Class A and Class B installer, as a condition of licensure, shall give bond to the state in the penal sum of \$1,000. The bond must comply with section 326B.0921.

469.309 RURAL JOB CREATION GRANTS.

Subdivision 1. **Job creation grants.** The commissioner of employment and economic development may approve an incentive grant for an eligible business beginning with calendar year 1995. The maximum grant is \$5,000 per eligible employee. The actual grant is based on the following schedule:

\$2,000 for each eligible employee with wages greater than or equal to 170 percent and less than 200 percent of the minimum wage;

\$3,000 for each eligible employee with wages greater than or equal to 200 percent and less than 250 percent of the minimum wage;

APPENDIX
Repealed Minnesota Statutes: H3732-2

\$4,000 for each eligible employee with wages greater than or equal to 250 percent and less than 300 percent of the minimum wage; and

\$5,000 for each eligible employee with wages greater than or equal to 300 percent of the minimum wage.

The total grant for an employer is equal to the actual grant multiplied by the number of employees eligible for that grant. For purposes of this section "minimum wage" means the minimum wage that is required by federal law. An eligible business may apply for a rural job creation grant only once for each new job.

Subd. 2. **Eligible business.** An employer eligible for a job creation incentive grant under this section must (1) be located outside the metropolitan area as defined under section 473.121, (2) create at least ten qualifying new jobs in a two-year period, and (3) consist of a for-profit business. For the purposes of this section, a "qualifying new job" is a job that did not exist in Minnesota before May 6, 1994.

Subd. 3. **Eligible employee.** To be eligible for a grant, the employee must be employed full time by an eligible business at a wage level of not less than 170 percent of the minimum wage at the time the eligible business applies for the grant and must have been employed there at that wage level for a minimum of 12 months. The grant applies only to new jobs created at the eligible business after May 6, 1994.

Subd. 4. **Restrictions.** The incentive grants provided by this section do not apply to racetracks, financial institutions, gambling enterprises, public utilities, or sports, fitness, and health facilities. An employer is not eligible for an incentive grant if the commissioner determines that the position held by the employee for which the business is seeking a grant was transferred from an enterprise conducted by substantially the same business enterprise at another site in the state.