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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1081

02/13/2017 Authored by Garofalo and Metsa
The bill was read for the first time and referred to the Committee on Rules and Legislative Administration

A bill for an act

1.1 relating to jobs; appropriating money for the Departments of Employment and
1.2 Economic Development, Labor and Industry, and Commerce; the Bureau of
1.3 Mediation Services; Public Employment Relations Board; Housing Finance Agency;
1.4 Explore Minnesota Tourism; Workers' Compensation Court of Appeals; and Public
1.5 Utilities Commission; making policy and technical changes; modifying fees;
1.6 providing penalties; requiring reports; amending Minnesota Statutes 2016, sections
1.7 16C.144, by adding subdivisions; 45.0135, subdivision 7; 46.131, subdivision 7,
1.8 by adding a subdivision; 47.59, subdivision 2; 47.60, subdivisions 1, 2, 4, by adding
1.9 a subdivision; 47.601, subdivision 2, by adding a subdivision; 47.65, subdivision
1.10 2; 53.04, subdivision 3a; 53.09, subdivision 2; 53A.03; 53B.11, subdivision 1;
1.11 53C.02; 55.04, subdivision 2; 56.02; 58.10, subdivision 1; 58A.045, subdivision
1.12 2; 59A.03, subdivision 2; 80A.61; 80A.65, subdivision 2; 116J.8731, subdivisions
1.13 2, 5, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116L.665;
1.14 116M.14, subdivision 4; 116M.17, subdivision 4; 116M.18, subdivisions 1a, 4,
1.15 4a, 8; 175.45; 177.27, subdivision 2, by adding a subdivision; 177.30; 177.32,
1.16 subdivision 1; 181.03, subdivision 1, by adding subdivisions; 181.032; 181.101;
1.17 216B.2401; 216B.241, subdivisions 1, 1c, 1d, 3, 5a; 239.101, subdivision 2;
1.18 326B.092, subdivision 7; 326B.153, subdivision 1; 326B.37, by adding
1.19 subdivisions; 326B.89, subdivisions 1, 5; 332.30; 332.54, subdivision 7; 332A.06;
1.20 332B.04, subdivision 6; Laws 2015, First Special Session chapter 1, article 1,
1.21 sections 4, as amended; 5, subdivision 2; Laws 2016, chapter 189, article 7, section
1.22 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter
1.23 326B; repealing Minnesota Statutes 2016, sections 46.131, subdivision 5; 326B.89,
1.24 subdivision 14; Laws 2009, chapter 37, article 3, section 4; Minnesota Rules, parts
1.25 4355.0100; 4355.0200; 4355.0300; 4355.0400; 4355.0500.

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

ARTICLE 1

APPROPRIATIONS

Section 1. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.

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

3.1 (b) \$12,500,000 each year is for the Minnesota
3.2 job creation fund under Minnesota Statutes,
3.3 section 116J.8748. Of this amount, up to three
3.4 percent is for administration and monitoring
3.5 of the program. This appropriation is available
3.6 until spent. The base for this program is
3.7 \$6,500,000 in fiscal year 2020 and \$6,500,000
3.8 in fiscal year 2021.

3.9 (c) \$2,000,000 each year is for the workforce
3.10 housing grant program in Minnesota Statutes,
3.11 section 116J.549. Of this amount, up to five
3.12 percent is for administration and monitoring
3.13 of the program. This appropriation is available
3.14 until spent.

3.15 (d) \$750,000 each year is for the Minnesota
3.16 emerging entrepreneur loan program under
3.17 Minnesota Statutes, section 116M.18. Funds
3.18 available under this paragraph are for transfer
3.19 into the emerging entrepreneur program
3.20 special revenue fund account created under
3.21 Minnesota Statutes, chapter 116M, and are
3.22 available until spent. Of this amount, up to
3.23 five percent is for administration and
3.24 monitoring of the program.

3.25 (e) \$900,000 each year from the workforce
3.26 development fund is for the job training
3.27 incentive program under Minnesota Statutes,
3.28 section 116L.42. Of this amount, up to five
3.29 percent is for administration and monitoring
3.30 of the program.

3.31 (f) \$1,300,000 each year is for the greater
3.32 Minnesota business development public
3.33 infrastructure grant program under Minnesota
3.34 Statutes, section 116J.431. This appropriation
3.35 is available until spent.

- 4.1 (g) \$139,000 each year is for the Center for
4.2 Rural Policy and Development.
- 4.3 (h) \$1,272,000 each year is for contaminated
4.4 site cleanup and development grants under
4.5 Minnesota Statutes, sections 116J.551 to
4.6 116J.558. This appropriation is available until
4.7 spent.
- 4.8 (i) \$700,000 each year is from the remediation
4.9 fund for contaminated site cleanup and
4.10 development grants under Minnesota Statutes,
4.11 sections 116J.551 to 116J.558. This
4.12 appropriation is available until spent.
- 4.13 (j) \$1,425,000 each year is for the business
4.14 development competitive grant program. Of
4.15 this amount, up to five percent is for
4.16 administration and monitoring of the business
4.17 development competitive grant program. All
4.18 grant awards shall be for two consecutive
4.19 years. Grants shall be awarded in the first year.
- 4.20 (k) \$4,195,000 each year is for the Minnesota
4.21 job skills partnership program under
4.22 Minnesota Statutes, sections 116L.01 to
4.23 116L.17. If the appropriation for either year
4.24 is insufficient, the appropriation for the other
4.25 year is available. This appropriation is
4.26 available until spent.
- 4.27 (l) \$875,000 each year is from the general fund
4.28 for the host community economic development
4.29 program established in Minnesota Statutes,
4.30 section 116J.548.
- 4.31 (m) \$25,000 each year is for the administration
4.32 of state aid for the Destination Medical Center
4.33 under Minnesota Statutes, sections 469.40 to
4.34 469.47.

5.1 (n) \$750,000 each year is for a grant to the
5.2 Neighborhood Development Center for small
5.3 business programs.

5.4 (o) \$1,175,000 each year is for a grant to the
5.5 Metropolitan Economic Development
5.6 Association (MEDA) for statewide business
5.7 development and assistance services, including
5.8 services to entrepreneurs with businesses that
5.9 have the potential to create job opportunities
5.10 for unemployed and underemployed people,
5.11 with an emphasis on minority-owned
5.12 businesses.

5.13 (p) \$125,000 each year is for a grant to the
5.14 White Earth Nation for the White Earth Nation
5.15 Integrated Business Development System to
5.16 provide business assistance with workforce
5.17 development, outreach, technical assistance,
5.18 infrastructure and operational support,
5.19 financing, and other business development
5.20 activities.

5.21 (q) \$875,000 each year is for a grant to
5.22 Enterprise Minnesota, Inc. for the small
5.23 business growth acceleration program under
5.24 Minnesota Statutes, section 116O.115.

5.25 (r) \$12,000 each year is from the general fund
5.26 for a grant to the Upper Minnesota Film
5.27 Office.

5.28 (s) \$325,000 each year is from the general
5.29 fund for the Minnesota Film and TV Board.
5.30 The appropriation in each year is available
5.31 only upon receipt by the board of \$1 in
5.32 matching contributions of money or in-kind
5.33 contributions from nonstate sources for every
5.34 \$3 provided by this appropriation, except that

6.1 each year up to \$50,000 is available on July
 6.2 1 even if the required matching contribution
 6.3 has not been received by that date.

6.4 (t) \$1,500,000 each year is from the general
 6.5 fund for a grant to the Minnesota Film and TV
 6.6 Board for the film production jobs program
 6.7 under Minnesota Statutes, section 116U.26.

6.8 This appropriation is available until spent.

6.9 <u>Subd. 3. Broadband Development</u>	<u>30,250,000</u>	<u>30,250,000</u>
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6.10 (a) \$250,000 each year is for the Broadband
 6.11 Development Office.

6.12 (b) \$30,000,000 each year is for deposit in the
 6.13 border-to-border broadband fund account
 6.14 created under Minnesota Statutes, section
 6.15 116J.396, and may be used for the purposes
 6.16 provided in Minnesota Statutes, section
 6.17 116J.395. This is a onetime appropriation.

6.18 This appropriation is available until spent. Of
 6.19 this appropriation, up to three percent is for
 6.20 costs incurred by the commissioner to
 6.21 administer Minnesota Statutes, section
 6.22 116J.395. Administrative costs may include
 6.23 the following activities related to measuring
 6.24 progress toward the state's broadband goals
 6.25 established in Minnesota Statutes, section
 6.26 237.012:

6.27 (1) collecting broadband deployment data from
 6.28 Minnesota providers, verifying its accuracy
 6.29 through on-the-ground testing, and creating
 6.30 state and county maps available to the public
 6.31 showing the availability of broadband service
 6.32 at various upload and download speeds
 6.33 throughout Minnesota;

7.1 (2) analyzing the deployment data collected
 7.2 to help inform future investments in broadband
 7.3 infrastructure; and
 7.4 (3) conducting business and residential surveys
 7.5 that measure broadband adoption and use in
 7.6 the state.

7.7 Data provided by a broadband provider under
 7.8 this paragraph is nonpublic data under
 7.9 Minnesota Statutes, section 13.02, subdivision
 7.10 9. Maps produced under this paragraph are
 7.11 public data under Minnesota Statutes, section
 7.12 13.03.

7.13 **Subd. 4. Minnesota Trade Office** 2,292,000 2,292,000

7.14 (a) \$300,000 each year is for the STEP grants
 7.15 in Minnesota Statutes, section 116J.979.

7.16 (b) \$180,000 each year is for the Invest
 7.17 Minnesota Marketing Initiative in Minnesota
 7.18 Statutes, section 116J.9781.

7.19 (c) \$270,000 each year is for the Minnesota
 7.20 Trade Offices under Minnesota Statutes,
 7.21 section 116J.978.

7.22 (d) \$50,000 each year is for the trade policy
 7.23 advisory group under Minnesota Statutes,
 7.24 section 116J.9661.

7.25 **Subd. 5. Workforce Development**

7.26	<u>Appropriations by Fund</u>		
7.27	<u>General</u>	<u>13,114,000</u>	<u>13,114,000</u>
7.28	<u>Workforce</u>		
7.29	<u>Development</u>	<u>17,017,000</u>	<u>17,017,000</u>

7.30 (a) \$2,039,000 each year from the general fund
 7.31 and \$4,604,000 each year from the workforce
 7.32 development fund are for the pathways to
 7.33 prosperity competitive grant program. Of this

8.1 amount, up to five percent is for administration
8.2 and monitoring of the program.

8.3 (b) \$4,050,000 each year is from the
8.4 workforce development fund for the
8.5 Minnesota youth program under Minnesota
8.6 Statutes, sections 116L.56 and 116L.561.

8.7 (c) \$1,000,000 each year is from the workforce
8.8 development fund for the youthbuild program
8.9 under Minnesota Statutes, sections 116L.361
8.10 to 116L.366.

8.11 (d) \$1,000,000 each year is from the general
8.12 fund and \$3,348,000 each year is from the
8.13 workforce development fund for the youth at
8.14 work competitive grant program under
8.15 Minnesota Statutes, section 116L.562. Of this
8.16 amount, up to five percent is for administration
8.17 and monitoring of the youth workforce
8.18 development competitive grant program. All
8.19 grant awards shall be for two consecutive
8.20 years. Grants shall be awarded in the first year.

8.21 (e) \$500,000 each year from the general fund
8.22 and \$500,000 each year from the workforce
8.23 development fund is for rural career
8.24 counseling coordinators in the workforce
8.25 service areas and for the purposes specified
8.26 in Minnesota Statutes, section 116L.667. Of
8.27 these amounts, up to five percent is for
8.28 administration and monitoring of the program.

8.29 (f) \$250,000 each year is for the higher
8.30 education career advising program. Of this
8.31 amount, up to five percent is for administration
8.32 and monitoring of the program.

8.33 (g) \$1,000,000 each year is for a competitive
8.34 grant program for grants to organizations

9.1 providing services to relieve economic
9.2 disparities in the Southeast Asian community
9.3 through workforce recruitment, development,
9.4 job creation, assistance of smaller
9.5 organizations to increase capacity, and
9.6 outreach. Of this amount, up to five percent
9.7 is for administration and monitoring of the
9.8 program.

9.9 (h) \$1,500,000 each year is for a competitive
9.10 grant program to provide grants to
9.11 organizations that provide support services for
9.12 individuals, such as job training, employment
9.13 preparation, internships, job assistance to
9.14 fathers, financial literacy, academic and
9.15 behavioral interventions for low-performing
9.16 students, and youth intervention. Grants made
9.17 under this section must focus on low-income
9.18 communities, young adults from families with
9.19 a history of intergenerational poverty, and
9.20 communities of color. Of this amount, up to
9.21 five percent is for administration and
9.22 monitoring of the program.

9.23 (i) \$1,000,000 each year is for the high-wage,
9.24 high-demand, nontraditional jobs grant
9.25 program under Minnesota Statutes, section
9.26 116L.99. Of this amount, up to five percent is
9.27 for administration and monitoring of the
9.28 program.

9.29 (j) \$450,000 each year is from the workforce
9.30 development fund for a grant to Minnesota
9.31 Diversified Industries, Inc., to provide
9.32 progressive development and employment
9.33 opportunities for people with disabilities.

9.34 (k) \$500,000 each year is from the workforce
9.35 development fund for the Opportunities

- 10.1 Industrialization Center programs. This
10.2 appropriation shall be divided equally among
10.3 the eligible centers.
- 10.4 (l) \$750,000 each year is from the workforce
10.5 development fund for a grant to the Minnesota
10.6 Alliance of Boys and Girls Clubs to administer
10.7 a statewide project of youth jobs skills
10.8 development. This project, which may have
10.9 career guidance components, including health
10.10 and life skills, is to encourage, train, and assist
10.11 youth in job-seeking skills, workplace
10.12 orientation, and job-site knowledge through
10.13 coaching. This grant requires a 25 percent
10.14 match from nonstate resources.
- 10.15 (m) \$250,000 each year is for a grant to
10.16 YWCA St. Paul to provide job training
10.17 services and workforce development programs
10.18 and services, including job skills training and
10.19 counseling.
- 10.20 (n) \$375,000 each year is for a grant to the
10.21 YWCA of Minneapolis to provide
10.22 economically challenged individuals the jobs
10.23 skills training, career counseling, and job
10.24 placement assistance necessary to secure a
10.25 child development associate credential and to
10.26 have a career path in early childhood
10.27 education.
- 10.28 (o) \$1,000,000 each year is for a grant to
10.29 EMERGE Community Development, in
10.30 collaboration with community partners, for
10.31 services targeting Minnesota communities
10.32 with the highest concentrations of African and
10.33 African-American joblessness, based on the
10.34 most recent census tract data, to provide
10.35 employment readiness training, credentialed

- 11.1 training placement, job placement and
11.2 retention services, supportive services for
11.3 hard-to-employ individuals, and a general
11.4 education development fast track and adult
11.5 diploma program.
- 11.6 (p) \$1,000,000 each year is for a grant to the
11.7 Minneapolis Foundation for a strategic
11.8 intervention program designed to target and
11.9 connect program participants to meaningful,
11.10 sustainable living-wage employment.
- 11.11 (q) \$600,000 each year is for performance
11.12 grants under Minnesota Statutes, section
11.13 116J.8747, to Twin Cities R!SE to provide
11.14 training to hard-to-train individuals.
- 11.15 (r) \$750,000 each year is for a grant to Latino
11.16 Communities United in Service (CLUES) to
11.17 expand culturally tailored programs that
11.18 address employment and education skill gaps
11.19 for working parents and underserved youth by
11.20 providing new job skills training to stimulate
11.21 higher wages for low-income people, family
11.22 support systems designed to reduce
11.23 intergenerational poverty, and youth
11.24 programming to promote educational
11.25 advancement and career pathways. At least
11.26 50 percent of this amount must be used for
11.27 programming targeted at greater Minnesota.
- 11.28 (s) \$250,000 each year is for transfer to the
11.29 Department of Education for a grant to the
11.30 American Indian Opportunities and
11.31 Industrialization Center, in collaboration with
11.32 the Northwest Indian Community
11.33 Development Center, to reduce academic
11.34 disparities for American Indian students and

- 12.1 adults. The grant funds may be used to
12.2 provide:
- 12.3 (1) student tutoring and testing support
12.4 services;
- 12.5 (2) training in information technology;
12.6 (3) assistance in obtaining a GED;
- 12.7 (4) remedial training leading to enrollment in
12.8 a postsecondary higher education institution;
- 12.9 (5) real-time work experience in information
12.10 technology fields; and
- 12.11 (6) contextualized adult basic education.
- 12.12 After notification to the legislature, the
12.13 commissioner may transfer this appropriation
12.14 to the commissioner of education.
- 12.15 (t) \$600,000 each year is for a grant to Ujamaa
12.16 Place for job training, employment
12.17 preparation, internships, education, training
12.18 in the construction trades, housing, and
12.19 organizational capacity-building.
- 12.20 (u) \$500,000 each year from the workforce
12.21 development fund is for a grant to Resource,
12.22 Inc. to provide low-income individuals career
12.23 education and job skills training that are fully
12.24 integrated with chemical and mental health
12.25 services.
- 12.26 (v) \$1,100,000 each year from the workforce
12.27 development fund is for a grant to the
12.28 Minnesota High Tech Association to support
12.29 SciTechsperience, a program that supports
12.30 science, technology, engineering, and math
12.31 (STEM) internship opportunities for two- and
12.32 four-year college students in their field of
12.33 study. The internship opportunities must match

13.1 students with paid internships within STEM
13.2 disciplines at small, for-profit companies
13.3 located in the seven-county metropolitan area,
13.4 having fewer than 150 employees; or at small
13.5 or medium for-profit companies located
13.6 outside of the seven-county metropolitan area,
13.7 having fewer than 250 employees. At least
13.8 200 students must be matched in the first year
13.9 and at least 250 students must be matched in
13.10 the second year. Selected hiring companies
13.11 shall receive from the grant 50 percent of the
13.12 wages paid to the intern, capped at \$2,500 per
13.13 intern. The program must work toward
13.14 increasing the participation among women or
13.15 individuals with barriers to employment.

13.16 (w) \$1,000,000 each year is for a grant to the
13.17 Construction Careers Foundation for the
13.18 construction career pathway initiative to
13.19 provide year-round educational and
13.20 experiential learning opportunities for teens
13.21 and young adults under the age of 21 that lead
13.22 to careers in the construction industry. Grant
13.23 funds must be used to:

13.24 (1) increase construction industry exposure
13.25 activities for middle school and high school
13.26 youth, parents, and counselors to reach a more
13.27 diverse demographic and broader statewide
13.28 audience. This requirement includes, but is
13.29 not limited to, an expansion of programs to
13.30 provide experience in different crafts to youth
13.31 and young adults throughout the state;

13.32 (2) increase the number of high schools in
13.33 Minnesota offering construction classes during
13.34 the academic year that utilize a multicraft
13.35 curriculum;

- 14.1 (3) increase the number of summer internship
- 14.2 opportunities;
- 14.3 (4) enhance activities to support graduating
- 14.4 seniors in their efforts to obtain employment
- 14.5 in the construction industry;
- 14.6 (5) increase the number of young adults
- 14.7 employed in the construction industry and
- 14.8 ensure that they reflect Minnesota's diverse
- 14.9 workforce; and
- 14.10 (6) enhance an industrywide marketing
- 14.11 campaign targeted to youth and young adults
- 14.12 about the depth and breadth of careers within
- 14.13 the construction industry.
- 14.14 Programs and services supported by grant
- 14.15 funds must give priority to individuals and
- 14.16 groups that are economically disadvantaged
- 14.17 or historically underrepresented in the
- 14.18 construction industry, including but not limited
- 14.19 to women, veterans, and members of minority
- 14.20 and immigrant groups.
- 14.21 (x) \$215,000 each year is from the workforce
- 14.22 development fund for a grant to Big Brothers,
- 14.23 Big Sisters of the Greater Twin Cities for
- 14.24 workforce readiness, employment exploration,
- 14.25 and skills development for youth ages 12 to
- 14.26 21. The grant must serve youth in the Twin
- 14.27 Cities, Central Minnesota and Southern
- 14.28 Minnesota Big Brothers, Big Sisters chapters.

14.29 **Subd. 6. Vocational Rehabilitation**

14.30	<u>Appropriations by Fund</u>	
14.31	<u>General</u>	<u>25,611,000</u>
		<u>25,611,000</u>
14.32	<u>Workforce</u>	
14.33	<u>Development</u>	<u>7,830,000</u>
		<u>7,830,000</u>

15.1 (a) \$14,300,000 each year is for the state's
 15.2 vocational rehabilitation program under
 15.3 Minnesota Statutes, chapter 268A. The base
 15.4 for this program is \$10,800,000 in fiscal year
 15.5 2020 and \$10,800,000 in fiscal year 2021.

15.6 (b) \$2,761,000 each year is from the general
 15.7 fund for grants to centers for independent
 15.8 living under Minnesota Statutes, section
 15.9 268A.11.

15.10 (c) \$6,830,000 each year from the workforce
 15.11 development fund and \$5,995,000 each year
 15.12 from the general fund are for extended
 15.13 employment services for persons with severe
 15.14 disabilities under Minnesota Statutes, section
 15.15 268A.15.

15.16 (d) \$1,000,000 each year is from the
 15.17 workforce development fund for grants under
 15.18 Minnesota Statutes, section 268A.16, for
 15.19 employment services for persons, including
 15.20 transition-aged youth, who are deaf, deafblind,
 15.21 or hard-of-hearing. If the amount in the first
 15.22 year is insufficient, the amount in the second
 15.23 year is available in the first year. Of this
 15.24 amount, up to five percent is for administration
 15.25 and monitoring of the program.

15.26 (e) \$2,555,000 each year is for grants to
 15.27 programs that provide employment support
 15.28 services to persons with mental illness under
 15.29 Minnesota Statutes, sections 268A.13 and
 15.30 268A.14.

15.31 Subd. 7. **Services for the Blind** 6,425,000 6,425,000

15.32 \$500,000 each year is to provide services for
 15.33 senior citizens who are becoming blind. At
 15.34 least half of the funds appropriated must be

17.1	<u>Unless otherwise specified, this appropriation</u>		
17.2	<u>is for transfer to the housing development fund</u>		
17.3	<u>for the programs specified in this section.</u>		
17.4	<u>Except as otherwise indicated, this transfer is</u>		
17.5	<u>part of the agency's permanent budget base.</u>		
17.6	<u>Subd. 2. Challenge Program</u>	<u>12,925,000</u>	<u>12,925,000</u>
17.7	<u>This appropriation is for the economic</u>		
17.8	<u>development and housing challenge program</u>		
17.9	<u>under Minnesota Statutes, section 462A.33.</u>		
17.10	<u>Of this amount, \$1,208,000 each year shall be</u>		
17.11	<u>made available during the first 11 months of</u>		
17.12	<u>the fiscal year exclusively for housing projects</u>		
17.13	<u>for American Indians. Any funds not</u>		
17.14	<u>committed to housing projects for American</u>		
17.15	<u>Indians in the first 11 months of the fiscal year</u>		
17.16	<u>shall be available for any eligible activity</u>		
17.17	<u>under Minnesota Statutes, section 462A.33.</u>		
17.18	<u>Subd. 3. Housing Trust Fund</u>	<u>17,646,000</u>	<u>11,646,000</u>
17.19	<u>This appropriation is for deposit in the housing</u>		
17.20	<u>trust fund account created under Minnesota</u>		
17.21	<u>Statutes, section 462A.201, and may be used</u>		
17.22	<u>for the purposes provided in that section. Of</u>		
17.23	<u>this amount, \$6,000,000 in fiscal year 2018 is</u>		
17.24	<u>a onetime appropriation for rental assistance</u>		
17.25	<u>for homeless or highly mobile families with</u>		
17.26	<u>children eligible for enrollment in a</u>		
17.27	<u>prekindergarten through grade 12 academic</u>		
17.28	<u>program.</u>		
17.29	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>4,088,000</u>	<u>4,088,000</u>
17.30	<u>This appropriation is for the rental housing</u>		
17.31	<u>assistance program for persons with a mental</u>		
17.32	<u>illness or families with an adult member with</u>		
17.33	<u>a mental illness under Minnesota Statutes,</u>		
17.34	<u>section 462A.2097. Among comparable</u>		
17.35	<u>proposals, the agency shall prioritize those</u>		

- 18.1 proposals that target, in part, eligible persons
 18.2 who desire to move to more integrated,
 18.3 community-based settings.
- 18.4 **Subd. 5. Family Homeless Prevention** 10,519,000 8,519,000
- 18.5 This appropriation is for the family homeless
 18.6 prevention and assistance programs under
 18.7 Minnesota Statutes, section 462A.204.
- 18.8 Of this amount, \$2,000,000 in fiscal year 2018
 18.9 is a onetime appropriation to provide
 18.10 assistance to homeless or highly mobile
 18.11 families with children eligible for enrollment
 18.12 in a prekindergarten through grade 12
 18.13 academic program. Grantees receiving funding
 18.14 under this paragraph are not required to have
 18.15 an advisory committee as described in section
 18.16 462A.204, subdivision 6.
- 18.17 **Subd. 6. Home Ownership Assistance Fund** 2,385,000 885,000
- 18.18 This appropriation is for the home ownership
 18.19 assistance program under Minnesota Statutes,
 18.20 section 462A.21, subdivision 8. The agency
 18.21 shall continue to strengthen its efforts to
 18.22 address the disparity gap in the
 18.23 homeownership rate between white
 18.24 households and indigenous American Indians
 18.25 and communities of color.
- 18.26 **Subd. 7. Affordable Rental Investment Fund** 4,218,000 4,218,000
- 18.27 (a) This appropriation is for the affordable
 18.28 rental investment fund program under
 18.29 Minnesota Statutes, section 462A.21,
 18.30 subdivision 8b, to finance the acquisition,
 18.31 rehabilitation, and debt restructuring of
 18.32 federally assisted rental property and for
 18.33 making equity take-out loans under Minnesota
 18.34 Statutes, section 462A.05, subdivision 39.

19.1 (b) The owner of federally assisted rental
 19.2 property must agree to participate in the
 19.3 applicable federally assisted housing program
 19.4 and to extend any existing low-income
 19.5 affordability restrictions on the housing for
 19.6 the maximum term permitted. The owner must
 19.7 also enter into an agreement that gives local
 19.8 units of government, housing and
 19.9 redevelopment authorities, and nonprofit
 19.10 housing organizations the right of first refusal
 19.11 if the rental property is offered for sale.
 19.12 Priority must be given among comparable
 19.13 federally assisted rental properties to
 19.14 properties with the longest remaining term
 19.15 under an agreement for federal assistance.
 19.16 Priority must also be given among comparable
 19.17 rental housing developments to developments
 19.18 that are or will be owned by local government
 19.19 units, a housing and redevelopment authority,
 19.20 or a nonprofit housing organization.

19.21 (c) The appropriation also may be used to
 19.22 finance the acquisition, rehabilitation, and debt
 19.23 restructuring of existing supportive housing
 19.24 properties. For purposes of this paragraph,
 19.25 "supportive housing" means affordable rental
 19.26 housing with links to services necessary for
 19.27 individuals, youth, and families with children
 19.28 to maintain housing stability.

19.29 Subd. 8. **Housing Rehabilitation** 6,515,000 6,515,000

19.30 This appropriation is for the housing
 19.31 rehabilitation program under Minnesota
 19.32 Statutes, section 462A.05, subdivision 14. Of
 19.33 this amount, \$2,772,000 each year is for the
 19.34 rehabilitation of owner-occupied housing and
 19.35 \$3,743,000 each year is for the rehabilitation

20.1	<u>of eligible rental housing. In administering a</u>		
20.2	<u>rehabilitation program for rental housing, the</u>		
20.3	<u>agency may apply the processes and priorities</u>		
20.4	<u>adopted for administration of the economic</u>		
20.5	<u>development and housing challenge program</u>		
20.6	<u>under Minnesota Statutes, section 462A.33.</u>		
20.7	<u>Subd. 9. Homeownership Education, Counseling,</u>		
20.8	<u>and Training</u>	<u>857,000</u>	<u>857,000</u>
20.9	<u>This appropriation is for the homeownership</u>		
20.10	<u>education, counseling, and training program</u>		
20.11	<u>under Minnesota Statutes, section 462A.209.</u>		
20.12	<u>Subd. 10. Capacity-Building Grants</u>	<u>1,145,000</u>	<u>645,000</u>
20.13	<u>(a) This appropriation is for nonprofit</u>		
20.14	<u>capacity-building grants under Minnesota</u>		
20.15	<u>Statutes, section 462A.21, subdivision 3b. Of</u>		
20.16	<u>this amount, \$125,000 each year is for support</u>		
20.17	<u>of the Homeless Management Information</u>		
20.18	<u>System (HMIS).</u>		
20.19	<u>(b) \$500,000 in fiscal year 2018 is a onetime</u>		
20.20	<u>appropriation for competitive grants to</u>		
20.21	<u>nonprofit housing organizations, housing and</u>		
20.22	<u>redevelopment authorities, or other political</u>		
20.23	<u>subdivisions to provide intensive financial</u>		
20.24	<u>education and coaching services to individuals</u>		
20.25	<u>or families who have the goal of</u>		
20.26	<u>homeownership. Financial education and</u>		
20.27	<u>coaching services include but are not limited</u>		
20.28	<u>to asset building, development of spending</u>		
20.29	<u>plans, credit report education, repair and</u>		
20.30	<u>rebuilding, consumer protection training, and</u>		
20.31	<u>debt reduction. Priority must be given to</u>		
20.32	<u>organizations that have experience serving</u>		
20.33	<u>underserved populations.</u>		
20.34	<u>Subd. 11. Direct Appropriation</u>	<u>500,000</u>	<u>500,000</u>

21.1 This appropriation is for a grant to Build
 21.2 Wealth Minnesota to provide a family
 21.3 stabilization plan program including program
 21.4 outreach, financial literacy education, and
 21.5 budget and debt counseling.

21.6 **Sec. 4. EXPLORE MINNESOTA TOURISM \$ 17,910,000 \$ 14,360,000**

21.7 To develop maximum private sector
 21.8 involvement in tourism, \$500,000 in fiscal
 21.9 year 2018 and \$500,000 in fiscal year 2019
 21.10 must be matched by Explore Minnesota
 21.11 Tourism from nonstate sources. Each \$1 of
 21.12 state incentive must be matched with \$6 of
 21.13 private sector funding. Cash match is defined
 21.14 as revenue to the state or documented cash
 21.15 expenditures directly expended to support
 21.16 Explore Minnesota Tourism programs. Up to
 21.17 one-half of the private sector contribution may
 21.18 be in-kind or soft match. The incentive in
 21.19 fiscal year 2018 shall be based on fiscal year
 21.20 2017 private sector contributions. The
 21.21 incentive in fiscal year 2019 shall be based on
 21.22 fiscal year 2018 private sector contributions.
 21.23 This incentive is ongoing.

21.24 Funding for the marketing grants is available
 21.25 either year of the biennium. Unexpended grant
 21.26 funds from the first year are available in the
 21.27 second year.

21.28 \$600,000 in fiscal year 2018 is for the major
 21.29 events grant program. This appropriation is
 21.30 available until June 30, 2021.

21.31 \$100,000 each year is for a grant to the
 21.32 Northern Lights International Music Festival.

- 23.1 (a) \$1,781,000 in fiscal year 2018 and
 23.2 \$1,796,000 in fiscal year 2019 are from the
 23.3 general fund for the labor standards and
 23.4 apprenticeship program.
- 23.5 (b) \$1,300,000 in fiscal year 2018 and \$70,000
 23.6 in fiscal year 2019 are from the general fund
 23.7 for the labor standards technology
 23.8 modernization project. The base for this
 23.9 project is \$70,000, subject to Minnesota
 23.10 Statutes, section 16E.0466. Ongoing
 23.11 information technology costs must be
 23.12 incorporated into the service level agreement
 23.13 and must be paid to the Office of MN.IT
 23.14 Services by the commissioner of labor and
 23.15 industry under the rates and mechanism
 23.16 specified in that agreement.
- 23.17 (c) \$1,119,000 in fiscal year 2018 and
 23.18 \$1,128,000 in fiscal year 2019 are from the
 23.19 workforce development fund for the
 23.20 apprenticeship program under Minnesota
 23.21 Statutes, chapter 178.
- 23.22 (d) \$150,000 each year from the workforce
 23.23 development fund is for prevailing wage
 23.24 enforcement.
- 23.25 (e) \$300,000 in fiscal year 2018 is from the
 23.26 workforce development fund for labor
 23.27 education and advancement program grants
 23.28 under Minnesota Statutes, section 178.11, to
 23.29 expand and promote registered apprenticeship
 23.30 training for minorities and women. The base
 23.31 for fiscal year 2020 is \$300,000.
- 23.32 Subd. 4. **Workplace Safety** 4,154,000
 23.33 This appropriation is from the workers' 4,154,000
 23.34 compensation fund.

25.1	<u>General</u>	<u>24,489,000</u>	<u>25,196,000</u>		
25.2	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>		
25.3	<u>Petroleum Tank</u>	<u>1,064,000</u>	<u>1,073,000</u>		
25.4	<u>Workers'</u>				
25.5	<u>Compensation</u>	<u>751,000</u>	<u>751,000</u>		
25.6	<u>The amounts that may be spent for each</u>				
25.7	<u>purpose are specified in the following</u>				
25.8	<u>subdivisions.</u>				
25.9	<u>Subd. 2. Financial Institutions</u>			<u>-0-</u>	<u>-0-</u>
25.10	<u>Subd. 3. Petroleum Tank Release Compensation</u>				
25.11	<u>Board</u>			<u>1,064,000</u>	<u>1,073,000</u>
25.12	<u>This appropriation is from the petroleum tank</u>				
25.13	<u>fund.</u>				
25.14	<u>Subd. 4. Administrative Services</u>			<u>8,741,000</u>	<u>9,448,000</u>
25.15	<u>\$100,000 each year is for the support of</u>				
25.16	<u>broadband development.</u>				
25.17	<u>Subd. 5. Telecommunications</u>				
25.18	<u>Appropriations by Fund</u>				
25.19	<u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>		
25.20	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>		
25.21	<u>\$1,240,000 each year is from the</u>				
25.22	<u>telecommunication access fund for the</u>				
25.23	<u>following transfers.</u>				
25.24	<u>(1) \$800,000 each year is to the commissioner</u>				
25.25	<u>of human services to supplement the ongoing</u>				
25.26	<u>operational expenses of the Commission of</u>				
25.27	<u>Deaf, DeafBlind, and Hard-of-Hearing</u>				
25.28	<u>Minnesotans;</u>				
25.29	<u>(2) \$290,000 each year is to the chief</u>				
25.30	<u>information officer for the purpose of</u>				
25.31	<u>coordinating technology accessibility and</u>				
25.32	<u>usability;</u>				

26.1 (3) \$100,000 each year is to the Legislative
 26.2 Coordinating Commission for captioning of
 26.3 legislative coverage; and
 26.4 (4) \$50,000 each year is to the Office of
 26.5 MN.IT Services for a consolidated access fund
 26.6 to provide grants to other state agencies related
 26.7 to accessibility of their Web-based services.

26.8 **Subd. 6. Enforcement**

26.9		<u>Appropriations by Fund</u>	
26.10	<u>General</u>	<u>5,386,000</u>	<u>5,386,000</u>
26.11	<u>Workers'</u>		
26.12	<u>Compensation</u>	<u>198,000</u>	<u>198,000</u>

26.13 **Subd. 7. Energy Resources** 4,937,000 4,937,000

26.14 \$150,000 each year is for grants to providers
 26.15 of low-income weatherization services to
 26.16 install renewable energy equipment in
 26.17 households that are eligible for weatherization
 26.18 assistance under Minnesota's weatherization
 26.19 assistance program state plan under Minnesota
 26.20 Statutes, section 216C.264.

26.21 \$260,000 each year is to remediate vermiculate
 26.22 insulation from households that are eligible
 26.23 for weatherization assistance under
 26.24 Minnesota's weatherization assistance program
 26.25 state plan under Minnesota Statutes, section
 26.26 216C.264. Remediation must be done in
 26.27 conjunction with federal weatherization
 26.28 assistance program services.

26.29 **Subd. 8. Insurance**

26.30		<u>Appropriations by Fund</u>	
26.31	<u>General</u>	<u>4,416,000</u>	<u>4,416,000</u>
26.32	<u>Workers'</u>		
26.33	<u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

26.34 **Sec. 10. PUBLIC UTILITIES COMMISSION** \$ 7,465,000 \$ 7,465,000

27.1 Sec. 11. Laws 2015, First Special Session chapter 1, article 1, section 4, as amended by
 27.2 Laws 2016, chapter 189, article 7, section 43, is amended to read:

27.3 **Sec. 4. EXPLORE MINNESOTA TOURISM \$ 14,118,000 \$ 14,248,000**

27.4 (a) To develop maximum private sector
 27.5 involvement in tourism, \$500,000 in fiscal
 27.6 year 2016 and \$500,000 in fiscal year 2017
 27.7 must be matched by Explore Minnesota
 27.8 Tourism from nonstate sources. Each \$1 of
 27.9 state incentive must be matched with \$6 of
 27.10 private sector funding. Cash match is defined
 27.11 as revenue to the state or documented cash
 27.12 expenditures directly expended to support
 27.13 Explore Minnesota Tourism programs. Up to
 27.14 one-half of the private sector contribution may
 27.15 be in-kind or soft match. The incentive in
 27.16 fiscal year 2016 shall be based on fiscal year
 27.17 2015 private sector contributions. The
 27.18 incentive in fiscal year 2017 shall be based on
 27.19 fiscal year 2016 private sector contributions.
 27.20 This incentive is ongoing. Of this amount,
 27.21 \$100,000 is for a grant to the Northern Lights
 27.22 International Music festival.

27.23 (b) Funding for the marketing grants is
 27.24 available either year of the biennium.
 27.25 ~~Unexpended grant funds from the first year~~
 27.26 ~~are available in the second year up to \$250,000~~
 27.27 are available until June 30, 2019.

27.28 (c) \$30,000 in fiscal year 2016 is for Mille
 27.29 Lacs Lake tourism promotion. This is a
 27.30 onetime appropriation.

27.31 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

27.32 Sec. 12. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is
 27.33 amended to read:

27.34 **Subd. 2. Workers' Compensation 15,226,000 17,782,000**

28.1 This appropriation is from the workers'
 28.2 compensation fund.
 28.3 \$4,000,000 in fiscal year 2016 and \$6,000,000
 28.4 in fiscal year 2017 are for workers'
 28.5 compensation system upgrades and are
 28.6 available through June 30, 2021. The base
 28.7 appropriation for this purpose is \$3,000,000
 28.8 in fiscal year 2018 and \$3,000,000 in fiscal
 28.9 year 2019. The base appropriation for fiscal
 28.10 year 2020 and beyond is zero.

28.11 This appropriation includes funds for
 28.12 information technology project services and
 28.13 support subject to the provisions of Minnesota
 28.14 Statutes, section 16E.0466. Any ongoing
 28.15 information technology costs will be
 28.16 incorporated into the service level agreement
 28.17 and will be paid to the Office of MN.IT
 28.18 Services by the commissioner of labor and
 28.19 industry under the rates and mechanism
 28.20 specified in that agreement.

28.21 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

28.22 **ARTICLE 2**

28.23 **COMMERCE**

28.24 Section 1. Minnesota Statutes 2016, section 16C.144, is amended by adding a subdivision
 28.25 to read:

28.26 Subd. 7. **Funding.** (a) The commissioner of commerce is authorized to set and fix a fee
 28.27 to fund the program under this section. The fee shall be paid as a percentage of the total
 28.28 investment cost for a project that has received a fully executed work order contract under
 28.29 the conditions imposed by this section. The fee percentage shall be adjusted on the basis of
 28.30 the total value of the contracts approved relative to the funding level needed to operate the
 28.31 program.

28.32 (b) Fees collected under this subdivision must be deposited in the guaranteed energy
 28.33 savings program account under subdivision 8.

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

29.2 Sec. 2. Minnesota Statutes 2016, section 16C.144, is amended by adding a subdivision to
29.3 read:

29.4 **Subd. 8. Guaranteed energy savings program account; appropriation.** (a) A
29.5 guaranteed energy savings program account is created as a separate account in the special
29.6 revenue fund. The account consists of funds donated, allocated, transferred, or otherwise
29.7 provided to the account, including fees collected and deposited under subdivision 7. Earnings,
29.8 including interest, dividends, and any other earnings arising from account assets, must be
29.9 credited to the account.

29.10 (b) Funds in the account are annually appropriated to the commissioner of commerce
29.11 for activities under this section.

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

29.13 Sec. 3. Minnesota Statutes 2016, section 45.0135, subdivision 7, is amended to read:

29.14 Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota,
29.15 including surplus lines carriers, and having Minnesota earned premium the previous calendar
29.16 year shall remit an assessment to the commissioner for deposit in the insurance fraud
29.17 prevention account on or before June 1 of each year. The amount of the assessment shall
29.18 be based on the insurer's total assets and on the insurer's total written Minnesota premium,
29.19 for the preceding fiscal year, as reported pursuant to section 60A.13. The assessment is
29.20 calculated to be an amount up to the following:

Total Assets	Assessment
	200
Less than \$100,000,000	\$ <u>375</u>
	750
\$100,000,000 to \$1,000,000,000	\$ <u>1,375</u>
	2,000
Over \$1,000,000,000	\$ <u>3,625</u>
Minnesota Written Premium	Assessment
	200
Less than \$10,000,000	\$ <u>375</u>
	750
\$10,000,000 to \$100,000,000	\$ <u>1,375</u>
	2,000
Over \$100,000,000	\$ <u>3,625</u>

30.1 For purposes of this subdivision, the following entities are not considered to be insurers
30.2 authorized to sell insurance in the state of Minnesota: risk retention groups; or township
30.3 mutuals organized under chapter 67A.

30.4 Sec. 4. Minnesota Statutes 2016, section 46.131, subdivision 7, is amended to read:

30.5 Subd. 7. **Fiscal year assessments.** Such assessments shall be levied on July 1, 1965,
30.6 and ~~at~~ prior to the beginning of each fiscal period beginning July 1 and ending June 30
30.7 thereafter, and shall be based on the total estimated expense as herein referred to during
30.8 such period. Assessment revenue will be remitted to the commissioner for deposit in the
30.9 financial institutions account on or before July 1 of each year.

30.10 Sec. 5. Minnesota Statutes 2016, section 46.131, is amended by adding a subdivision to
30.11 read:

30.12 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
30.13 account is created as a separate account in the special revenue fund. The account consists
30.14 of funds received from assessments under subdivision 7 and examination fees under
30.15 subdivision 8. Earnings, including interest, dividends, and any other earnings arising from
30.16 account assets, must be credited to the account.

30.17 (b) Funds in the account are annually appropriated to the commissioner of commerce
30.18 for activities under this section.

30.19 **EFFECTIVE DATE.** This section is effective July 1, 2017.

30.20 Sec. 6. Minnesota Statutes 2016, section 47.59, subdivision 2, is amended to read:

30.21 Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by
30.22 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60~~, 48.153,
30.23 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061
30.24 to 334.19 may, but need not, be made according to those sections in lieu of the authority
30.25 set forth in this section to the extent those sections authorize the financial institution to make
30.26 extensions of credit or purchase extensions of credit under those sections. If a financial
30.27 institution elects to make an extension of credit or to purchase an extension of credit under
30.28 those other sections, the extension of credit or the purchase of an extension of credit is
30.29 subject to those sections and not this section, except this subdivision, and except as expressly
30.30 provided in those sections. A financial institution may also charge an organization a rate of
30.31 interest and any charges agreed to by the organization and may calculate and collect finance
30.32 and other charges in any manner agreed to by that organization. Except for extensions of

31.1 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
31.2 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made
31.3 according to this section or the sections listed in this subdivision. This subdivision does not
31.4 authorize a financial institution to extend credit or purchase an extension of credit under
31.5 any of the sections listed in this subdivision if the financial institution is not authorized to
31.6 do so under those sections. A financial institution extending credit under any of the sections
31.7 listed in this subdivision shall specify in the promissory note, contract, or other loan document
31.8 the section under which the extension of credit is made.

31.9 Sec. 7. Minnesota Statutes 2016, section 47.60, subdivision 1, is amended to read:

31.10 Subdivision 1. **Definitions.** For purposes of this section, the terms defined have the
31.11 meanings given them:

31.12 (a) "Consumer small loan" is a loan transaction in which cash is advanced to a borrower
31.13 for the borrower's own personal, family, or household purpose. A consumer small loan is
31.14 a short-term, unsecured loan to be repaid in a single installment. The cash advance of a
31.15 consumer small loan is equal to or less than \$350. A consumer small loan includes an
31.16 indebtedness evidenced by but not limited to a promissory note or agreement to defer the
31.17 presentation of a personal check for a fee.

31.18 (b) "Consumer small loan lender" is a financial institution as defined in section 47.59
31.19 or a business entity registered with the commissioner and engaged in the business of making
31.20 consumer small loans.

31.21 (c) "Closed" or "close" means that one of the following has occurred in connection with
31.22 a consumer small loan or short-term lender concerning the customer's payment instrument:

31.23 (1) the payment instrument is redeemed by the customer by payment to the registrant
31.24 or licensee of the face amount of the payment instrument in cash;

31.25 (2) the payment instrument is exchanged by the registrant or licensee for a cashier's
31.26 check or cash from the customer's financial institution;

31.27 (3) the payment instrument is deposited by the registrant or licensee, and the registrant
31.28 or licensee has evidence that the person has satisfied the obligation;

31.29 (4) the payment instrument is collected by the registrant or licensee or its agent through
31.30 any civil remedy available under the laws of this state; or

31.31 (5) any other reason that the commissioner may deem to be proper under this section.

32.1 Sec. 8. Minnesota Statutes 2016, section 47.60, subdivision 2, is amended to read:

32.2 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) In lieu of the interest,
32.3 finance charges, or fees in any other law, a consumer small loan lender may charge the
32.4 following:

32.5 (1) on any amount up to and including \$50, a charge of \$5.50 may be added;

32.6 (2) on amounts in excess of \$50, but not more than \$100, a charge may be added equal
32.7 to ten percent of the loan proceeds plus a \$5 administrative fee;

32.8 (3) on amounts in excess of \$100, but not more than \$250, a charge may be added equal
32.9 to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;

32.10 (4) for amounts in excess of \$250 and not greater than the maximum in subdivision 1,
32.11 paragraph (a), a charge may be added equal to six percent of the loan proceeds with a
32.12 minimum of \$17.50 plus a \$5 administrative fee.

32.13 (b) The term of a loan made under this section shall be for no more than 30 calendar
32.14 days.

32.15 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the
32.16 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
32.17 rate in the contract for each calendar day the balance is outstanding.

32.18 (d) No insurance charges or other charges must be permitted to be charged, collected,
32.19 or imposed on a consumer small loan except as authorized in this section.

32.20 (e) On a loan transaction in which cash is advanced in exchange for a personal check,
32.21 a return check charge may be charged as authorized by section 604.113, subdivision 2,
32.22 paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
32.23 (b), may not be demanded or assessed against the borrower.

32.24 (f) A loan made under this section must not be repaid by the proceeds of another loan
32.25 made under this section by the same lender or related interest. The proceeds from a loan
32.26 made under this section must not be applied to another loan from the same lender or related
32.27 interest. No loan to a single borrower made pursuant to this section shall be split or divided
32.28 and no single borrower shall have outstanding more than one loan with the result of collecting
32.29 a higher charge than permitted by this section or in an aggregate amount of principal exceed
32.30 at any one time the maximum of \$350.

32.31 (g) A borrower is prohibited from receiving more than four consumer small loans from
32.32 all registrants or licensees in any 12-month period. A consumer small loan lender is prohibited

33.1 from making a consumer small loan to a borrower if making that consumer small loan would
 33.2 result in a borrower receiving more than four consumer small loans from all consumer small
 33.3 loan lenders in any 12-month period.

33.4 (h) A consumer small loan lender must independently verify the total number of consumer
 33.5 small loans taken by the borrower and the number of days the borrower has been indebted
 33.6 through consumer small loans within the immediately preceding 365 days. Verification
 33.7 must include:

33.8 (1) examination of the consumer small loan lender's own records, including records
 33.9 maintained at the location at which the borrower is applying for the transaction and records
 33.10 maintained at other locations within the state that are owned and operated by the consumer
 33.11 small loan lender; and

33.12 (2) utilization of a privately operated, real-time, electronically accessible database as
 33.13 defined under subdivision 7 that the commissioner determines to be capable of providing
 33.14 a consumer small loan lender with adequate verification information necessary to ensure
 33.15 compliance with this paragraph.

33.16 (i) A consumer small loan lender shall have a duty to promptly report each consumer
 33.17 small loan transaction to the database under subdivision 7.

33.18 (k) A consumer small loan lender may not engage in any device or subterfuge to evade
 33.19 the requirements of this section or section 47.601, including but not limited to:

33.20 (1) making, offering, or arranging a consumer small loan on terms that otherwise would
 33.21 be prohibited by this section or section 47.601;

33.22 (2) making loans disguised as personal property sales and leaseback transactions; or

33.23 (3) disguising loan proceeds as cash rebates.

33.24 Sec. 9. Minnesota Statutes 2016, section 47.60, subdivision 4, is amended to read:

33.25 **Subd. 4. Books of account; annual report; schedule of charges; disclosures.** (a) A
 33.26 lender filing under subdivision 3 shall keep and use in the business books, accounts, and
 33.27 records as will enable the commissioner to determine whether the filer is complying with
 33.28 this section.

33.29 (b) A lender filing under subdivision 3 shall annually on or before March 15 file a report
 33.30 to the commissioner giving the information the commissioner reasonably requires concerning
 33.31 the business and operations during the preceding calendar year, including the information

34.1 required to be reported under section 47.601, subdivision 4. A fee of \$130 must be submitted
 34.2 with the annual report.

34.3 (c) A lender filing under subdivision 3 shall display prominently in each place of business
 34.4 a full and accurate schedule, to be approved by the commissioner, of the charges to be made
 34.5 and the method of computing those charges. A lender shall furnish a copy of the contract
 34.6 of loan to a person obligated on it or who may become obligated on it at any time upon the
 34.7 request of that person. This is in addition to any disclosures required by the federal Truth
 34.8 in Lending Act, United States Code, title 15.

34.9 (d) A lender filing under subdivision 3 shall, upon repayment of the loan in full, mark
 34.10 indelibly every obligation signed by the borrower with the word "Paid" or "Canceled" within
 34.11 20 days after repayment.

34.12 (e) A lender filing under subdivision 3 shall display prominently, in each licensed place
 34.13 of business, a full and accurate statement of the charges to be made for loans made under
 34.14 this section. The statement of charges must be displayed in a notice, on plastic or other
 34.15 durable material measuring at least 12 inches by 18 inches, headed "CONSUMER NOTICE
 34.16 REQUIRED BY THE STATE OF MINNESOTA." The notice shall include, immediately
 34.17 above the statement of charges, the following sentence, or a substantially similar sentence
 34.18 approved by the commissioner: "These loan charges are higher than otherwise permitted
 34.19 under Minnesota law. Minnesota law permits these higher charges only because short-term
 34.20 small loans might otherwise not be available to consumers. If you have another source of
 34.21 a loan, you may be able to benefit from a lower interest rate and other loan charges." The
 34.22 notice must not contain any other statement or information, unless the commissioner has
 34.23 determined that the additional statement or information is necessary to prevent confusion
 34.24 or inaccuracy. The notice must be designed with a type size that is large enough to be readily
 34.25 noticeable and legible. The form of the notice must be approved by the commissioner prior
 34.26 to its use.

34.27 (f) Every consumer small loan lender shall report to the commissioner within 30 days
 34.28 any material changes to any of the information submitted by the consumer small loan lender's
 34.29 original application.

34.30 Sec. 10. Minnesota Statutes 2016, section 47.60, is amended by adding a subdivision to
 34.31 read:

34.32 **Subd. 7. Database of outstanding consumer small loan or short-term loan**
 34.33 **transactions.** (a) The commissioner shall, on or before July 1, 2018, implement a common
 34.34 database with real-time access through an Internet connection for consumer small loan or

35.1 short-term loan lenders as provided in this subdivision unless implementing the database
35.2 by that date would be financially impracticable for the commissioner to design and operate
35.3 a database or because a contract with a qualified third-party provider has not been entered
35.4 into. The database shall be accessible to the department and the consumer small loan or
35.5 short-term loan lender to verify whether any consumer small loan or short-term loan
35.6 transactions are outstanding for a particular person. A consumer small loan or short-term
35.7 loan lender shall accurately and promptly submit such data before entering into each
35.8 consumer small loan or short-term loan transactions in such format as the commissioner
35.9 may require by rule or order, including the customer's name, Social Security number or
35.10 employment authorization alien number, address, driver's license number, amount of the
35.11 transaction, data of transaction, date that the completed transaction is closed, and any
35.12 additional information required by the commissioner. The commissioner may adopt rules
35.13 to administer and enforce the provisions of this subdivision and to ensure that the database
35.14 is used by consumer small loan or short-term loan lenders in accordance with this section.

35.15 (b) The commissioner shall impose a fee of \$1 per transaction for data required to be
35.16 submitted by a consumer small loan or short-term loan lender, which fee may be charged
35.17 to the borrower.

35.18 (c) The commissioner may operate the database described in paragraph (a) or may select
35.19 and contract with a third-party provider to operate the database. If the commissioner contracts
35.20 with a third-party provider for the operation of the database, all of the following apply:

35.21 (1) the commissioner shall ensure that the third-party provider selected as the database
35.22 provider operates the database pursuant to the provisions of this subdivision;

35.23 (2) the commissioner shall consider cost of service and ability to meet all the requirements
35.24 of this subdivision in selecting a third-party provider as the database provider;

35.25 (3) in selecting a third-party provider to act as the database provider, the commissioner
35.26 shall give strong consideration to the third-party provider's ability to prevent fraud, abuse,
35.27 and other unlawful activities associated with deferred presentment service transactions and
35.28 provide additional tools for the administration and enforcement of this section;

35.29 (4) the third-party provider shall use the data collected under this subdivision only as
35.30 prescribed in this section and the contract with the department and for no other purpose;

35.31 (5) if the third-party provider violates this section, the commissioner may terminate the
35.32 contract and the third-party provider may be barred from becoming a party to any other
35.33 state contracts;

36.1 (6) a person injured by the third-party provider's violation of this section may maintain
36.2 a civil cause of action against the third-party provider and may recover actual damages plus
36.3 reasonable attorney fees and court costs; and

36.4 (7) the commissioner may require that the third-party provider collect the fee assessed
36.5 in paragraph (b) from the consumer small loan or short-term lender. The third-party provider
36.6 shall remit the fee collected from the consumer small loan or short-term lender to the
36.7 commissioner no later than the first day of each month. The third-party provider shall deposit
36.8 any fee collected in a separate escrow account in a federally insured financial institution
36.9 and shall hold the fee deposited in trust for the state.

36.10 (d) The database described in paragraph (a) shall allow a consumer small loan or
36.11 short-term loan lender accessing the database to do all of the following:

36.12 (1) verify whether a customer has any open consumer small loan or short-term loan
36.13 transactions with any consumer small loan or short-term loan lender that have not been
36.14 closed;

36.15 (2) provide information necessary to ensure consumer small loan or short-term loan
36.16 lender compliance with any requirements imposed by the United States Treasury Office of
36.17 Foreign Assets Control and United States Treasury Office of Financial Crimes Enforcement
36.18 Network; and

36.19 (3) track and monitor the number of customers who notify a consumer small loan or
36.20 short-term loan lender of violations of this subdivision, the number of times a consumer
36.21 small loan or short-term loan lender agreed that a violation occurred, the number of times
36.22 that a consumer small loan or short-term loan lender did not agree that a violation occurred,
36.23 the amount of restitution paid, and any other information the commissioner requires by rule
36.24 or order.

36.25 (e) While operating the database, the database provider shall do all of the following:

36.26 (1) establish and maintain a process for responding to transaction verification requests
36.27 due to technical difficulties occurring with the database that prevent the registrant or licensee
36.28 from accessing the database through the Internet;

36.29 (2) comply with any applicable federal and state provisions to prevent identity theft;

36.30 (3) provide accurate and secure receipt, transmission, and storage of customer data; and

36.31 (4) meet the requirements of this section.

37.1 (f) When the database provider receives notification that a consumer small loan or
37.2 short-term transaction has been closed, the database provider shall designate the transaction
37.3 as closed in the database immediately, but in no event after 11:59 p.m. on the day the
37.4 commissioner or database provider receives notification.

37.5 (g) The database provider shall automatically designate a consumer small loan or
37.6 short-term loan transaction as closed in the database five days after the transaction maturity
37.7 date unless a consumer small loan or short-term loan lender reports to the database provider
37.8 before that time that the transaction remains open because of the customer's failure to make
37.9 payment; that the transaction is open because the customer's payment instrument or an
37.10 electronic redeposit is in the process of clearing the banking system; that the transaction
37.11 remains open because the customer's payment instrument is being returned to the consumer
37.12 small loan or short-term loan lender for insufficient funds, a closed account, or a stop
37.13 payment order; or because of any other factors determined by the commissioner. If a
37.14 consumer small loan or short-term loan lender reports the status of a transaction as open in
37.15 a timely manner, the transaction remains an open transaction until it is closed and the
37.16 database provider is notified that the transaction is closed.

37.17 (h) If a consumer small loan or short-term loan lender stops providing consumer small
37.18 loan or short-term loan transactions, the database provider shall designate all open
37.19 transactions with that registrant or licensee as closed in the database 60 days after the date
37.20 the consumer small loan or short-term loan lender stops offering consumer small loan or
37.21 short-term loan transactions, unless the consumer small loan or short-term loan lender reports
37.22 to the database provider before the expiration of the 60-day period which of its transactions
37.23 remain open and the specific reason each transaction remains open. The consumer small
37.24 loan or short-term loan lender shall also provide to the commissioner a reasonably acceptable
37.25 plan that outlines how the consumer small loan or short-term loan lender will continue to
37.26 update the database after it stops offering deferred presentment service transactions. The
37.27 commissioner shall promptly approve or disapprove the plan and immediately notify the
37.28 consumer small loan or short-term loan lender of the commissioner's decision. If the plan
37.29 is disapproved, the consumer small loan or short-term loan lender may submit a new plan
37.30 or may submit a modified plan for the consumer small loan or short-term loan lender to
37.31 follow. If at any time the commissioner reasonably determines that a consumer small loan
37.32 or short-term loan lender that has stopped offering consumer small loan or short-term loan
37.33 transactions is not updating the database in accordance with its approved plan, the
37.34 commissioner shall immediately close or instruct the database provider to immediately close
37.35 all remaining open transactions of that consumer small loan or short-term loan lender.

38.1 (i) The response to an inquiry to the database provider by a consumer small loan or
38.2 short-term loan lender shall state only that a person is eligible or ineligible for a new
38.3 consumer small loan or short-term loan transaction and describe the reason for that
38.4 determination. Only the person seeking the transaction may make a direct inquiry to the
38.5 database provider to request a more detailed explanation of a particular transaction that was
38.6 the basis for the ineligibility determination. Any information regarding any person's
38.7 transaction history is confidential; is not subject to public inspection; is not a public record
38.8 subject to the disclosure requirements of the Minnesota Government Data Practices Act,
38.9 chapter 13; is not subject to discovery, subpoena, or other compulsory process, except in
38.10 an administrative or legal action arising under this subdivision; and shall not be disclosed
38.11 to any person other than the commissioner.

38.12 (j) The commissioner may access the database provided under paragraph (a) only for
38.13 purposes of an investigation of, examination of, or enforcement action concerning an
38.14 individual database provider, registrant or licensee, customer, or other person.

38.15 (k) The commissioner shall investigate violations of and enforce this section. The
38.16 commissioner shall not delegate the commissioner's responsibilities under this subdivision
38.17 to any third-party provider.

38.18 (l)(1) The commissioner shall make a determination that the database is fully operational
38.19 and shall send written notification to each registrant or licensee subject to the provisions of
38.20 this section:

38.21 (i) that the database has been implemented; and

38.22 (ii) of the exact date that the database shall be considered operational for the data entry
38.23 requirement established in clause (2);

38.24 (2) A consumer small loan or short-term loan lender shall promptly and accurately enter
38.25 into the database all transactions undertaken by the registrant or licensee upon receipt of
38.26 the written notification established in this paragraph.

38.27 (m) The commissioner may, by rule or order, do all of the following:

38.28 (1) require that data be retained in the database only as required to ensure consumer
38.29 small loan or short-term loan lender compliance with this section;

38.30 (2) require that customer transaction data in the database is archived within 365 days
38.31 after the customer transaction is closed unless needed for a pending enforcement or legal
38.32 action;

39.1 (3) require that any identifying customer information is deleted from the database when
39.2 data is archived; and

39.3 (4) require that data in the database concerning a customer transaction is deleted from
39.4 the database three years after the customer transaction is closed, or if any administrative,
39.5 legal, or law enforcement action is pending, three years after the administrative, legal, or
39.6 law enforcement action is completed, whichever is later.

39.7 (n) The commissioner may maintain access to data archived under paragraph (m) for
39.8 examination, investigation, or legislative or policy review.

39.9 (o) A consumer small loan or short-term loan lender may rely on the information
39.10 contained in the database as accurate and is not subject to any administrative penalty or
39.11 civil liability as a result of relying on inaccurate information contained in the database,
39.12 provided the consumer small loan or short-term lender accurately and promptly submits
39.13 such data as required before entering into a consumer small loan or short-term loan
39.14 transaction with a customer.

39.15 (p) The commissioner may use the database to administer and enforce this section.

39.16 (q) The commissioner may require a database provider to file a report by March 1 of
39.17 each year containing the following information:

39.18 (1) the total number and dollar amount of consumer small loan or short-term loan
39.19 transactions entered into in the calendar year ending December 31 of the previous year;

39.20 (2) the total number and dollar amount of consumer small loan or short-term loan
39.21 transactions outstanding as of December 31 of the previous year;

39.22 (3) the total dollar amount of fees collected for consumer small loan or short-term loan
39.23 transactions as of December 31 of the previous year;

39.24 (4) the minimum, maximum, and average dollar amount of consumer small loan or
39.25 short-term loan transactions entered into, the total dollar amount of the net charge-offs and
39.26 write-offs, and the net recoveries of registrants or licensees as of December 31 of the previous
39.27 year;

39.28 (5) the average consumer small loan or short-term loan transactions amount, the average
39.29 number of transactions, and the average aggregate consumer small loan or short-term loan
39.30 transactions amount entered into per customer as of December 31 of the previous year;

39.31 (6) the average number of days a customer was engaged in a consumer small loan or
39.32 short-term loan transactions for the previous year; and

40.1 (7) an estimate of the average total fees paid per customer for consumer small loan or
 40.2 short-term loan transactions for the previous year.

40.3 (r) Enforcement of this section is effective 90 days after the database implementation
 40.4 date established by the commissioner as set forth in paragraph (l).

40.5 Sec. 11. Minnesota Statutes 2016, section 47.601, subdivision 2, is amended to read:

40.6 Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between
 40.7 a consumer short-term loan lender and a borrower residing in Minnesota may contain the
 40.8 following:

40.9 (1) a provision selecting a law other than Minnesota law under which the contract is
 40.10 construed or enforced;

40.11 (2) a provision choosing a forum for dispute resolution other than the state of Minnesota;
 40.12 or

40.13 (3) a provision limiting class actions against a consumer short-term lender for violations
 40.14 of subdivision 3 or for making consumer short-term loans:

40.15 (i) without a required license issued by or a required registration with the commissioner;
 40.16 or

40.17 (ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under
 40.18 section ~~47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if~~
 40.19 ~~no pattern or practice exists.~~

40.20 (b) Any provision prohibited by paragraph (a) is void and unenforceable.

40.21 (c) A consumer short-term loan lender must furnish a copy of the written loan contract
 40.22 to each borrower. The contract and disclosures must be written in the language in which
 40.23 the loan was negotiated with the borrower and must contain:

40.24 (1) the name; address, which may not be a post office box; and telephone number of the
 40.25 lender making the consumer short-term loan;

40.26 (2) the name and title of the individual employee or representative who signs the contract
 40.27 on behalf of the lender;

40.28 (3) an itemization of the fees and interest charges to be paid by the borrower;

40.29 (4) in bold, 24-point type, the annual percentage rate as computed under United States
 40.30 Code, chapter 15, section 1606; and

40.31 (5) a description of the borrower's payment obligations under the loan.

41.1 (d) The holder or assignee of a check or other instrument evidencing an obligation of a
41.2 borrower in connection with a consumer short-term loan takes the instrument subject to all
41.3 claims by and defenses of the borrower against the consumer short-term lender.

41.4 Sec. 12. Minnesota Statutes 2016, section 47.601, is amended by adding a subdivision to
41.5 read:

41.6 Subd. 2a. **Requirements; prohibitions.** (a) A consumer short-term lender may not make
41.7 a consumer short-term loan to a borrower that will cause a borrower to have, as of the date
41.8 of the loan and within the immediately preceding 365 days:

41.9 (1) more than four consumer short-term loans; or

41.10 (2) consumer short-term loan debt totaling more than 90 days.

41.11 In determining the number of loans and days of indebtedness, a consumer short-term
41.12 lender must aggregate the consumer short-term loan transaction for which the determination
41.13 is being made with all the consumer short-term loans the borrower has taken from all
41.14 consumer short-term lenders within the immediately preceding 365 days. A consumer
41.15 short-term lender may not make a consumer short-term loan to a borrower if the lender is
41.16 unable to verify the number of loans the borrower has taken or the days the borrower has
41.17 been indebted in total from all consumer short-term lenders within the immediately preceding
41.18 365 days.

41.19 (b) A consumer short-term lender must independently verify the total number of consumer
41.20 short-term loans taken by the borrower and the number of days the borrower has been
41.21 indebted through consumer short-term loans within the immediately preceding 365 days.
41.22 Verification must include:

41.23 (1) examination of the consumer short-term lender's own records, including records
41.24 maintained at the location at which the borrower is applying for the transaction and records
41.25 maintained at other locations within the state that are owned and operated by the consumer
41.26 short-term lender; and

41.27 (2) utilization of a privately operated, real-time, electronically accessible database as
41.28 defined under section 47.60, subdivision 7, that the commissioner determines to be capable
41.29 of providing a consumer short-term lender with adequate verification information necessary
41.30 to ensure compliance with this paragraph.

41.31 (c) A consumer short-term lender shall have a duty to promptly report each consumer
41.32 short-term loan transaction to the database under section 47.60, subdivision 7.

42.1 (d) A consumer short-term lender may not engage in any device or subterfuge to evade
 42.2 the requirements of this section or section 47.60, including but not limited to:

42.3 (1) making, offering, or arranging a consumer short-term loan on terms that otherwise
 42.4 would be prohibited by this section or section 47.60;

42.5 (2) making loans disguised as personal property sales and leaseback transactions; or

42.6 (3) disguising loan proceeds as cash rebates.

42.7 Sec. 13. Minnesota Statutes 2016, section 47.65, subdivision 2, is amended to read:

42.8 Subd. 2. **Application.** Before installation and operation, a transmission facility application
 42.9 by a person who is required to submit an application under subdivision 1 shall be submitted
 42.10 to the commissioner on a form provided by the commissioner which states:

42.11 (a) The location where the transmission facility will be operated;

42.12 (b) The ownership of the transmission facility;

42.13 (c) If applicable, the bonding or insurance company which has provided the bond for
 42.14 the transmission facility; and

42.15 (d) Such other information as the commissioner requires.

42.16 If the commissioner finds that (a) the facility will be properly and safely managed, (b)
 42.17 the applicant is financially sound, (c) there is a reasonable probability of success for the
 42.18 facility, (d) the proposed charges for making the services of the facility available to financial
 42.19 institutions are fair, equitable and nondiscriminatory, and (e) all information has been
 42.20 furnished by the applicant, the commissioner shall approve the application within 90 days.
 42.21 If the commissioner has not denied the application within 90 days of the submission of the
 42.22 application, the authorization shall be deemed granted. For each application, a \$500 fee
 42.23 shall be paid to the commissioner. For each application for change in pricing structure, a
 42.24 \$50 fee shall be paid to the commissioner. If the \$500 fee or the \$50 fee is less than the
 42.25 costs incurred by the commissioner in approving or disapproving the application, the
 42.26 application fee shall be equal to those costs. An annual license fee of \$80 for each location
 42.27 shall be submitted with the annual renewal in the Nationwide Multi-State Licensing System.

42.28 Sec. 14. Minnesota Statutes 2016, section 53.04, subdivision 3a, is amended to read:

42.29 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on
 42.30 the terms and other conditions permitted under chapters 47 and 334. Loans made under this
 42.31 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making

43.1 a loan under this chapter secured by a lien on real estate shall comply with the requirements
43.2 of section 47.20, subdivision 8. To the extent a licensee under this chapter makes loans that
43.3 meet the definition of a "consumer small loan" under section 47.60, subdivision 1, paragraph
43.4 (a), or a "consumer short-term loan" under section 47.601, subdivision 1, paragraph (d),
43.5 such loans are governed by sections 47.60 and 47.601.

43.6 (b) Loans made under this subdivision may be secured by real or personal property, or
43.7 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence
43.8 are used to finance the purchase of the borrower's primary residence, the loan must comply
43.9 with the provisions of section 47.20.

43.10 (c) An agency or instrumentality of the United States government or a corporation
43.11 otherwise created by an act of the United States Congress or a lender approved or certified
43.12 by the secretary of housing and urban development, or approved or certified by the
43.13 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
43.14 Home Administration, or approved or certified by the Federal Home Loan Mortgage
43.15 Corporation, or approved or certified by the Federal National Mortgage Association, that
43.16 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
43.17 direct collection of payments from or enforcement of rights against borrowers arising from
43.18 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
43.19 order to purchase or take assignments of mortgage loans from persons holding a certificate
43.20 of authorization under this chapter.

43.21 (d) This subdivision does not authorize an industrial loan and thrift company to make
43.22 loans under an overdraft checking plan.

43.23 Sec. 15. Minnesota Statutes 2016, section 53.09, subdivision 2, is amended to read:

43.24 Subd. 2. **Annual report.** (1) Each industrial loan and thrift company shall annually on
43.25 or before the first day of March file a report with the commissioner stating in detail, under
43.26 appropriate heads, its assets and liabilities at the close of business on the last day of the
43.27 preceding calendar year and, if applicable, information required under section 47.601,
43.28 subdivision 4. This report shall be made under oath in the form prescribed by the
43.29 commissioner. An annual license fee of \$780 for the principal and \$530 for each location
43.30 must be submitted with the annual report.

43.31 (2) Each industrial loan and thrift company which holds authority to accept accounts
43.32 pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1)
43.33 submit the reports required of state banks pursuant to section 48.48.

44.1 (3) Within 30 days following a change in controlling ownership of the capital stock of
 44.2 an industrial loan and thrift company, it shall file a written report with the commissioner
 44.3 stating in detail the nature of such change in ownership.

44.4 Sec. 16. Minnesota Statutes 2016, section 53A.03, is amended to read:

44.5 **53A.03 APPLICATION FOR LICENSE; FEES.**

44.6 (a) An application for a license must be in writing, under oath, and in the form prescribed
 44.7 and furnished by the commissioner and must contain the following:

44.8 (1) the full name and address (both of residence and place of business) of the applicant,
 44.9 and if the applicant is a partnership or association, of every member, and the name and
 44.10 business address if the applicant is a corporation;

44.11 (2) the county and municipality, with street and number, if any, of all currency exchange
 44.12 locations operated by the applicant; and

44.13 (3) the applicant's occupation or profession, for the ten years immediately preceding the
 44.14 application; present or previous connection with any other currency exchange in this or any
 44.15 other state; whether the applicant has ever been convicted of any crime; and the nature of
 44.16 the applicant's occupancy of the premises to be licensed; and if the applicant is a partnership
 44.17 or a corporation, the information specified in this paragraph must be supplied for each
 44.18 partner and each officer and director of the corporation. If the applicant is a partnership or
 44.19 a nonpublicly held corporation, the information specified in this paragraph must be required
 44.20 of each partner and each officer, director, and stockholders owning in excess of ten percent
 44.21 of the corporate stock of the corporation.

44.22 (b) The application shall be accompanied by a nonrefundable fee of \$1,000 for the review
 44.23 of the initial application. Upon approval by the commissioner, an additional license fee of
 44.24 ~~\$500~~ \$780 must be paid by the applicant as an annual license fee for the remainder of the
 44.25 calendar year. An annual license fee of ~~\$500~~ \$780 is due for each subsequent calendar year
 44.26 of operation upon submission of a license renewal application on or before September 1.
 44.27 Fees must be deposited in the state treasury and credited to the general fund. Upon payment
 44.28 of the required annual license fee, the commissioner shall issue a license for the year
 44.29 beginning January 1.

44.30 (c) The commissioner shall require the applicant to submit to a background investigation
 44.31 conducted by the Bureau of Criminal Apprehension as a condition of licensure. As part of
 44.32 the background investigation, the Bureau of Criminal Apprehension shall conduct criminal
 44.33 history checks of Minnesota records and is authorized to exchange fingerprints with the

45.1 Federal Bureau of Investigation for the purpose of a criminal background check of the
45.2 national files. The cost of the investigation must be paid by the applicant.

45.3 (d) For purposes of this section, "applicant" includes an employee who exercises
45.4 management or policy control over the company, a director, an officer, a limited or general
45.5 partner, a manager, or a shareholder holding more than ten percent of the outstanding stock
45.6 of the corporation.

45.7 Sec. 17. Minnesota Statutes 2016, section 53B.11, subdivision 1, is amended to read:

45.8 Subdivision 1. **Fee.** The annual fee for renewal of a license under this chapter is ~~\$2,500~~
45.9 \$3,030.

45.10 Sec. 18. Minnesota Statutes 2016, section 53C.02, is amended to read:

45.11 **53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.**

45.12 (a) No person shall engage in the business of a sales finance company in this state without
45.13 a license therefor as provided in sections 53C.01 to 53C.14 provided, however, that no bank,
45.14 trust company, savings bank, savings association, or credit union, whether state or federally
45.15 chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated
45.16 Loan Act authorized to do business in this state shall be required to obtain a license under
45.17 sections 53C.01 to 53C.14.

45.18 (b) The application for a license shall be in writing, under oath and in the form prescribed
45.19 by the commissioner. The application shall contain the name of the applicant; date of
45.20 incorporation, if incorporated; the address where the business is or is to be conducted and
45.21 similar information as to any branch office of the applicant; the name and resident address
45.22 of the owner or partners, or, if a corporation or association, of the directors, trustees and
45.23 principal officers, and other pertinent information the commissioner requires.

45.24 (c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the
45.25 following year, or any part thereof shall be the sum of ~~\$250~~ \$330 for the principal place of
45.26 business of the licensee, and the sum of ~~\$125~~ \$205 for each branch of the licensee, maintained
45.27 in this state. Any licensee who proves to the satisfaction of the commissioner, by affidavit
45.28 or other proof satisfactory to the commissioner, that during the 12 calendar months of the
45.29 immediately preceding fiscal year, for which the license has been paid that the licensee has
45.30 not held retail installment contracts exceeding \$15,000 in amount, shall be entitled to a
45.31 refund of that portion of each license fee paid in excess of \$25. The commissioner shall
45.32 certify to the commissioner of management and budget that the licensee is entitled to a

46.1 refund, and payment thereof shall be made by the commissioner of management and budget.
46.2 The amount necessary to pay for the refundment of the license fee is appropriated out of
46.3 the general fund. All license fees received by the commissioner under sections 53C.01 to
46.4 53C.14 shall be deposited with the commissioner of management and budget.

46.5 (d) Each license shall specify the location of the office or branch and must be
46.6 conspicuously displayed there. In case the location be changed, the commissioner shall
46.7 endorse the change of location on the license.

46.8 (e) Upon the filing of such application, and the payment of the fee, the commissioner
46.9 shall issue a license to the applicant to engage in the business of a sales finance company
46.10 under and in accordance with the provisions of sections 53C.01 to 53C.14 for a period which
46.11 shall expire the last day of June next following the date of its issuance. The license shall
46.12 not be transferable or assignable. No licensee shall transact any business provided for by
46.13 sections 53C.01 to 53C.14 under any other name.

46.14 Sec. 19. Minnesota Statutes 2016, section 55.04, subdivision 2, is amended to read:

46.15 Subd. 2. **Application for license.** Application for license shall be in writing, under oath,
46.16 and in the form prescribed by the commissioner of commerce, and contain the name and
46.17 address, both of the residence and place of business, of the applicant, and if the applicant
46.18 is a partnership or unincorporated association, of every member thereof, and if a corporation,
46.19 of each officer and director thereof; also the county and municipality, with street and number,
46.20 if any, where the business is to be conducted; and further information the commissioner of
46.21 commerce requires. The applicant at the time of making application shall pay to the
46.22 commissioner the sum of \$250 as a fee for investigating the application, and the additional
46.23 sum of ~~\$150~~ \$330 as an annual license fee for a period terminating on the last day of the
46.24 current calendar year.

46.25 Sec. 20. Minnesota Statutes 2016, section 56.02, is amended to read:

46.26 **56.02 APPLICATION FEE.**

46.27 Application for license shall be in writing, under oath, and in the form prescribed by the
46.28 commissioner, and contain the name and the address, both of the residence and place of
46.29 business, of the applicant and, if the applicant is a copartnership or association, of every
46.30 member thereof, and if a corporation, of each officer and director thereof; also the county
46.31 and municipality, with street and number, if any, where the business is to be conducted, and
46.32 such further information as the commissioner may require. The applicant at the time of
46.33 making application, shall pay to the commissioner the sum of \$500 as a fee for investigating

47.1 the application, and the additional sum of ~~\$250~~ \$530 as an annual license fee for a period
 47.2 terminating on the last day of the current calendar year. In addition to the annual license
 47.3 fee, every licensee hereunder shall pay to the commissioner the actual costs of each
 47.4 examination, as provided for in section 56.10. All moneys collected by the commissioner
 47.5 under this chapter shall be turned over to the commissioner of management and budget and
 47.6 credited by the commissioner of management and budget to the general fund of the state.

47.7 Every applicant shall also prove, in form satisfactory to the commissioner, that the
 47.8 applicant has available for the operation of the business at the location specified in the
 47.9 application, liquid assets of at least \$50,000.

47.10 Sec. 21. Minnesota Statutes 2016, section 58.10, subdivision 1, is amended to read:

47.11 Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

47.12 (1) for a residential mortgage originator license, \$1,000, \$50 of which is credited to the
 47.13 consumer education account in the special revenue fund;

47.14 (2) for a renewal license, ~~\$500~~ \$780, \$50 of which is credited to the consumer education
 47.15 account in the special revenue fund;

47.16 (3) for a residential mortgage servicer's license, ~~\$500~~ \$530;

47.17 (4) for a renewal license, ~~\$250~~ \$530; and

47.18 (5) for a certificate of exemption, \$100.

47.19 Sec. 22. Minnesota Statutes 2016, section 58A.045, subdivision 2, is amended to read:

47.20 Subd. 2. **Fees.** The following fees must be paid to the commissioner:

47.21 (1) for a mortgage loan originator license, \$90; and

47.22 (2) for a renewal mortgage loan originator license, ~~\$50~~ \$75.

47.23 Sec. 23. Minnesota Statutes 2016, section 59A.03, subdivision 2, is amended to read:

47.24 Subd. 2. **Required fees.** The applicant at the time of making application, shall pay to
 47.25 the commissioner the sum of ~~\$250~~ \$280 as a fee for investigating the application, and the
 47.26 additional sum of ~~\$200~~ \$280 as an annual licensee fee for a period terminating on May 31
 47.27 of each year. In addition to the annual license fee, every licensee shall pay to the
 47.28 commissioner the actual costs of each examination as may be required to be conducted
 47.29 under the terms of sections 59A.01 to 59A.15.

48.1 Sec. 24. Minnesota Statutes 2016, section 80A.61, is amended to read:

48.2 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**
48.3 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**
48.4 **REPRESENTATIVE.**

48.5 (a) **Application for initial registration by broker-dealer, agent, ~~or investment adviser,~~**
48.6 **or investment adviser representative.** A person shall register as a broker-dealer, agent,
48.7 ~~or investment adviser,~~ or investment adviser representative by filing an application and a
48.8 consent to service of process complying with section 80A.88, and paying the fee specified
48.9 in section 80A.65 and any reasonable fees charged by the designee of the administrator for
48.10 processing the filing. The application must contain:

48.11 (1) the information or record required for the filing of a uniform application; and

48.12 (2) upon request by the administrator, any other financial or other information or record
48.13 that the administrator determines is appropriate.

48.14 (b) **Amendment.** If the information or record contained in an application filed under
48.15 subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant
48.16 shall promptly file a correcting amendment.

48.17 (c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not
48.18 pending under section 80A.67, registration becomes effective at noon on the 45th day after
48.19 a completed application is filed, unless the registration is denied. A rule adopted or order
48.20 issued under this chapter may set an earlier effective date or may defer the effective date
48.21 until noon on the 45th day after the filing of any amendment completing the application.

48.22 (d) **Registration renewal.** A registration is effective until midnight on December 31 of
48.23 the year for which the application for registration is filed. Unless an order is in effect under
48.24 section 80A.67, a registration may be automatically renewed each year by filing such records
48.25 as are required by rule adopted or order issued under this chapter, by paying the fee specified
48.26 in section 80A.65, and by paying costs charged by the designee of the administrator for
48.27 processing the filings.

48.28 (e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter
48.29 may impose such other conditions, not inconsistent with the National Securities Markets
48.30 Improvement Act of 1996. An order issued under this chapter may waive, in whole or in
48.31 part, specific requirements in connection with registration as are in the public interest and
48.32 for the protection of investors.

49.1 (f) **Funding portal registration.** A funding portal that has its principal place of business
49.2 in the state of Minnesota shall register with the state of Minnesota by filing with the
49.3 administrator a copy of the information or record required for the filing of an application
49.4 for registration as a funding portal in the manner established by the Securities and Exchange
49.5 Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with
49.6 any rule adopted or order issued, and any amendments thereto.

49.7 (g) **Application for investment adviser representative registration.**

49.8 (1) The application for initial registration as an investment adviser representative pursuant
49.9 to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities
49.10 Industry Registration or Transfer) in accordance with the form instructions and by filing
49.11 the form U-4 with the IARD. The application for initial registration must also include the
49.12 following:

49.13 (i) proof of compliance by the investment adviser representative with the examination
49.14 requirements of:

49.15 (A) the Uniform Investment Adviser Law Examination (Series 65); or

49.16 (B) the General Securities Representative Examination (Series 7) and the Uniform
49.17 Combined State Law Examination (Series 66);

49.18 (ii) any other information the administrator may reasonably require.

49.19 (2) The application for the annual renewal registration as an investment adviser
49.20 representative shall be filed with the IARD.

49.21 (3)(i) The investment adviser representative is under a continuing obligation to update
49.22 information required by Form U-4 as changes occur;

49.23 (ii) An investment adviser representative and the investment adviser must file promptly
49.24 with the IARD any amendments to the representative's Form U-4; and

49.25 (iii) An amendment will be considered to be filed promptly if the amendment is filed
49.26 within 30 days of the event that requires the filing of the amendment.

49.27 (4) An application for initial or renewal of registration is not considered filed for purposes
49.28 of section 80A.58 until the required fee and all required submissions have been received
49.29 by the administrator.

49.30 (5) The application for withdrawal of registration as an investment adviser representative
49.31 pursuant to section 80A.58 shall be completed by following the instructions on Form U-5

50.1 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5
50.2 with the IARD.

50.3 Sec. 25. Minnesota Statutes 2016, section 80A.65, subdivision 2, is amended to read:

50.4 Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial
50.5 or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, ~~\$50~~ \$65
50.6 in the case of an agent, ~~and \$100 in the case of an investment adviser,~~ and \$50 in the case
50.7 of an investment adviser representative. When an application is denied or withdrawn, the
50.8 filing fee shall be retained. A registered agent who has terminated employment with one
50.9 broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer
50.10 fee of \$25.

50.11 Sec. 26. Minnesota Statutes 2016, section 216B.2401, is amended to read:

50.12 **216B.2401 ENERGY SAVINGS POLICY GOAL.**

50.13 The legislature finds that energy savings are an energy resource, and that cost-effective
50.14 energy savings are preferred over all other energy resources. The legislature further finds
50.15 that cost-effective energy savings should be procured systematically and aggressively in
50.16 order to reduce utility costs for businesses and residents, improve the competitiveness and
50.17 profitability of businesses, create more energy-related jobs, reduce the economic burden of
50.18 fuel imports, and reduce pollution and emissions that cause climate change. Therefore, it
50.19 is the energy policy of the state of Minnesota to achieve annual energy savings equal to at
50.20 least ~~1.5~~ two percent of annual retail energy sales of electricity and natural gas through
50.21 cost-effective energy conservation improvement programs and rate design, energy efficiency
50.22 achieved by energy consumers without direct utility involvement, energy codes and appliance
50.23 standards, programs designed to transform the market or change consumer behavior, energy
50.24 savings resulting from efficiency improvements to the utility infrastructure and system, and
50.25 other efforts to promote energy efficiency and energy conservation.

50.26 Sec. 27. Minnesota Statutes 2016, section 216B.241, subdivision 1, is amended to read:

50.27 Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision
50.28 6b, the terms defined in this subdivision have the meanings given them.

50.29 (a) "Commission" means the Public Utilities Commission.

50.30 (b) "Commissioner" means the commissioner of commerce.

50.31 (c) "Department" means the Department of Commerce.

51.1 (d) "Energy conservation" means demand-side management of energy supplies resulting
51.2 in a net reduction in energy use. Load management that reduces overall energy use is energy
51.3 conservation.

51.4 (e) "Energy conservation improvement" means a project that results in energy efficiency
51.5 or energy conservation. Energy conservation improvement may include waste heat that is
51.6 recovered and converted into electricity, but does not include electric utility infrastructure
51.7 projects approved by the commission under section 216B.1636. Energy conservation
51.8 improvement also includes waste heat recovered and used as thermal energy and combined
51.9 heat and power as defined in paragraph (p).

51.10 (f) "Energy efficiency" means measures or programs, including energy conservation
51.11 measures or programs, that target consumer behavior, equipment, processes, facility
51.12 performance, operations and maintenance, or devices designed to produce either an absolute
51.13 decrease in consumption of electric energy or natural gas or a decrease in consumption of
51.14 electric energy or natural gas on a per unit of production basis without a reduction in the
51.15 quality or level of service provided to the energy consumer.

51.16 (g) "Gross annual retail energy sales" means annual electric sales to all retail customers
51.17 in a utility's or association's Minnesota service territory or natural gas throughput to all retail
51.18 customers, including natural gas transportation customers, on a utility's distribution system
51.19 in Minnesota. For purposes of this section, gross annual retail energy sales exclude:

51.20 (1) gas sales to:

51.21 (i) a large energy facility;

51.22 (ii) a large customer facility whose natural gas utility has been exempted by the
51.23 commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made
51.24 to the large customer facility; and

51.25 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
51.26 the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales
51.27 made to the commercial gas customer facility; and

51.28 (2) electric sales to a large customer facility whose electric utility has been exempted
51.29 by the commissioner under subdivision 1a, paragraph (b), with respect to electric sales made
51.30 to the large customer facility.

51.31 (h) "Investments and expenses of a public utility" includes the investments and expenses
51.32 incurred by a public utility in connection with an energy conservation improvement, including
51.33 but not limited to:

52.1 (1) the differential in interest cost between the market rate and the rate charged on a
52.2 no-interest or below-market interest loan made by a public utility to a customer for the
52.3 purchase or installation of an energy conservation improvement;

52.4 (2) the difference between the utility's cost of purchase or installation of energy
52.5 conservation improvements and any price charged by a public utility to a customer for such
52.6 improvements.

52.7 (i) "Large customer facility" means all buildings, structures, equipment, and installations
52.8 at a single site that collectively (1) impose a peak electrical demand on an electric utility's
52.9 system of not less than 20,000 kilowatts, measured in the same way as the utility that serves
52.10 the customer facility measures electrical demand for billing purposes or (2) consume not
52.11 less than 500 million cubic feet of natural gas annually. In calculating peak electrical demand,
52.12 a large customer facility may include demand offset by on-site cogeneration facilities and,
52.13 if engaged in mineral extraction, may aggregate peak energy demand from the large customer
52.14 facility's mining and processing operations.

52.15 (j) "Large energy facility" has the meaning given it in section 216B.2421, subdivision
52.16 2, clause (1).

52.17 (k) "Load management" means an activity, service, or technology to change the timing
52.18 or the efficiency of a customer's use of energy that allows a utility or a customer to respond
52.19 to wholesale market fluctuations or to reduce peak demand for energy or capacity.

52.20 (l) "Low-income programs" means energy conservation improvement programs that
52.21 directly serve the needs of low-income persons, including low-income renters.

52.22 (m) "Qualifying utility" means a utility that supplies the energy to a customer that enables
52.23 the customer to qualify as a large customer facility.

52.24 (n) "Waste heat recovered and used as thermal energy" means capturing heat energy
52.25 that would otherwise be exhausted or dissipated to the environment from machinery,
52.26 buildings, or industrial processes and productively using such recovered thermal energy
52.27 where it was captured or distributing it as thermal energy to other locations where it is used
52.28 to reduce demand-side consumption of natural gas, electric energy, or both.

52.29 (o) "Waste heat recovery converted into electricity" means an energy recovery process
52.30 that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines
52.31 or manufacturing or industrial processes, or the reduction of high pressure in water or gas
52.32 pipelines.

53.1 (p) "Combined heat and power" means the concurrent production of electricity or
 53.2 mechanical power and useful thermal energy, heating, or cooling from a single source of
 53.3 energy. Combined heat and power includes topping-cycle systems that produce electricity
 53.4 first, then recover the excess thermal energy for heating or cooling applications and
 53.5 bottoming-cycle systems that use waste heat from an existing process to produce electricity.
 53.6 A bottoming cycle may use the heat source to produce electricity using an organic rankine
 53.7 cycle or backpressure steam turbine.

53.8 Sec. 28. Minnesota Statutes 2016, section 216B.241, subdivision 1c, is amended to read:

53.9 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
 53.10 goals for energy conservation improvement expenditures and shall evaluate an energy
 53.11 conservation improvement program on how well it meets the goals set.

53.12 (b) Unless modified by the commissioner under paragraph (d), each individual electric
 53.13 utility and association shall have an annual energy-savings goal equivalent to ~~1.5~~ two percent
 53.14 of gross annual retail sales, and each individual natural gas utility shall have an annual
 53.15 energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales ~~unless~~
 53.16 ~~modified by the commissioner under paragraph (d).~~ The savings goals must be calculated
 53.17 based on the most recent three-year weather-normalized average. ~~A~~ The effective date and
 53.18 interim requirements for the energy-savings goals are established in paragraph (d). An
 53.19 electric utility or association may elect to carry forward annual energy savings in excess of
 53.20 ~~1.5~~ two percent for a year to one of the succeeding three calendar years, ~~except that.~~ Energy
 53.21 savings from electric utility infrastructure projects allowed under paragraph ~~(d)~~ (e) may be
 53.22 carried forward ~~for~~ to one of the succeeding five calendar years. ~~A particular energy savings~~
 53.23 can be used only for one year's goal. A natural gas utility may elect to carry forward energy
 53.24 savings in excess of 1.5 percent to one of the succeeding three calendar years.

53.25 (c) ~~The commissioner must adopt a filing schedule that is designed to have all utilities~~
 53.26 ~~and associations operating under an energy-savings plan by calendar year 2010. Electric~~
 53.27 public utilities have a collective goal of 800 megawatts of installed combined heat and
 53.28 power systems, as defined in subdivision 1, by 2025. Natural gas public utilities have a
 53.29 collective goal of 34 trillion British thermal units of combined heat and power, as defined
 53.30 in subdivision 1, by 2025. The commissioner shall, in consultation with utilities and
 53.31 stakeholders, establish the following by December 31, 2018:

53.32 (1) specific combined heat and power goals for each utility that will lead to cumulative
 53.33 achievement of 800 megawatts and 34 trillion British thermal units;

53.34 (2) eligible technologies for inclusion in the combined heat and power goal;

54.1 (3) combined heat and power system efficiency standards;

54.2 (4) utility combined heat and power project evaluation criteria;

54.3 (5) methodologies for quantifying performance metrics of combined heat and power
54.4 systems;

54.5 (6) attribution of energy savings between electric and natural gas utilities; and

54.6 (7) measurement and verification requirements.

54.7 (d) By October 1, 2017, electric public utilities and natural gas public utilities shall file
54.8 a modification to their respective energy conservation improvement program plans pursuant
54.9 to Minnesota Rules, part 7690.0700. Municipal and cooperative utilities or associations
54.10 shall file the updated energy-savings goals in the regularly scheduled planning cycle by
54.11 June 1, 2018. The commissioner may approve the energy conservation improvement plans
54.12 or modifications with the interim goals outlined in clauses (1) and (2). The goals established
54.13 in paragraph (b) are effective no later than January 1, 2020:

54.14 (1) beginning January 1, 2018, each electric public utility shall have a plan to achieve
54.15 an energy-savings goal of 1.7 percent and by January 1, 2019, an energy-savings goal of
54.16 1.9 percent; and

54.17 (2) beginning January 1, 2018, each public natural gas utility subject to this section shall
54.18 have a plan to achieve an energy-savings goal of 1.2 percent and by January 1, 2019, an
54.19 energy-savings goal of 1.4 percent.

54.20 ~~(d)~~ (e) In its energy conservation improvement plan filing, a utility or association may
54.21 request the commissioner to adjust its annual energy-savings percentage goal based on its
54.22 historical conservation investment experience, customer class makeup, load growth, a
54.23 conservation potential study, or other factors the commissioner determines warrants an
54.24 adjustment. The commissioner may not approve a plan of a public utility or association
54.25 providing electric service that provides for an annual energy-savings goal of less than ~~one~~
54.26 1.5 percent of gross annual retail energy sales from energy conservation improvements, and
54.27 not less than one percent gross annual retail energy sales from energy conservation
54.28 improvements from a utility providing natural gas service.

54.29 ~~A~~ An electric utility or association may include in its energy conservation plan energy
54.30 savings from electric utility infrastructure projects approved by the commission under
54.31 section 216B.1636, combined heat and power systems, or waste heat recovery converted
54.32 into electricity projects that may count as energy savings in addition to a minimum
54.33 energy-savings goal of at least ~~one~~ 1.5 percent for energy conservation improvements.

55.1 Energy savings from electric utility infrastructure projects, as defined in section 216B.1636,
 55.2 may be included in the energy conservation plan of a ~~municipal utility or cooperative electric~~
 55.3 ~~association~~ public utility or association. Electric utility infrastructure projects must result
 55.4 in increased energy efficiency greater than that which would have occurred through normal
 55.5 maintenance activity.

55.6 ~~(e)~~ (f) An energy-savings goal is not satisfied by attaining the revenue expenditure
 55.7 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
 55.8 energy-savings goal established in this subdivision.

55.9 ~~(f)~~ (g) An association or utility is not required to make energy conservation investments
 55.10 to attain the energy-savings goals of this subdivision that are not cost-effective even if the
 55.11 investment is necessary to attain the energy-savings goals. For the purpose of this paragraph,
 55.12 in determining cost-effectiveness, the commissioner shall consider the costs and benefits
 55.13 to ratepayers, the utility, participants, and society. In addition, the commissioner shall
 55.14 consider the rate at which an association or municipal utility is increasing its energy savings
 55.15 and its expenditures on energy conservation.

55.16 ~~(g)~~ (h) On an annual basis, the commissioner shall produce and make publicly available
 55.17 a report on the annual energy savings and estimated carbon dioxide reductions achieved by
 55.18 the energy conservation improvement programs for the two most recent years for which
 55.19 data is available. The commissioner shall report on program performance both in the
 55.20 aggregate and for each entity filing an energy conservation improvement plan for approval
 55.21 or review by the commissioner.

55.22 ~~(h) By January 15, 2010, the commissioner shall report to the legislature whether the~~
 55.23 ~~spending requirements under subdivisions 1a and 1b are necessary to achieve the~~
 55.24 ~~energy-savings goals established in this subdivision.~~

55.25 Sec. 29. Minnesota Statutes 2016, section 216B.241, subdivision 1d, is amended to read:

55.26 Subd. 1d. **Technical assistance.** ~~(a)~~ The commissioner shall evaluate energy conservation
 55.27 improvement programs on the basis of cost-effectiveness and the reliability of the
 55.28 technologies employed. The commissioner shall, by order, establish, maintain, and update
 55.29 energy-savings assumptions that must be used when filing energy conservation improvement
 55.30 programs. The commissioner shall establish an inventory of the most effective energy
 55.31 conservation programs, techniques, and technologies, and encourage all Minnesota utilities
 55.32 to implement them, where appropriate, in their service territories. The commissioner shall
 55.33 describe these programs in sufficient detail to provide a utility reasonable guidance
 55.34 concerning implementation. The commissioner shall prioritize the opportunities in order of

56.1 potential energy savings and in order of cost-effectiveness. The commissioner may contract
 56.2 with a third party to carry out any of the commissioner's duties under this subdivision, and
 56.3 to obtain technical assistance to evaluate the effectiveness of any conservation improvement
 56.4 program. The commissioner may assess up to \$850,000 annually for the purposes of this
 56.5 subdivision. The assessments must be deposited in the state treasury and credited to the
 56.6 energy and conservation account created under subdivision 2a. An assessment made under
 56.7 this subdivision is not subject to the cap on assessments provided by section 216B.62, or
 56.8 any other law.

56.9 ~~(b) Of the assessment authorized under paragraph (a), the commissioner may expend~~
 56.10 ~~up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing~~
 56.11 ~~technical support for a uniform electronic data reporting and tracking system available to~~
 56.12 ~~all utilities subject to this section, in order to enable accurate measurement of the cost and~~
 56.13 ~~energy savings of the energy conservation improvements required by this section. This~~
 56.14 ~~paragraph expires June 30, 2017, and may be used for no more than three annual assessments~~
 56.15 ~~occurring prior to that date.~~

56.16 Sec. 30. Minnesota Statutes 2016, section 216B.241, subdivision 3, is amended to read:

56.17 Subd. 3. **Ownership of energy conservation improvement.** An energy conservation
 56.18 improvement made to or installed in a building in accordance with this section, except
 56.19 systems owned by the utility and designed to turn off, limit, or vary the delivery of energy,
 56.20 including combined heat and power systems, are the exclusive property of the owner of the
 56.21 building except to the extent that the improvement is subjected to a security interest in favor
 56.22 of the utility in case of a loan to the building owner. The utility has no liability for loss,
 56.23 damage or injury caused directly or indirectly by an energy conservation improvement
 56.24 except for negligence by the utility in purchase, installation, or modification of the product.

56.25 Sec. 31. Minnesota Statutes 2016, section 216B.241, subdivision 5a, is amended to read:

56.26 Subd. 5a. **Qualifying solar energy project.** (a) A utility or association may include in
 56.27 its conservation plan programs for the installation of qualifying solar energy projects as
 56.28 defined by section 216B.2411 to the extent of the spending allowed for generation projects
 56.29 by section 216B.2411. The cost-effectiveness of a qualifying solar energy project may be
 56.30 determined by a different standard than for other energy conservation improvements under
 56.31 this section if the commissioner determines it is in the public interest to do so to encourage
 56.32 solar energy projects. Energy savings from qualifying solar energy projects implemented
 56.33 in electric public utility or association service territories may not be counted toward the

57.1 minimum energy-savings goal of at least ~~one~~ two percent for energy conservation
 57.2 improvements required under subdivision 1c, but may, if the conservation plan is approved:

57.3 (1) be counted toward energy savings above that minimum percentage; and

57.4 (2) be eligible for a performance incentive under section 216B.16, subdivision 6c, or
 57.5 216B.241, subdivision 2c, that is distinct from the incentive for energy conservation and is
 57.6 based on the competitiveness and cost-effectiveness of solar projects in relation to other
 57.7 potential solar projects available to the utility.

57.8 (b) Qualifying solar energy projects may not be considered when establishing
 57.9 demand-side management targets under section 216B.2422, 216B.243, or any other section
 57.10 of this chapter.

57.11 Sec. 32. Minnesota Statutes 2016, section 239.101, subdivision 2, is amended to read:

57.12 Subd. 2. **Weights and measures fees.** The director shall charge a fee to the owner for
 57.13 inspecting and testing weights and measures, providing metrology services and consultation,
 57.14 and providing petroleum quality assurance tests at the request of a licensed distributor.
 57.15 Money collected by the director must be paid into the state treasury ~~and~~ as follows: (1) ten
 57.16 percent of metrology fees and 20 percent of all other fees must be credited to the petroleum
 57.17 inspection fee account; and (2) the remainder must be credited to the state general fund.

57.18 Sec. 33. Minnesota Statutes 2016, section 332.30, is amended to read:

57.19 **332.30 ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND**
 57.20 **REQUIREMENTS.**

57.21 (a) Before beginning business in this state, an accelerated mortgage payment provider,
 57.22 as defined in section 332A.02, subdivision 8, clause (9), shall submit to the commissioner
 57.23 of commerce an authorization fee of ~~\$250~~ \$280 and either:

57.24 (1) a surety bond in which the accelerated mortgage payment provider is the obligor, in
 57.25 an amount determined by the commissioner; or

57.26 (2) if the commissioner agrees to accept it, a deposit:

57.27 (i) in cash in an amount equivalent to the bond amount; or

57.28 (ii) of authorized securities, as defined in section 50.14, with an aggregate market value
 57.29 equal to the bond amount. The cash or securities must be deposited with the commissioner
 57.30 of management and budget.

58.1 (b) The amount of the bond required by the commissioner shall vary with the amount
 58.2 of Minnesota client funds held or to be held by the obligor. For new businesses, the bond
 58.3 must be no less than \$100,000, except as provided in section 332.301. The commissioner
 58.4 may increase the required bond amount upon 30 days' notice to the accelerated mortgage
 58.5 payment provider.

58.6 (c) If a bond is submitted, it must name as surety an insurance company authorized to
 58.7 transact fidelity and surety business in this state. The bond must run to the state of Minnesota
 58.8 for the use of the state and of any person who may have a claim against the obligor arising
 58.9 out of the obligor's activities as an accelerated mortgage payment provider. The bond must
 58.10 be conditioned that the obligor will not commit any fraudulent act and will faithfully conform
 58.11 to and abide by the provisions of accelerated mortgage payment agreements with Minnesota
 58.12 residents.

58.13 If an accelerated mortgage payment provider has failed to account to a mortgagor or
 58.14 distribute funds to the mortgagee as required by an accelerated mortgage payment agreement,
 58.15 the mortgagor or the mortgagor's legal representative or receiver or the commissioner shall
 58.16 have, in addition to any other legal remedies, a right of action in the name of the debtor on
 58.17 the bond or the security given pursuant to this section.

58.18 (d) An annual license fee of \$280 must be submitted with the annual renewal in the
 58.19 Nationwide Multi-State Licensing System.

58.20 Sec. 34. Minnesota Statutes 2016, section 332.54, subdivision 7, is amended to read:

58.21 Subd. 7. **Fees.** The fee for a credit services organization's registration is ~~\$1,000~~ \$1,530
 58.22 for issuance or renewal for each location of business.

58.23 Sec. 35. Minnesota Statutes 2016, section 332A.06, is amended to read:

58.24 **332A.06 RENEWAL OF REGISTRATION.**

58.25 Each year, each registrant under the provisions of this chapter must, not more than 60
 58.26 nor less than 30 days before its registration is to expire, apply to the commissioner for
 58.27 renewal of its registration on a form prescribed by the commissioner. The application must
 58.28 be signed by the registrant under penalty of perjury, contain current information on all
 58.29 matters required in the original application, and be accompanied by a payment of ~~\$250~~
 58.30 \$530. The registrant must maintain a continuous surety bond that satisfies the requirements
 58.31 of section 332A.04, subdivision 4, provided that the commissioner may require a different
 58.32 amount that is at least equal to the largest amount that has accrued in the registrant's trust

59.1 account during the previous year. The renewal is effective for one year. The commissioner
59.2 may, for good cause shown, temporarily waive any requirement of this section.

59.3 Sec. 36. Minnesota Statutes 2016, section 332B.04, subdivision 6, is amended to read:

59.4 Subd. 6. **Renewal of registration.** Each year, each registrant under the provisions of
59.5 this chapter must, not more than 60 nor less than 30 days before its registration is to expire,
59.6 apply to the commissioner for renewal of its registration on a form prescribed by the
59.7 commissioner. The application must be signed by the registrant under penalty of perjury,
59.8 contain current information on all matters required in the original application, and be
59.9 accompanied by a payment of ~~\$250~~ \$530. The registrant must maintain a continuous surety
59.10 bond that satisfies the requirements of section 332A.04, subdivision 4. The renewal is
59.11 effective for one year. The commissioner may, for good cause shown, temporarily waive
59.12 any requirement of this section.

59.13 Sec. 37. **REPEALER.**

59.14 (a) Laws 2009, chapter 37, article 3, section 4, is repealed retroactively from the day
59.15 following its final enactment.

59.16 (b) Minnesota Statutes 2016, section 46.131, subdivision 5, is repealed.

59.17 **ARTICLE 3**

59.18 **DEPARTMENT OF LABOR AND INDUSTRY**

59.19 Section 1. Minnesota Statutes 2016, section 175.45, is amended to read:

59.20 **175.45 ~~COMPETENCY STANDARDS FOR DUAL TRAINING.~~**

59.21 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene
59.22 industry representatives, identify occupational competency standards for dual training, and
59.23 provide technical assistance to develop dual-training programs. The goal of dual training
59.24 is to provide employees of an employer with training to acquire competencies that the
59.25 employer requires. The competency standards shall be identified for employment in
59.26 occupations in advanced manufacturing, health care services, information technology, and
59.27 agriculture. Competency standards are not rules and are exempt from the rulemaking
59.28 provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do
59.29 not apply.

59.30 Subd. 2. **~~Definition; competency standards~~ Definitions.** For purposes of this section,
59.31 the following terms have the meanings given them:

60.1 (1) "competency standards" means the specific knowledge and skills necessary for a
 60.2 particular occupation-; and

60.3 (2) "dual-training program" means an employment-based earn-as-you-learn program
 60.4 where the trainee is employed by a participating employer and receives structured on-the-job
 60.5 training and technical instruction in accordance with the competency standards.

60.6 Subd. 3. **Competency standards identification process.** In identifying competency
 60.7 standards, the commissioner shall consult with the commissioner of the Office of Higher
 60.8 Education and the commissioner of employment and economic development and convene
 60.9 recognized industry experts, representative employers, higher education institutions,
 60.10 representatives of the disabled community, and representatives of labor to assist in identifying
 60.11 credible competency standards. Competency standards must be consistent with, to the extent
 60.12 available and practical, recognized international and national standards.

60.13 Subd. 4. **Duties.** The commissioner shall:

60.14 (1) convene industry representatives to identify, develop, and implement dual-training
 60.15 programs;

60.16 (2) identify competency standards for ~~entry-level~~ entry-level and higher skill levels;

60.17 ~~(2)~~ (3) verify the competency standards and skill levels and their transferability by subject
 60.18 matter expert representatives of each respective industry;

60.19 ~~(3)~~ (4) develop models for Minnesota educational institutions to engage in providing
 60.20 education and training to meet the competency standards established;

60.21 ~~(4)~~ (5) encourage participation by employers and labor in the competency standard
 60.22 identification process for occupations in their industry; and

60.23 ~~(5)~~ (6) align ~~dual training competency standards~~ dual-training programs with other
 60.24 workforce initiatives-; and

60.25 (7) provide technical assistance to develop dual-training programs.

60.26 Subd. 5. **Notification.** The commissioner must communicate identified competency
 60.27 standards to the commissioner of the Office of Higher Education for the purpose of the ~~dual~~
 60.28 ~~training~~ dual-training competency grant program under section 136A.246. The commissioner
 60.29 of labor and industry shall maintain the competency standards on the department's Web
 60.30 site.

61.1 Sec. 2. Minnesota Statutes 2016, section 177.27, subdivision 2, is amended to read:

61.2 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
61.3 of employees working in the state to submit to the commissioner photocopies, certified
61.4 copies, or, if necessary, the originals of employment records which the commissioner deems
61.5 necessary or appropriate. The records which may be required include full and correct
61.6 statements in writing, including sworn statements by the employer, containing information
61.7 relating to wages, hours, names, addresses, and any other information pertaining to the
61.8 employer's employees and the conditions of their employment as the commissioner deems
61.9 necessary or appropriate.

61.10 The commissioner may require the records to be submitted in a specific format by
61.11 certified mail delivery or, if necessary, by personal delivery by the employer or a
61.12 representative of the employer, as authorized by the employer in writing.

61.13 The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit
61.14 or deliver records as required by this section. This penalty is in addition to any penalties
61.15 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
61.16 under this subdivision, the appropriateness of such penalty to the size of the employer's
61.17 business and the gravity of the violation shall be considered.

61.18 Sec. 3. Minnesota Statutes 2016, section 177.27, is amended by adding a subdivision to
61.19 read:

61.20 Subd. 11. **Subpoenas.** In order to carry out the purposes of this section, the commissioner
61.21 may issue subpoenas to compel persons to appear before the commissioner to give testimony
61.22 and produce documents, apparatus, devices, equipment, or materials. Upon the application
61.23 of the commissioner, a district court shall treat the failure of any person to obey a subpoena
61.24 lawfully issued by the commissioner under this subdivision as a contempt of court.

61.25 Sec. 4. Minnesota Statutes 2016, section 177.30, is amended to read:

61.26 **177.30 KEEPING RECORDS; PENALTY.**

61.27 (a) Every employer subject to sections 177.21 to 177.44 must make and keep a record
61.28 of:

61.29 (1) the name, address, and occupation of each employee;

61.30 (2) the rate of pay, and the amount paid each pay period to each employee, including
61.31 whether each employee is paid by the hour, shift, day, week, salary, piece, commission, or
61.32 other;

62.1 (3) the hours worked each day and each workweek by the employee, including for all
 62.2 employees paid at piece rate, the number of pieces completed at each piece rate;

62.3 (4) any personnel policies provided to employees;

62.4 (5) a copy of the notice provided to each employee as required by section 181.032, clause
 62.5 (d);

62.6 (6) for each employer subject to sections 177.41 to 177.44, and while performing work
 62.7 on public works projects funded in whole or in part with state funds, the employer shall
 62.8 furnish under oath signed by an owner or officer of an employer to the contracting authority
 62.9 and the project owner every two weeks, a certified payroll report with respect to the wages
 62.10 and benefits paid each employee during the preceding weeks specifying for each employee:
 62.11 name; identifying number; prevailing wage master job classification; hours worked each
 62.12 day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions;
 62.13 net pay for week; dollars contributed per hour for each benefit, including name and address
 62.14 of administrator; benefit account number; and telephone number for health and welfare,
 62.15 vacation or holiday, apprenticeship training, pension, and other benefit programs; and

62.16 ~~(5)~~ (7) other information the commissioner finds necessary and appropriate to enforce
 62.17 sections 177.21 to 177.435. The records must be kept for three years in ~~or near~~ the premises
 62.18 where an employee works except each employer subject to sections 177.41 to 177.44, and
 62.19 while performing work on public works projects funded in whole or in part with state funds,
 62.20 the records must be kept for three years after the contracting authority has made final payment
 62.21 on the public works project.

62.22 (b) All records required to be kept under paragraph (a) must be readily available for
 62.23 inspection by the commissioner on the premises of employment during reasonable office
 62.24 hours under section 177.27, subdivision 1.

62.25 (c) The commissioner may fine an employer up to ~~\$1,000~~ \$10,000 for each failure to
 62.26 maintain records as required by this section. This penalty is in addition to any penalties
 62.27 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
 62.28 under this subdivision, the appropriateness of such penalty to the size of the employer's
 62.29 business and the gravity of the violation shall be considered.

62.30 Sec. 5. Minnesota Statutes 2016, section 177.32, subdivision 1, is amended to read:

62.31 Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty
 62.32 of a misdemeanor:

63.1 (1) hinders or delays the commissioner in the performance of duties required under
63.2 sections 177.21 to 177.435;

63.3 (2) refuses to admit the commissioner to the place of business or employment of the
63.4 employer, as required by section 177.27, subdivision 1;

63.5 (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

63.6 (4) falsifies any record;

63.7 (5) refuses to make any record available, or to furnish a sworn statement of the record
63.8 or any other information as required by section 177.27;

63.9 (6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary
63.10 of the applicable rules as required by section 177.31;

63.11 (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21
63.12 to 177.44;

63.13 (8) refuses to allow adequate time from work as required by section 177.253; or

63.14 (9) otherwise violates any provision of sections 177.21 to 177.44.

63.15 (b) An employer is guilty of a gross misdemeanor if the employer fails to pay any wages
63.16 due to an employee or employees under sections 177.21 to 177.44, and the total of any such
63.17 wages in relation to all affected employees is \$10,000 or more.

63.18 Sec. 6. Minnesota Statutes 2016, section 181.03, subdivision 1, is amended to read:

63.19 Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and~~
63.20 ~~with intent to defraud:~~ (a) No employer shall commit wage theft.

63.21 (b) For purposes of this section, wage theft is committed if:

63.22 (1) ~~cause~~ an employer has failed to pay an employee all wages to which that employee
63.23 is entitled;

63.24 (2) an employer directly or indirectly causes any employee to give a receipt for wages
63.25 for a greater amount than that actually paid to the employee for services rendered;

63.26 ~~(2)~~ (3) an employer directly or indirectly demand demands or receive receives from any
63.27 employee any rebate or refund from the wages owed the employee under contract of
63.28 employment with the employer; ~~or~~

64.1 ~~(3)~~ (4) an employer in any manner ~~make~~ makes or ~~attempt~~ attempts to make it appear
 64.2 that the wages paid to any employee were greater than the amount actually paid to the
 64.3 employee; or

64.4 (5) an employer retaliates against an employee for asserting rights or remedies under
 64.5 this section, including but not limited to filing a complaint with the Department of Labor
 64.6 and Industry or telling the employer of intention to file a complaint.

64.7 Sec. 7. Minnesota Statutes 2016, section 181.03, is amended by adding a subdivision to
 64.8 read:

64.9 Subd. 4. **Enforcement.** The commissioner may enforce this section. The use of an
 64.10 enforcement provision in this section shall not preclude the use of any other enforcement
 64.11 provision provided by law.

64.12 Sec. 8. Minnesota Statutes 2016, section 181.03, is amended by adding a subdivision to
 64.13 read:

64.14 Subd. 5. **Citations.** The commissioner may issue a citation for failure to pay wages of
 64.15 up to \$1,000 by serving the citation on the employer. The citation shall direct the employer
 64.16 to pay to the commissioner any back pay, gratuities, and compensatory damages owed to
 64.17 the employee within 15 days. The citation may require the employer to correct the violation,
 64.18 may require the employer to cease and desist from committing the violation, and may assess
 64.19 a monetary penalty of up to \$1,000. In determining the amount of the monetary penalty,
 64.20 the commissioner shall consider the factors described in section 14.045, subdivision 3. If
 64.21 the citation includes a penalty assessment, then the penalty is due and payable on the date
 64.22 the citation becomes final. The commissioner shall vacate the citation if: (1) before the
 64.23 citation was issued, the employer paid to the employee the back pay, gratuities, and
 64.24 compensatory damages specified in the citation; and (2) within the five days after the citation
 64.25 is issued, the employer provides to the commissioner evidence acceptable to the
 64.26 commissioner that the employer made the payment described in clause (1).

64.27 Sec. 9. Minnesota Statutes 2016, section 181.03, is amended by adding a subdivision to
 64.28 read:

64.29 Subd. 6. **Administrative review.** (a) Within 15 days after the commissioner issues a
 64.30 citation under subdivision 5, the employer to whom the citation is issued may request an
 64.31 expedited hearing to review the citation. The request for hearing must be in writing and
 64.32 must be served on the commissioner at the address specified in the citation. If the employer

65.1 does not request a hearing or if the employer's written request for hearing is not served on
65.2 the commissioner by the 15th day after the commissioner issues the citation, the citation
65.3 becomes a final order of the commissioner and is not subject to review by any court or
65.4 agency. The hearing request must state the reasons for seeking review of the citation. The
65.5 employer to whom the citation is issued and the commissioner are the parties to the expedited
65.6 hearing. The commissioner must notify the employer to whom the citation is issued of the
65.7 time and place of the hearing at least 15 days before the hearing. The hearing shall be
65.8 conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this
65.9 section. If a hearing has been held, the commissioner shall not issue a final order until at
65.10 least five days after the date of the administrative law judge's report. Any person aggrieved
65.11 by the administrative law judge's report may, within those five days, serve written comments
65.12 to the commissioner on the report and the commissioner shall consider and enter the
65.13 comments in the record. The commissioner's final order shall comply with sections 14.61,
65.14 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
65.15 in sections 14.63 to 14.69.

65.16 (b) When an employer to whom a citation under subdivision 5 was issued requests an
65.17 expedited hearing under paragraph (a), the employer is presumed to have committed each
65.18 violation listed in the citation. The employer to whom the citation was issued may rebut
65.19 this presumption by showing that the employer did not commit the violation.

65.20 Sec. 10. Minnesota Statutes 2016, section 181.03, is amended by adding a subdivision to
65.21 read:

65.22 Subd. 7. **Effect on other laws.** Nothing in this section shall be construed to limit the
65.23 application of other state or federal laws.

65.24 Sec. 11. Minnesota Statutes 2016, section 181.032, is amended to read:

65.25 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
65.26 **TO EMPLOYEE.**

65.27 (a) At the end of each pay period, the employer shall provide each employee an earnings
65.28 statement, either in writing or by electronic means, covering that pay period. An employer
65.29 who chooses to provide an earnings statement by electronic means must provide employee
65.30 access to an employer-owned computer during an employee's regular working hours to
65.31 review and print earnings statements.

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

- 66.1 (1) the name of the employee;
- 66.2 (2) the hourly rate or rates of pay (if applicable) and basis thereof, including whether
- 66.3 the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;
- 66.4 (3) allowances, if any, claimed pursuant to permitted meals and lodging;
- 66.5 (4) the total number of hours worked by the employee unless exempt from chapter 177;
- 66.6 ~~(4)~~ (5) the total amount of gross pay earned by the employee during that period;
- 66.7 ~~(5)~~ (6) a list of deductions made from the employee's pay;
- 66.8 ~~(6)~~ (7) the net amount of pay after all deductions are made;
- 66.9 ~~(7)~~ (8) the date on which the pay period ends; and
- 66.10 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
- 66.11 from the legal name;
- 66.12 (10) the physical address of the employer's main office or principal place of business,
- 66.13 and a mailing address if different; and
- 66.14 (11) the telephone number of the employer.
- 66.15 (c) An employer must provide earnings statements to an employee in writing, rather
- 66.16 than by electronic means, if the employer has received at least 24 hours notice from an
- 66.17 employee that the employee would like to receive earnings statements in written form. Once
- 66.18 an employer has received notice from an employee that the employee would like to receive
- 66.19 earnings statements in written form, the employer must comply with that request on an
- 66.20 ongoing basis.
- 66.21 (d) At the start of employment, an employer shall provide each employee a written notice
- 66.22 containing the following information:
- 66.23 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
- 66.24 the hour, shift, day, week, salary, piece, commission, or other method;
- 66.25 (2) allowances, if any, claimed pursuant to permitted meals and lodging;
- 66.26 (3) paid vacation, sick time, or other paid time off accruals and terms of use;
- 66.27 (4) whether the employee is exempt from minimum wage, overtime, and other provisions
- 66.28 of chapter 177, and on what basis;
- 66.29 (5) a list of deductions that may be made from the employee's pay;
- 66.30 (6) the dates on which the pay periods start and end and the regularly scheduled payday;

67.1 (7) the legal name of the employer and the operating name of the employer if different
 67.2 from the legal name;

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

67.5 (9) the telephone number of the employer.

67.6 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
 67.7 employee acknowledging receipt of the notice. The notice must be provided to each employee
 67.8 in English and in the employee's native language.

67.9 (f) An employer must provide the employee any written changes to the information
 67.10 contained in the notice under paragraph (d) at least seven calendar days prior to the time
 67.11 the changes take effect. The changes must be signed by the employee before the changes
 67.12 go into effect. The employer must keep a signed copy of all notice of changes as well as
 67.13 the initial notices under paragraph (d).

67.14 Sec. 12. Minnesota Statutes 2016, section 181.101, is amended to read:

67.15 **181.101 WAGES; HOW OFTEN PAID.**

67.16 (a) Except as provided in paragraph (b), every employer must pay all wages earned by
 67.17 an employee at least once every ~~31~~ 16 days on a regular payday designated in advance by
 67.18 the employer regardless of whether the employee requests payment at longer intervals.
 67.19 ~~Unless paid earlier, the wages earned during the first half of the first 31-day pay period~~
 67.20 ~~become due on the first regular payday following the first day of work.~~ Payment for the
 67.21 first day of work must be received no later than the first regular payday after the first 16
 67.22 calendar days of employment or within 31 calendar days of the first day of employment,
 67.23 whichever comes first. If wages earned are not paid, the commissioner of labor and industry
 67.24 or the commissioner's representative may demand payment on behalf of an employee. If
 67.25 payment is not made within ~~ten~~ five days of demand, the commissioner may charge and
 67.26 collect the wages earned and a penalty in the amount of the employee's average daily earnings
 67.27 at the rate agreed upon in the contract of employment, not exceeding 15 days in all, for each
 67.28 day beyond the ~~ten-day~~ five-day limit following the demand. Money collected by the
 67.29 commissioner must be paid to the employee concerned. This section does not prevent an
 67.30 employee from prosecuting a claim for wages. This section does not prevent a school district,
 67.31 other public school entity, or other school, as defined under section 120A.22, from paying
 67.32 any wages earned by its employees during a school year on regular paydays in the manner
 67.33 provided by an applicable contract or collective bargaining agreement, or a personnel policy

68.1 adopted by the governing board. For purposes of this section, "employee" includes a person
 68.2 who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes
 68.3 of this section, wages are earned on the day an employee works.

68.4 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision
 68.5 10, a member of an organized first responder squad that is formally recognized by a political
 68.6 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages
 68.7 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant
 68.8 at least once every 31 days, unless the employer and the employee mutually agree upon
 68.9 payment at longer intervals.

68.10 Sec. 13. Minnesota Statutes 2016, section 326B.092, subdivision 7, is amended to read:

68.11 Subd. 7. **License fees and license renewal fees.** (a) The license fee for each license is
 68.12 the base license fee plus any applicable board fee, continuing education fee, and contractor
 68.13 recovery fund fee and additional assessment, as set forth in this subdivision.

68.14 (b) For purposes of this section, "license duration" means the number of years for which
 68.15 the license is issued except that if the initial license is not issued for a whole number of
 68.16 years, the license duration shall be rounded up to the next whole number.

68.17 (c) The base license fee shall depend on whether the license is classified as an entry
 68.18 level, master, journeyman, or business license, and on the license duration. The base license
 68.19 fee shall be:

	License Classification	License Duration	
		1 year	2 years
	Entry level	\$10	\$20
	Journeyworker	\$20	\$40
	Master	\$40	\$80
	Business		\$180

68.26 (d) If there is a continuing education requirement for renewal of the license, then a
 68.27 continuing education fee must be included in the renewal license fee. The continuing
 68.28 education fee for all license classifications shall be: \$10 if the renewal license duration is
 68.29 one year; and \$20 if the renewal license duration is two years.

68.30 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.925,
 68.31 then a board fee must be included in the license fee and the renewal license fee. The board
 68.32 fee for all license classifications shall be: \$4 if the license duration is one year; and \$8 if
 68.33 the license duration is two years.

69.1 (f) If the application is for the renewal of a license issued under sections 326B.802 to
 69.2 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision
 69.3 3, and any additional assessment required under section 326B.89, subdivision 16, must be
 69.4 included in the license renewal fee.

69.5 (g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period
 69.6 July 1, ~~2015~~ 2017, through ~~June 30, 2017~~ September 30, 2021, the following fees apply:

69.7	License Classification	License Duration	
69.8		1 year	2 years
69.9	Entry level	\$10	\$20
69.10			\$35
69.11	Journeyworker	\$15	<u>\$30</u>
69.12			\$75
69.13	Master	\$30	<u>\$60</u>
69.14			\$160
69.15	Business		<u>\$120</u>

69.16 If there is a continuing education requirement for renewal of the license, then a continuing
 69.17 education fee must be included in the renewal license fee. The continuing education fee for
 69.18 all license classifications shall be \$5.

69.19 Sec. 14. **[326B.108] PLACES OF PUBLIC ACCOMMODATION SUBJECT TO**
 69.20 **CODE.**

69.21 **Subdivision 1. Definition.** For purposes of this section, "place of public accommodation"
 69.22 **means a publicly or privately owned facility that is designed for occupancy by 200 or more**
 69.23 **people and includes a sports or entertainment arena, stadium, theater, community or**
 69.24 **convention hall, special event center, indoor amusement facility or water park, or swimming**
 69.25 **pool.**

69.26 **Subd. 2. Application.** Construction, additions, and alterations to a place of public
 69.27 **accommodation must be designed and constructed to comply with the State Building Code.**

69.28 **Subd. 3. Enforcement.** In a municipality that has not adopted the code by ordinance
 69.29 **under section 326B.121, subdivision 2, the commissioner shall enforce this section in**
 69.30 **accordance with section 326B.107, subdivision 1.**

69.31 Sec. 15. Minnesota Statutes 2016, section 326B.153, subdivision 1, is amended to read:

69.32 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required
 69.33 in section ~~326B.106~~ 326B.107 include:

70.1 (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality;
70.2 and

70.3 (2) the surcharge required by section 326B.148.

70.4 (b) The total valuation and fee schedule is:

70.5 (1) \$1 to \$500, ~~\$29.50~~ \$21;

70.6 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
70.7 or fraction thereof, to and including \$2,000;

70.8 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
70.9 additional \$1,000 or fraction thereof, to and including \$25,000;

70.10 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
70.11 additional \$1,000 or fraction thereof, to and including \$50,000;

70.12 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
70.13 each additional \$1,000 or fraction thereof, to and including \$100,000;

70.14 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
70.15 each additional \$1,000 or fraction thereof, to and including \$500,000;

70.16 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
70.17 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

70.18 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
70.19 for each additional \$1,000 or fraction thereof.

70.20 (c) Other inspections and fees are:

70.21 (1) inspections outside of normal business hours (minimum charge two hours), \$63.25
70.22 per hour;

70.23 (2) reinspection fees, \$63.25 per hour;

70.24 (3) inspections for which no fee is specifically indicated (minimum charge one-half
70.25 hour), \$63.25 per hour; and

70.26 (4) additional plan review required by changes, additions, or revisions to approved plans
70.27 (minimum charge one-half hour), \$63.25 per hour.

70.28 (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25,
70.29 then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment,
70.30 hourly wages, and fringe benefits of the employees involved.

71.1 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2017. Paragraph (b) is effective
71.2 July 1, 2017, and the amendments to it expire October 1, 2021.

71.3 Sec. 16. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision
71.4 to read:

71.5 Subd. 16. **Wind electric systems.** (a) The inspection fee for the installation of a wind
71.6 turbine is:

71.7 (1) 0 watts to and including 100,000 watts, \$80;

71.8 (2) 100,001 watts to and including 500,000 watts, \$105;

71.9 (3) 500,001 watts to and including 1,000,000 watts, \$120;

71.10 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

71.11 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

71.12 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

71.13 (7) 3,000,001 watts and larger, \$160.

71.14 (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating
71.15 current energy output of one individual wind turbine.

71.16 Sec. 17. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision
71.17 to read:

71.18 Subd. 17. **Solar photovoltaic systems.** (a) The inspection fee for the installation of a
71.19 solar photovoltaic system is:

71.20 (1) 0 watts to and including 5,000 watts, \$60;

71.21 (2) 5,001 watts to and including 10,000 watts, \$100;

71.22 (3) 10,001 watts to and including 20,000 watts, \$150;

71.23 (4) 20,001 watts to and including 30,000 watts, \$200;

71.24 (5) 30,001 watts to and including 40,000 watts, \$250;

71.25 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional
71.26 10,000 watts over 40,000 watts;

71.27 (7) 1,000,000 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts
71.28 over 1,000,000 watts; and

72.1 (8) 5,000,000 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over
 72.2 5,000,000 watts.

72.3 (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating
 72.4 current energy output of the solar photovoltaic system.

72.5 Sec. 18. Minnesota Statutes 2016, section 326B.89, subdivision 1, is amended to read:

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

72.8 (b) "Gross annual receipts" means the total amount derived from residential contracting
 72.9 or residential remodeling activities, regardless of where the activities are performed, and
 72.10 must not be reduced by costs of goods sold, expenses, losses, or any other amount.

72.11 (c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

72.12 (d) "Residential real estate" means a new or existing building constructed for habitation
 72.13 by one to four families, and includes detached garages intended for storage of vehicles
 72.14 associated with the residential real estate.

72.15 (e) "Fund" means the contractor recovery fund.

72.16 (f) "Owner" when used in connection with real property, means a person who has any
 72.17 legal or equitable interest in real property and includes a condominium or townhome
 72.18 association that owns common property located in a condominium building or townhome
 72.19 building or an associated detached garage. Owner does not include any real estate developer
 72.20 or any owner using, or intending to use, the property for a business purpose and not as
 72.21 owner-occupied residential real estate.

72.22 Sec. 19. Minnesota Statutes 2016, section 326B.89, subdivision 5, is amended to read:

72.23 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the
 72.24 fund to an owner or a lessee in an amount greater than \$75,000 per licensee. The
 72.25 commissioner shall not pay compensation from the fund to owners and lessees in an amount
 72.26 that totals more than ~~\$150,000~~ \$300,000 per licensee. The commissioner shall only pay
 72.27 compensation from the fund for a final judgment that is based on a contract directly between
 72.28 the licensee and the homeowner or lessee that was entered into prior to the cause of action
 72.29 and that requires licensure as a residential building contractor or residential remodeler.

72.30 Sec. 20. **REPEALER.**

72.31 Minnesota Statutes 2016, section 326B.89, subdivision 14, is repealed.

73.1

ARTICLE 4

73.2

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

73.3 Section 1. Minnesota Statutes 2016, section 116J.8731, subdivision 2, is amended to read:

73.4 Subd. 2. **Administration.** (a) Except as otherwise provided in this section, the
 73.5 commissioner shall administer the fund as part of the Small Cities Development Block
 73.6 Grant Program and funds shall be made available to local communities and recognized
 73.7 Indian tribal governments in accordance with the rules adopted for economic development
 73.8 grants in the small cities community development block grant program. All units of general
 73.9 purpose local government are eligible applicants for Minnesota investment funds. The
 73.10 commissioner may provide forgivable loans directly to a private enterprise and not require
 73.11 a local community or recognized Indian tribal government application other than a resolution
 73.12 supporting the assistance.

73.13 (b) Eligible applicants for the state-funded portion of the fund also include development
 73.14 authorities as defined in section 116J.552, subdivision 4, provided that the governing body
 73.15 of the municipality approves, by resolution, the application of the development authority.
 73.16 A local government entity may receive more than one award in a fiscal year. The
 73.17 commissioner may also make funds available within the department for eligible expenditures
 73.18 under subdivision 3, clause (2).

73.19 (c) A home rule charter or statutory city, county, or town may loan or grant money
 73.20 received from repayment of funds awarded under this section to a regional development
 73.21 commission, other regional entity, or statewide community capital fund as determined by
 73.22 the commissioner, to capitalize or to provide the local match required for capitalization of
 73.23 a regional or statewide revolving loan fund. Any repayment of funds to a local entity under
 73.24 this section may be used for purposes noted in section 116J.407 and for other economic
 73.25 development purposes including loans to businesses in any industry and community
 73.26 development planning, and the local entity is not limited by the provisions in this section.

73.27 Sec. 2. Minnesota Statutes 2016, section 116J.8731, subdivision 5, is amended to read:

73.28 Subd. 5. **Grant limits.** A Minnesota investment fund grant may not be approved for an
 73.29 amount in excess of \$1,000,000. This limit covers all money paid to complete the same
 73.30 project, whether paid to one or more grant recipients and whether paid in one or more fiscal
 73.31 years. A local community or recognized Indian tribal government may retain 40 percent,
 73.32 but not more than \$100,000, of a Minnesota investment fund grant when it is repaid to the
 73.33 local community or recognized Indian tribal government by the person or entity to which

74.1 it was loaned by the local community or Indian tribal government. Money repaid to the state
 74.2 must be credited to a Minnesota investment revolving loan account in the state treasury.
 74.3 Funds in the account are appropriated to the commissioner and must be used in the same
 74.4 manner as are funds appropriated to the Minnesota investment fund. Funds repaid to the
 74.5 state through existing Minnesota investment fund agreements must be credited to the
 74.6 Minnesota investment revolving loan account effective July 1, 2005. A grant or loan may
 74.7 not be made to a person or entity for the operation or expansion of a casino or a store which
 74.8 is used solely or principally for retail sales. Persons or entities receiving grants or loans
 74.9 must pay each employee total compensation, including benefits not mandated by law, that
 74.10 on an annualized basis is equal to at least 110 percent of the federal poverty level for a
 74.11 family of four. \$2,000,000 of each year's annual appropriation, but no more than 50 percent
 74.12 of the appropriation, must be allocated to Minnesota businesses owned by minorities,
 74.13 veterans, women, or persons with a disability. Any unused portion is available for all other
 74.14 businesses beginning on January 1.

74.15 Sec. 3. Minnesota Statutes 2016, section 116J.8731, is amended by adding a subdivision
 74.16 to read:

74.17 Subd. 10. **Transfer.** The commissioner may transfer up to \$2,000,000 of a fiscal year's
 74.18 appropriation between the Minnesota job creation fund program and Minnesota investment
 74.19 fund to meet business demand.

74.20 Sec. 4. Minnesota Statutes 2016, section 116J.8748, subdivision 1, is amended to read:

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

74.23 (b) "Agreement" or "business subsidy agreement" means a business subsidy agreement
 74.24 under section 116J.994 that must include, but is not limited to: specification of the duration
 74.25 of the agreement, job goals and a timeline for achieving those goals over the duration of
 74.26 the agreement, construction and other investment goals and a timeline for achieving those
 74.27 goals over the duration of the agreement, and the value of benefits the firm may receive
 74.28 following achievement of capital investment and employment goals. The local government
 74.29 and business must report to the commissioner on the business performance using the forms
 74.30 developed by the commissioner.

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

75.1 (d) "Capital investment" means money that is expended for the purpose of building or
 75.2 improving real fixed property where employees under paragraphs (g) and (h) are or will be
 75.3 employed and also includes construction materials, services, and supplies, and the purchase
 75.4 and installation of equipment and machinery as provided under subdivision 4, paragraph
 75.5 (b), clause (5).

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

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

75.9 (g) "Minority person" means a person belonging to a racial or ethnic minority as defined
 75.10 in Code of Federal Regulations, title 49, section 23.5.

75.11 ~~(g)~~ (h) "New full-time employee" means an employee who:

75.12 (1) begins work at a Minnesota job creation fund business facility noted in a business
 75.13 subsidy agreement and following the designation as a job creation fund business; and

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

75.15 (i) "Persons with disabilities" means an individual with a disability, as defined under
 75.16 the Americans with Disabilities Act, United States Code, title 42, section 12102.

75.17 ~~(h)~~ (j) "Retained job" means a full-time position:

75.18 (1) that existed at the facility prior to the designation as a job creation fund business;
 75.19 and

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

75.21 (k) "Veteran" means a veteran as defined in section 197.447.

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

75.23 Sec. 5. Minnesota Statutes 2016, section 116J.8748, subdivision 3, is amended to read:

75.24 Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To
 75.25 receive designation as a Minnesota job creation fund business, a business must satisfy all
 75.26 of the following conditions:

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

75.29 (i) manufacturing;

75.30 (ii) warehousing;

76.1 (iii) distribution;

76.2 (iv) information technology;

76.3 (v) finance;

76.4 (vi) insurance; or

76.5 (vii) professional or technical services;

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

76.11 (3) the business must enter into a binding construction and job creation business subsidy
76.12 agreement with the commissioner to expend directly, or ensure expenditure by or in
76.13 partnership with a third party constructing or managing the project, at least \$500,000 in
76.14 capital investment in a capital investment project that includes a new, expanded, or remodeled
76.15 facility within one year following designation as a Minnesota job creation fund business or
76.16 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
76.17 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
76.18 women, or persons with a disability; and:

76.19 (i) create at least ten new full-time employee positions within two years of the benefit
76.20 date following the designation as a Minnesota job creation fund business or five new full-time
76.21 employee positions within two years of the benefit date if the project is located outside the
76.22 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
76.23 is cumulatively owned by minorities, veterans, women, or persons with a disability; or

76.24 (ii) expend at least \$25,000,000, which may include the installation and purchase of
76.25 machinery and equipment, in capital investment and retain at least 200 employees for projects
76.26 located in the metropolitan area as defined in section 200.02, subdivision 24, and 75
76.27 employees for projects located outside the metropolitan area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

77.25 (f) A business may apply to be designated as a Minnesota job creation fund business at
77.26 the same location more than once only if all goals under a previous Minnesota job creation
77.27 fund agreement have been met and the agreement is completed.

77.28 Sec. 6. Minnesota Statutes 2016, section 116J.8748, subdivision 4, is amended to read:

77.29 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
77.30 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)

78.1 and (c) when the business has achieved its job creation and capital investment goals noted
78.2 in its agreement under subdivision 3.

78.3 (b) A qualified Minnesota job creation fund business may be certified eligible for the
78.4 benefits in this paragraph for up to five years for projects located in the metropolitan area
78.5 as defined in section 200.02, subdivision 24, and seven years for projects located outside
78.6 the metropolitan area, as determined by the commissioner when considering the best interests
78.7 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
78.8 clause (3), or section 16B.98, subdivision 5, paragraph (b), grant agreements for projects
78.9 located outside the metropolitan area may be for up to seven years in length. The eligibility
78.10 for the following benefits begins the date the commissioner certifies the business as a
78.11 qualified Minnesota job creation fund business under this subdivision:

78.12 (1) up to five percent rebate for projects located in the metropolitan area as defined in
78.13 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
78.14 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
78.15 total rebate for a project not to exceed \$500,000;

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

78.18 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards
78.19 are allowable for projects that have at least \$25,000,000 in capital investment and 200 new
78.20 employees in the metropolitan area as defined in section 200.02, subdivision 24, and 75
78.21 new employees for projects located outside the metropolitan area;

78.22 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that have
78.23 at least \$25,000,000 in capital investment and 200 retained employees for projects located
78.24 in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for
78.25 projects located outside the metropolitan area; and

78.26 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may
78.27 include the installation and purchases of machinery and equipment. These expenditures are
78.28 not eligible for the capital investment rebate provided under subdivision 5.

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

79.1 (d) No rebates or award may be provided until the Minnesota job creation fund business
 79.2 or a third party constructing or managing the project has at least \$500,000 in capital
 79.3 investment in the project and at least ten full-time jobs have been created and maintained
 79.4 for at least one year or the retained employees, as provided in paragraph (b), clause (4),
 79.5 remain for at least one year. The agreement may require additional performance outcomes
 79.6 that need to be achieved before rebates and awards are provided. If fewer retained jobs are
 79.7 maintained, but still above the minimum under this subdivision, the capital investment
 79.8 award shall be reduced on a proportionate basis.

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

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

79.18 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
 79.19 ~~its~~ capital investment expenditures within six months following designation as a Minnesota
 79.20 job creation fund business to ensure that the capital investment goal in the agreement under
 79.21 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
 79.22 for benefits under the submitted application and will need to work with the local government
 79.23 unit to resubmit a new application and request to be a Minnesota job creation fund business.
 79.24 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
 79.25 be considered a default of the business subsidy agreement.

79.26 Sec. 7. Minnesota Statutes 2016, section 116J.8748, subdivision 6, is amended to read:

79.27 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
 79.28 eligible for an annual award for each new job created and maintained by the business using
 79.29 the following schedule: \$1,000 for each job position paying annual wages at least \$26,000
 79.30 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than
 79.31 \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals
 79.32 under the agreement provided under subdivision 1. These awards are increased by \$1,000
 79.33 if the business is located outside the metropolitan area as defined in section 200.02,

80.1 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
 80.2 women, or persons with a disability.

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

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

80.8 Sec. 8. Minnesota Statutes 2016, section 116L.665, is amended to read:

80.9 **116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.**

80.10 Subdivision 1. **Creation.** ~~The governor's Workforce Development Council is created~~
 80.11 ~~under the authority of the Workforce Investment Act, United States Code, title 29, section~~
 80.12 ~~2801, et seq. Local workforce development councils are authorized under the Workforce~~
 80.13 ~~Investment Act. The governor's Workforce Development Council serves as Minnesota's~~
 80.14 ~~Workforce Investment Board for the purposes of the federal Workforce Investment Act.~~
 80.15 Board serves as Minnesota's state workforce development board for the purposes of the
 80.16 federal Workforce Innovation and Opportunity Act, United States Code, title 29, section
 80.17 3111, and must perform the duties under that act.

80.18 Subd. 2. **Membership.** (a) ~~The governor's Workforce Development Council Board is~~
 80.19 ~~composed of 31 members appointed by the governor. The members may be removed pursuant~~
 80.20 ~~to section 15.059. In selecting the representatives of the council board, the governor shall~~
 80.21 ~~ensure that 50 percent a majority of the members come from nominations provided by local~~
 80.22 ~~workforce councils. Local education representatives shall come from nominations provided~~
 80.23 ~~by local education to employment partnerships. The 31 members shall represent the following~~
 80.24 ~~sectors: the private sector, pursuant to United States Code, title 29, section 3111. For the~~
 80.25 public members, membership terms, compensation of members, and removal of members
 80.26 are governed by section 15.059, subdivisions 2, 3, and 4. To the extent practicable, the
 80.27 membership should be balanced as to gender and ethnic diversity.

80.28 (a) ~~State agencies: the following individuals shall serve on the council:~~

80.29 (1) ~~commissioner of the Minnesota Department of Employment and Economic~~
 80.30 ~~Development;~~

80.31 (2) ~~commissioner of the Minnesota Department of Education; and~~

80.32 (3) ~~commissioner of the Minnesota Department of Human Services.~~

81.1 ~~(b) Business and industry: six individuals shall represent the business and industry sectors~~
81.2 ~~of Minnesota.~~

81.3 ~~(c) Organized labor: six individuals shall represent labor organizations of Minnesota.~~

81.4 ~~(d) Community-based organizations: four individuals shall represent community-based~~
81.5 ~~organizations of Minnesota. Community-based organizations are defined by the Workforce~~
81.6 ~~Investment Act as private nonprofit organizations that are representative of communities~~
81.7 ~~or significant segments of communities and that have demonstrated expertise and~~
81.8 ~~effectiveness in the field of workforce investment and may include entities that provide job~~
81.9 ~~training services, serve youth, serve individuals with disabilities, serve displaced~~
81.10 ~~homemakers, union-related organizations, employer-related nonprofit organizations, and~~
81.11 ~~organizations serving nonreservation Indians and tribal governments.~~

81.12 ~~(e) Education: six individuals shall represent the education sector of Minnesota as follows:~~

81.13 ~~(1) one individual shall represent local public secondary education;~~

81.14 ~~(2) one individual shall have expertise in design and implementation of school-based~~
81.15 ~~service-learning;~~

81.16 ~~(3) one individual shall represent leadership of the University of Minnesota;~~

81.17 ~~(4) one individual shall represent secondary/postsecondary vocational institutions;~~

81.18 ~~(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and~~
81.19 ~~Universities; and~~

81.20 ~~(6) one individual shall have expertise in agricultural education.~~

81.21 ~~(f) Other: two individuals shall represent other constituencies including:~~

81.22 ~~(1) units of local government; and~~

81.23 ~~(2) applicable state or local programs.~~

81.24 ~~The speaker and the minority leader of the house of representatives shall each appoint~~
81.25 ~~a representative to serve as an ex officio member of the council. The majority and minority~~
81.26 ~~leaders of the senate shall each appoint a senator to serve as an ex officio member of the~~
81.27 ~~council.~~

81.28 ~~The governor shall appoint one individual representing public libraries, one individual~~
81.29 ~~with expertise in assisting women in obtaining employment in high-wage, high-demand,~~
81.30 ~~nontraditional occupations, and one individual representing adult basic education programs~~
81.31 ~~to serve as nonvoting advisors to the council.~~

- 82.1 (b) No person shall serve as a member of more than one category described in paragraph
82.2 (a).
- 82.3 (c) Voting members shall consist of the following:
- 82.4 (1) the governor or the governor's designee;
- 82.5 (2) two members of the house of representatives, one appointed by the speaker of the
82.6 house and one appointed by the minority leader of the house of representatives;
- 82.7 (3) two members of the senate, one appointed by the senate majority leader and one
82.8 appointed by the senate minority leader;
- 82.9 (4) a majority of the members must be representatives of businesses in the state appointed
82.10 by the governor who:
- 82.11 (i) are owners of businesses, chief executives, or operating officers of businesses, or
82.12 other business executives or employers with optimum policy-making or hiring authority
82.13 and who, in addition, may be members of a local board under United States Code, title 29,
82.14 section 3122(b)(2)(A)(i);
- 82.15 (ii) represent businesses, including small businesses, or organizations representing
82.16 businesses that provide employment opportunities that, at a minimum, include high-quality,
82.17 work-relevant training and development in in-demand industry sectors or occupations in
82.18 the state; and
- 82.19 (iii) are appointed from individuals nominated by state business organizations and
82.20 business trade associations;
- 82.21 (5) six representatives of labor organizations appointed by the governor, including:
- 82.22 (i) representatives of labor organizations who have been nominated by state labor
82.23 federations; and
- 82.24 (ii) a member of a labor organization or a training director from a joint labor organization;
- 82.25 (6) commissioners of the state agencies with primary responsibility for core programs
82.26 identified within the state plan including:
- 82.27 (i) the Department of Employment and Economic Development;
- 82.28 (ii) the Department of Education; and
- 82.29 (iii) the Department of Human Services.
- 82.30 (7) two chief elected officials, appointed by the governor, collectively representing cities
82.31 and counties;

83.1 (8) two representatives who are people of color or people with disabilities, appointed
83.2 by the governor, of community-based organizations that have demonstrated experience and
83.3 expertise in addressing the employment, training, or education needs of individuals with
83.4 barriers to employment; and

83.5 (9) four officials responsible for education programs in the state, appointed by the
83.6 governor, including chief executive officers of community colleges and other institutions
83.7 of higher education, including:

83.8 (i) the chancellor of the Minnesota State Colleges and Universities;

83.9 (ii) the president of the University of Minnesota;

83.10 (iii) a president from a private postsecondary school; and

83.11 (iv) a representative of career and technical education.

83.12 (d) The nonvoting members of the board shall be appointed by the governor and consist
83.13 of one of each of the following:

83.14 (1) a representative of Adult Basic Education;

83.15 (2) a representative of public libraries;

83.16 (3) a person with expertise in women's economic security;

83.17 (4) the chair or executive director of the Minnesota Workforce Council Association;

83.18 (5) the commissioner of labor and industry;

83.19 (6) the commissioner of the Office of Higher Education;

83.20 (7) the commissioner of corrections;

83.21 (8) the commissioner of management and budget;

83.22 (9) two representatives of community-based organizations who are people of color or
83.23 people with disabilities who have demonstrated experience and expertise in addressing the
83.24 employment, training, and education needs of individuals with barriers to employment;

83.25 (10) a representative of secondary, post-secondary, or career-technical education;

83.26 (11) a representative of school-based service learning;

83.27 (12) a representative of the Council on Asian-Pacific Minnesotans;

83.28 (13) a representative of the Minnesota Council on Latino Affairs;

83.29 (14) a representative of the Council for Minnesotans of African Heritage;

84.1 (15) a representative of the Minnesota Indian Affairs Council;

84.2 (16) a representative of the Minnesota State Council on Disability; and

84.3 (17) a representative of the Office on the Economic Status of Women.

84.4 ~~(g) Appointment:~~ (e) Each member shall be appointed for a term of three years from the
84.5 first day of January or July immediately following their appointment. Elected officials shall
84.6 forfeit their appointment if they cease to serve in elected office.

84.7 ~~(h) Members of the council are compensated as provided in section 15.059, subdivision~~
84.8 ~~3.~~

84.9 Subd. 2a. ~~Council Board meetings; chair.~~ (a) ~~If compliance with section 13D.02 is~~
84.10 ~~impractical, the Governor's Workforce Development Council may conduct a meeting of its~~
84.11 ~~members by telephone or other electronic means so long as the following conditions are~~
84.12 ~~met:~~

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

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

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

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

84.22 ~~(b) Each member of the council participating in a meeting by telephone or other electronic~~
84.23 ~~means is considered present at the meeting for purposes of determining a quorum and~~
84.24 ~~participating in all proceedings.~~

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

84.29 ~~(d) If telephone or other electronic means is used to conduct a regular, special, or~~
84.30 ~~emergency meeting, the council shall provide notice of the regular meeting location, of the~~
84.31 ~~fact that some members may participate by telephone or other electronic means, and of the~~

85.1 ~~provisions of paragraph (e). The timing and method of providing notice is governed by~~
 85.2 ~~section 13D.04.~~

85.3 (a) The board shall hold regular in-person meetings at least quarterly and as often as
 85.4 necessary to perform the duties outlined in the statement of authority and the board's bylaws.
 85.5 Meetings shall be called by the chair. Special meetings may be called as needed. Notices
 85.6 of all meetings shall be made at least 48 hours before the meeting date.

85.7 (b) The governor shall designate a chair from among the appointed business representative
 85.8 voting members. The chair shall approve an agenda for each meeting. Members shall submit
 85.9 a written request for consideration of an agenda item no less than 24 hours in advance of
 85.10 the meeting. Members of the public may submit a written request within 48 hours of a
 85.11 meeting to be considered for inclusion at the agenda. Members of the public attending a
 85.12 meeting of the board may address the board only with the approval or at the request of the
 85.13 chair.

85.14 (c) All meeting notices must be posted on the board's Web site. All meetings of the board
 85.15 and committees must be open to the public. The board must make available to the public,
 85.16 on a regular basis through electronic means and open meetings, information regarding the
 85.17 activities of the board, information regarding membership, and, on request, minutes of
 85.18 formal meetings of the board.

85.19 (d) For the purpose of conducting business before the board at a duly called meeting, a
 85.20 simple majority of the voting members, excluding any vacancies, constitutes a quorum.

85.21 ~~Subd. 3. **Purpose; duties.** The governor's Workforce Development Council shall replace~~
 85.22 ~~the governor's Job Training Council and assume all of its requirements, duties, and~~
 85.23 ~~responsibilities under the Workforce Investment Act. Additionally, the Workforce~~
 85.24 ~~Development Council shall assume the following duties and responsibilities:~~

85.25 ~~(a) Review the provision of services and the use of funds and resources under applicable~~
 85.26 ~~federal human resource programs and advise the governor on methods of coordinating the~~
 85.27 ~~provision of services and the use of funds and resources consistent with the laws and~~
 85.28 ~~regulations governing the programs. For purposes of this section, applicable federal and~~
 85.29 ~~state human resource programs mean the:~~

85.30 ~~(1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;~~

85.31 ~~(2) Carl D. Perkins Vocational and Applied Technology Education Act, United States~~
 85.32 ~~Code, title 20, section 2301, et seq.;~~

85.33 ~~(3) Adult Education Act, United States Code, title 20, section 1201, et seq.;~~

86.1 ~~(4) Wagner-Peyser Act, United States Code, title 29, section 49;~~

86.2 ~~(5) Personal Responsibility and Work Opportunities Act of 1996 (TANF);~~

86.3 ~~(6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp~~
86.4 ~~Employment and Training Program, United States Code, title 7, section 2015(d)(4); and~~

86.5 ~~(7) programs defined in section 116L.19, subdivision 5.~~

86.6 ~~Additional federal and state programs and resources can be included within the scope~~
86.7 ~~of the council's duties if recommended by the governor after consultation with the council.~~

86.8 ~~(b) Review federal, state, and local education, postsecondary, job skills training, and~~
86.9 ~~youth employment programs, and make recommendations to the governor and the legislature~~
86.10 ~~for establishing an integrated seamless system for providing education and work skills~~
86.11 ~~development services to learners and workers of all ages.~~

86.12 ~~(c) Advise the governor on the development and implementation of statewide and local~~
86.13 ~~performance standards and measures relating to applicable federal human resource programs~~
86.14 ~~and the coordination of performance standards and measures among programs.~~

86.15 ~~(d) Promote education and employment transitions programs and knowledge and skills~~
86.16 ~~of entrepreneurship among employers, workers, youth, and educators, and encourage~~
86.17 ~~employers to provide meaningful work-based learning opportunities.~~

86.18 ~~(e) Evaluate and identify exemplary education and employment transitions programs~~
86.19 ~~and provide technical assistance to local partnerships to replicate the programs throughout~~
86.20 ~~the state.~~

86.21 ~~(f) Advise the governor on methods to evaluate applicable federal human resource~~
86.22 ~~programs.~~

86.23 ~~(g) Sponsor appropriate studies to identify human investment needs in Minnesota and~~
86.24 ~~recommend to the governor goals and methods for meeting those needs.~~

86.25 ~~(h) Recommend to the governor goals and methods for the development and coordination~~
86.26 ~~of a human resource system in Minnesota.~~

86.27 ~~(i) Examine federal and state laws, rules, and regulations to assess whether they present~~
86.28 ~~barriers to achieving the development of a coordinated human resource system.~~

86.29 ~~(j) Recommend to the governor and to the federal government changes in state or federal~~
86.30 ~~laws, rules, or regulations concerning employment and training programs that present barriers~~
86.31 ~~to achieving the development of a coordinated human resource system.~~

87.1 ~~(k) Recommend to the governor and to the federal government waivers of laws and~~
87.2 ~~regulations to promote coordinated service delivery.~~

87.3 ~~(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic~~
87.4 ~~plan which details methods for meeting Minnesota's human investment needs and for~~
87.5 ~~developing and coordinating a state human resource system.~~

87.6 ~~(m) Provide the commissioner of employment and economic development and the~~
87.7 ~~committees of the legislature with responsibility for economic development with~~
87.8 ~~recommendations provided to the governor under this subdivision.~~

87.9 ~~(n) In consultation with local workforce councils and the Department of Employment~~
87.10 ~~and Economic Development, develop an ongoing process to identify and address local gaps~~
87.11 ~~in workforce services.~~

87.12 Subd. 4. **Executive committee duties.** The executive committee must, with advice and
87.13 input of local workforce ~~councils~~ boards and other stakeholders as appropriate, develop
87.14 performance standards for the state workforce centers. By January ~~15, 2002~~ 2019, and each
87.15 odd-numbered year thereafter, the executive committee shall submit a report to the senate
87.16 and house of representatives committees with jurisdiction over workforce development
87.17 programs regarding the performance and outcomes of the workforce centers. The report
87.18 must provide recommendations regarding workforce center funding levels and sources,
87.19 program changes, and administrative changes.

87.20 Subd. 5. **Subcommittees.** The chair of the Workforce Development ~~Council~~ Board may
87.21 establish subcommittees in order to carry out the duties and responsibilities of the ~~council~~
87.22 board.

87.23 Subd. 6. **Staffing.** The ~~Department of~~ commissioner of employment and economic
87.24 development must provide staff, ~~including but not limited to professional, technical, and~~
87.25 ~~clerical staff~~ to the board necessary to perform the duties assigned to the Minnesota
87.26 ~~Workforce Development Council. All staff report to the commissioner~~ carry out the duties
87.27 of the board. The council may ask for assistance from other units of At the request of the
87.28 board, state government as departments and agencies must provide the board with the
87.29 assistance it requires ~~in order~~ to fulfill its duties and responsibilities.

87.30 Subd. 7. **Expiration.** The ~~council~~ board expires if there is no federal funding for the
87.31 human resource programs within the scope of the ~~council's~~ board's duties.

87.32 Subd. 8. **Funding.** The commissioner shall ~~develop recommendations on a funding~~
87.33 ~~formula for allocating Workforce Investment Act funds to the council with a minimum~~

88.1 ~~allocation of employment and economic development must provide at least \$350,000 per~~
88.2 ~~each fiscal year. The commissioner shall report the funding formula recommendations to~~
88.3 ~~the legislature by January 15, 2011~~ from existing agency resources to the board for staffing
88.4 and administrative expenses.

88.5 Sec. 9. Minnesota Statutes 2016, section 116M.14, subdivision 4, is amended to read:

88.6 Subd. 4. **Low-income area.** "Low-income area" means:

88.7 (1) Minneapolis, St. Paul;

88.8 (2) those cities in the metropolitan area as defined in section 473.121, subdivision 2,
88.9 that have ~~an average income~~ a median income for a family of four that is below 80 percent
88.10 of the median income for a four-person family as of the latest report by the United States
88.11 Census Bureau; and

88.12 (3) the area outside the metropolitan area.

88.13 Sec. 10. Minnesota Statutes 2016, section 116M.17, subdivision 4, is amended to read:

88.14 Subd. 4. **Reports.** The ~~board~~ department shall submit an annual report to the legislature
88.15 of an accounting of loans made under section 116M.18, including information on loans
88.16 made, the number of jobs created by the program, the impact on low-income areas, and
88.17 recommendations concerning minority business development and jobs for persons in
88.18 low-income areas.

88.19 Sec. 11. Minnesota Statutes 2016, section 116M.18, subdivision 1a, is amended to read:

88.20 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall
88.21 be made so that an approximately equal dollar amount of loans are made to businesses in
88.22 the metropolitan area as in the nonmetropolitan area. After ~~September 30~~ March 31 of each
88.23 ~~calendar~~ fiscal year, the department may allow loans to be made anywhere in the state
88.24 without regard to geographic area.

88.25 Sec. 12. Minnesota Statutes 2016, section 116M.18, subdivision 4, is amended to read:

88.26 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made
88.27 by nonprofit corporations under the program.

88.28 (b) Loans must be made to businesses that are not likely to undertake a project for which
88.29 loans are sought without assistance from the program.

89.1 (c) A loan must be used to support a business owned by a minority or a low-income
 89.2 person, woman, veteran, or a person with disabilities. Priority must be given for loans to
 89.3 the lowest income areas.

89.4 (d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

89.5 (e) The state contribution must be matched by at least an equal amount of new private
 89.6 investment.

89.7 (f) A loan may not be used for a retail development project.

89.8 (g) The business must agree to work with job referral networks that focus on minority
 89.9 and low-income applicants.

89.10 (h) Up to ten percent of a loan's principal amount may be forgiven if the department
 89.11 approves and the borrower has met lender criteria including being current with all payments.

89.12 Sec. 13. Minnesota Statutes 2016, section 116M.18, subdivision 4a, is amended to read:

89.13 Subd. 4a. **Microenterprise loan.** (a) Program grants may be used to make microenterprise
 89.14 loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans
 89.15 are subject to this section except that:

89.16 (1) they may also be made to qualified retail businesses;

89.17 (2) they may be made for a minimum of \$5,000 and a maximum of \$35,000;

89.18 (3) in a low-income area, they may be made for a minimum of \$5,000 and a maximum
 89.19 of \$50,000; and

89.20 (4) they do not require a match.

89.21 (b) Up to ten percent of a loan's principal amount may be forgiven if the department
 89.22 approves and the borrower has met lender criteria including being current with all payments.

89.23 Sec. 14. Minnesota Statutes 2016, section 116M.18, subdivision 8, is amended to read:

89.24 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a program
 89.25 grant shall:

89.26 (1) submit an annual report to the ~~board and~~ department by ~~March 30~~ February 15 of
 89.27 each year that includes a description of businesses supported by the grant program, an
 89.28 account of loans made during the calendar year, the program's impact on minority business
 89.29 enterprises and job creation for minority persons and low-income persons, the source and

90.1 amount of money collected and distributed by the program, the program's assets and
90.2 liabilities, and an explanation of administrative expenses; and

90.3 (2) provide for an independent annual audit to be performed in accordance with generally
90.4 accepted accounting practices and auditing standards and submit a copy of each annual
90.5 audit report to the department.

90.6 Sec. 15. Laws 2016, chapter 189, article 7, section 2, subdivision 2, is amended to read:

90.7 Subd. 2. **Business and Community Development** -0- 8,021,000

90.8 Appropriations by Fund

90.9 General -0- 7,271,000

90.10 Workforce
90.11 Development -0- 750,000

90.12 (a) \$9,000,000 in fiscal year 2017 is a onetime
90.13 reduction in the general fund appropriation
90.14 for the Minnesota investment fund under
90.15 Minnesota Statutes, section 116J.8731. The
90.16 base funding for this purpose is \$11,000,000
90.17 in fiscal year 2018 and each fiscal year
90.18 thereafter.

90.19 (b) \$11,500,000 in fiscal year 2017 is a
90.20 onetime reduction in the general fund
90.21 appropriation for the Minnesota job creation
90.22 fund under Minnesota Statutes, section
90.23 116J.8748. The base funding for this program
90.24 is \$6,500,000 in fiscal year 2018 and each
90.25 fiscal year thereafter.

90.26 (c) \$2,000,000 in fiscal year 2017 is for the
90.27 redevelopment program under Minnesota
90.28 Statutes, section 116J.571. This is a onetime
90.29 appropriation.

90.30 (d) \$1,220,000 in fiscal year 2017 is for a
90.31 grant to the Duluth North Shore Sanitary
90.32 District to retire debt of the district in order to
90.33 bring the district's monthly wastewater rates
90.34 in line with those of similarly situated facilities

91.1 across the state. This is a onetime
91.2 appropriation.

91.3 (e) \$300,000 in fiscal year 2017 is from the
91.4 workforce development fund for expansion of
91.5 business assistance services provided by
91.6 business development specialists located in
91.7 the Northwest Region, Northeast Region, West
91.8 Central Region, Southwest Region, Southeast
91.9 Region, and Twin Cities Metro Region offices
91.10 established throughout the state. Funds under
91.11 this section may be used to provide services
91.12 including, but not limited to, business
91.13 start-ups; expansion; location or relocation;
91.14 finance; regulatory and permitting assistance;
91.15 and other services determined by the
91.16 commissioner. The commissioner may also
91.17 use funds under this section to increase the
91.18 number of business development specialists
91.19 in each region of the state, increase and expand
91.20 the services provided through each regional
91.21 office, and publicize the services available and
91.22 provide outreach to communities in each
91.23 region regarding services and assistance
91.24 available through the business development
91.25 specialist program. This is a onetime
91.26 appropriation.

91.27 (f) \$50,000 in fiscal year 2017 is from the
91.28 workforce development fund to enhance the
91.29 outreach and public awareness activities of
91.30 the Bureau of Small Business under Minnesota
91.31 Statutes, section 116J.68. This is a onetime
91.32 appropriation.

91.33 (g) \$100,000 in fiscal year 2017 is from the
91.34 general fund for an easy-to-understand manual
91.35 to instruct aspiring business owners in how to

92.1 start a child care business. The commissioner
92.2 shall work in consultation with relevant state
92.3 and local agencies and affected stakeholders
92.4 to produce the manual. The manual must be
92.5 made available electronically to interested
92.6 persons. This is a onetime appropriation and
92.7 is available until June 30, 2019.

92.8 (h) \$2,500,000 in fiscal year 2017 is for grants
92.9 to initiative foundations to provide financing
92.10 for business startups, expansions, and
92.11 maintenance; and for business ownership
92.12 transition and succession. This is a onetime
92.13 appropriation. Of the amount appropriated:

92.14 (1) \$357,000 is for a grant to the Southwest
92.15 Initiative Foundation;

92.16 (2) \$357,000 is for a grant to the West Central
92.17 Initiative Foundation;

92.18 (3) \$357,000 is for a grant to the Southern
92.19 Minnesota Initiative Foundation;

92.20 (4) \$357,000 is for a grant to the Northwest
92.21 Minnesota Foundation;

92.22 (5) \$357,000 is for a grant to the Initiative
92.23 Foundation;

92.24 (6) \$357,000 is for a grant to the Northland
92.25 Foundation; and

92.26 (7) \$357,000 is for a grant for the Minnesota
92.27 emerging entrepreneur program under
92.28 Minnesota Statutes, chapter 116M. Funds
92.29 available under this clause are for deposit in
92.30 the emerging entrepreneur program special
92.31 revenue fund account created under Minnesota
92.32 Statutes, chapter 116M, and are available until
92.33 spent and must be allocated as follows:

- 93.1 (i) 50 percent of the funds must be allocated
93.2 for projects in the counties of Dakota, Ramsey,
93.3 and Washington; and
- 93.4 (ii) 50 percent of the funds must be allocated
93.5 for projects in the counties of Anoka, Carver,
93.6 Hennepin, and Scott.
- 93.7 (i) \$600,000 in fiscal year 2017 is for a grant
93.8 to a city of the second class that is designated
93.9 as an economically depressed area by the
93.10 United States Department of Commerce for
93.11 economic development, redevelopment, and
93.12 job creation programs and projects. This is a
93.13 onetime appropriation and is available until
93.14 June 30, 2019.
- 93.15 (j) \$4,500,000 in fiscal year 2017 is for a grant
93.16 to the Minnesota Film and TV Board for the
93.17 film production jobs program under Minnesota
93.18 Statutes, section 116U.26. This appropriation
93.19 is in addition to the appropriation in Laws
93.20 2015, First Special Session chapter 1, article
93.21 1, section 2, subdivision 2. This is a onetime
93.22 appropriation.
- 93.23 (k) \$3,651,000 in fiscal year 2017 is from the
93.24 general fund for a grant to Mille Lacs County
93.25 to develop and operate the Lake Mille Lacs
93.26 area economic relief program established in
93.27 section 45. This is a onetime appropriation.
- 93.28 (l) \$500,000 in fiscal year 2017 is from the
93.29 general fund for grants to local communities
93.30 outside of the metropolitan area as defined
93.31 under Minnesota Statutes, section 473.121,
93.32 subdivision 2, to increase the supply of quality
93.33 child care providers in order to support
93.34 regional economic development. Grant

94.1 recipients must match state funds on a
94.2 dollar-for-dollar basis. Grant funds available
94.3 under this section must be used to implement
94.4 solutions to reduce the child care shortage in
94.5 the state, including but not limited to funding
94.6 for child care business start-up or expansion,
94.7 training, facility modifications or
94.8 improvements required for licensing, and
94.9 assistance with licensing and other regulatory
94.10 requirements. In awarding grants, the
94.11 commissioner must give priority to
94.12 communities in greater Minnesota that have
94.13 documented a shortage of child care providers
94.14 in the area. This is a onetime appropriation
94.15 and is available until June 30, 2019.

94.16 By September 30, 2017, grant recipients must
94.17 report to the commissioner on the outcomes
94.18 of the grant program, including but not limited
94.19 to the number of new providers, the number
94.20 of additional child care provider jobs created,
94.21 the number of additional child care slots, and
94.22 the amount of local funds invested.

94.23 By January 1, 2018, the commissioner must
94.24 report to the standing committees of the
94.25 legislature having jurisdiction over child care
94.26 and economic development on the outcomes
94.27 of the program to date.

94.28 (m) \$100,000 in fiscal year 2017 is from the
94.29 general fund for a grant to the city of Madelia
94.30 to provide match funding for a federal
94.31 Economic Development Agency technical
94.32 assistance grant. This is a onetime
94.33 appropriation.

- 95.1 (n) \$10,000,000 in fiscal year 2017 is for
95.2 deposit in the Minnesota 21st century fund.
95.3 This is a onetime appropriation.
- 95.4 (o) \$400,000 in fiscal year 2017 is from the
95.5 workforce development fund for grants to
95.6 small business development centers under
95.7 Minnesota Statutes, section 116J.68. Funds
95.8 made available under this section may be used
95.9 to match funds under the federal Small
95.10 Business Development Center (SBDC)
95.11 program under United States Code, title 15,
95.12 section 648, provide consulting and technical
95.13 services, or to build additional SBDC network
95.14 capacity to serve entrepreneurs and small
95.15 businesses. The commissioner shall allocate
95.16 funds equally among the nine regional centers
95.17 and lead center. This is a onetime
95.18 appropriation.
- 95.19 (p) \$2,600,000 in fiscal year 2017 is for a
95.20 transfer to the Board of Regents of the
95.21 University of Minnesota for academic and
95.22 applied research through MnDRIVE at the
95.23 Natural Resources Research Institute to
95.24 develop new technologies that enhance the
95.25 long-term viability of the Minnesota mining
95.26 industry. The research must be done in
95.27 consultation with the Mineral Coordinating
95.28 Committee established by Minnesota Statutes,
95.29 section 93.0015. This is a onetime transfer.
- 95.30 (q) Of the amount appropriated in fiscal year
95.31 2017 for the Minnesota Investment Fund in
95.32 Laws 2015, First Special Session chapter 1,
95.33 article 1, section 2, subdivision 2, paragraph
95.34 (a), \$450,000 is for a grant to the Lake
95.35 Superior-Poplar River Water District to

96.1 acquire interests in real property, engineer,
96.2 design, permit, and construct infrastructure to
96.3 transport and treat water from Lake Superior
96.4 through the Poplar River Valley to serve
96.5 domestic, irrigation, commercial, stock
96.6 watering, and industrial water users. This grant
96.7 does not require a local match. This is a
96.8 onetime appropriation. This amount is
96.9 available until June 30, 2019.

96.10 (r) \$500,000 is for the Minnesota emerging
96.11 entrepreneur program under Minnesota
96.12 Statutes, section 116M.18. Of this amount, up
96.13 to five percent is for administration and
96.14 monitoring of the program. For fiscal year
96.15 2018 and thereafter, the base amount is
96.16 \$750,000 per year. Funds available under this
96.17 paragraph are for deposit in the emerging
96.18 entrepreneur program special revenue fund
96.19 account created under Minnesota Statutes,
96.20 chapter 116M, and are available until spent.

96.21 **EFFECTIVE DATE.** This section is effective retroactively to July 1, 2016.

96.22 Sec. 16. **REPEALER.**

96.23 Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; and 4355.0500,
96.24 are repealed.

APPENDIX
Article locations in 17-2327

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.28
ARTICLE 2	COMMERCE	Page.Ln 28.22
ARTICLE 3	DEPARTMENT OF LABOR AND INDUSTRY	Page.Ln 59.17
	DEPARTMENT OF EMPLOYMENT AND ECONOMIC	
ARTICLE 4	DEVELOPMENT	Page.Ln 73.1

46.131 ASSESSMENTS AND FEES FOR FINANCIAL INSTITUTIONS.

Subd. 5. **Application and adjustment of fees.** If the income from the fees provided for herein during any fiscal year shall be more than 103 percent of such expenditures for that year, any excess above such sum of 103 percent may be carried over to succeeding years in order to cover any deficit below 103 percent which may occur in such succeeding years. If the income from the fees provided for herein during any fiscal year shall produce less than the expenditures for that year, the Department of Commerce in adjusting its schedule of fees for use in the next fiscal year shall fix the fees so as to produce income in the amount of the expenditures for the latter year plus the amount of the difference between the expenditures for the first year referred to herein and the total income from such fees during the year and plus three percent of the total expenditures for both the latter and the first year referred to herein.

326B.89 CONTRACTOR RECOVERY FUND.

Subd. 14. **Accelerated compensation.** (a) Payments made from the fund to compensate owners and lessees that do not exceed the jurisdiction limits for conciliation court matters as specified in section 491A.01 may be paid on an accelerated basis if all of the following requirements in paragraphs (b) and (c) have been satisfied.

(b) The owner or the lessee has served upon the commissioner a verified application for compensation that complies with the requirements set out in subdivision 6 and the commissioner determines based on review of the application that compensation should be paid from the fund. The commissioner shall calculate the actual and direct out-of-pocket loss in the transaction, minus attorney fees, litigation costs or fees, interest on the loss and on the judgment obtained as a result of the loss, and any satisfaction of the judgment, and make payment to the owner or the lessee up to the conciliation court jurisdiction limits within 45 days after the owner or lessee serves the verified application.

(c) The commissioner may pay compensation to owners or lessees that totals not more than \$50,000 per licensee per fiscal year under this accelerated process. The commissioner may prorate the amount of compensation paid to owners or lessees under this subdivision if applications submitted by owners and lessees seek compensation in excess of \$50,000 against a licensee. Any unpaid portion of a verified application that has been prorated under this subdivision shall be satisfied in the manner set forth in subdivision 9.

APPENDIX
Repealed Minnesota Session Laws: 17-2327

Laws 2009, chapter 37, article 3, section 4

Sec. 4. Minnesota Statutes 2008, section 47.60, subdivision 6, is amended to read:

Subd. 6. **Penalties for violation.** A ~~person~~ business entity or the ~~person's~~ entity's members, officers, directors, agents, and employees who violate or participate in the violation of any of the provisions of this section may be liable in the same manner as in section 56.19.

4355.0100 PURPOSE.

The purpose of this chapter is to establish:

- A. procedures for use of the revolving loan fund under Minnesota Statutes, section 116M.18;
- B. procedures for the Minnesota emerging entrepreneur program to certify and enter into agreements with nonprofit corporations; and
- C. procedures for nonprofit corporations to make loans to eligible businesses.

4355.0200 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter the terms in this part and in Minnesota Statutes, section 116M.14, have the meanings given.

Subp. 2. **Grant agreements.** "Grant agreements" means an agreement between the state and a nonprofit corporation through which the state provides funds to carry out specified programs, services, or activities.

Subp. 3. **Nonprofit corporation.** "Nonprofit corporation" means a not-for-profit organization operating in one or more eligible cities and certified by the board to receive grants and disburse these funds in the nature of loans to qualifying businesses.

Subp. 4. **Nonprofit revolving loan fund.** "Nonprofit revolving loan fund" means a board-certified revolving loan fund established by a nonprofit corporation to provide loans to new and expanding businesses in low-income areas.

Subp. 5. **Urban revolving loan fund.** "Urban revolving loan fund" means a fund established by the board to make grants to nonprofit corporations.

4355.0300 BUSINESS LOANS BY NONPROFIT CORPORATIONS.

Subpart 1. **Generally.** The board shall make available funds from the urban revolving loan fund for nonprofit corporations. The money awarded to each corporation shall be appropriated to its nonprofit revolving loan fund to be used to make loans to businesses in low-income areas. The funds are to be awarded on a project-by-project basis and must be matched by the corporation with an equal amount of money from sources other than government appropriations.

Subp. 2. **Grant agreement required.** A grant agreement must be established with each nonprofit corporation certified for funding by the board. Grant agreements shall be valid for a period of one year from the time they are fully executed. Agreements may be renewed by the board based on an evaluation of the corporation's lending activities, a finding that the corporation has complied with all the provisions of the agreement, and has made substantive progress in achieving the goals described in its application.

In the event that a grant agreement is not renewed, the corporation must continue to administer all loans it may have made under the provisions of the grant agreement and Minnesota Statutes, section 116M.18.

Subp. 3. **Application by nonprofit corporation.** Any nonprofit corporation wishing to be certified as a participant in the urban challenge grant program must apply in a form prescribed by the board. The application must include:

- A. an assurance signed by the nonprofit corporation's chair that the applicant will comply with all applicable state and federal laws and requirements;
- B. a resolution passed by the applicant's board of directors approving the submission of an application and authorizing execution of the grant agreement if funds are made available;
- C. a plan demonstrating the applicant's eligibility pursuant to Minnesota Statutes, section 116M.18, the manner in which minority business enterprises will be assisted, the outcomes expected to result from the corporation's participation in the program; and
- D. any additional information that the board finds is necessary to clarify the applicant's ability to achieve the program's objectives.

Subp. 4. **Board review.** The board shall certify the corporation if it has demonstrated that it fully meets the eligibility standards in Minnesota Statutes, section 116M.18, subdivision 2.

Subp. 5. **Disapproval of applications.** In cases where the corporation fails to demonstrate that it has met the requirements in Minnesota Statutes, section 116M.18, subdivision 2, the board must disapprove the application. The commissioner shall inform the corporation of the board's decision, in writing, stating the reasons for the denial.

APPENDIX
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Subp. 6. **Contents of grant agreement.** If certified, the board must enter into a grant agreement with the nonprofit corporation. The grant agreement must include provisions that:

A. the corporation has established or will establish a board-certified revolving loan fund to provide loans to new and expanding businesses in low-income areas;

B. the grant recipient will comply with all applicable state and federal laws, including the requirements of Minnesota Statutes, section 116M.18; and

C. no grant funds shall be used to finance activities not approved in either the grant agreement or each loan agreement.

Subp. 7. **Other grant requirements.** The following provisions apply to grants awarded:

A. if it is determined that an improper use of the funds has occurred, the board shall take whatever action is necessary to recover improperly spent funds;

B. grant recipients must return funds that are improperly expended;

C. the board shall suspend payment of funds to recipients that are not in compliance with applicable state and federal laws, rules, and regulations;

D. amendments to the grant agreement must be in writing; and

E. the grant agreement may authorize the nonprofit corporation to be paid for administrative expenses out of the interest earned on loans it originates.

Subp. 8. **Corporation to make business loans.** Any business may make an application to the nonprofit corporation for an urban challenge grant loan. The application must be in a form approved by the corporation and the board. The corporation must review the application and may give preliminary approval for the loan based on Minnesota Statutes, section 116M.18. The loan application must then be forwarded to the board for final approval.

4355.0400 BUSINESS LOANS BY THE BOARD.

If the board receives a grant, gift, or loan, authorizing or requiring it to make business loans directly to qualifying businesses, and the board determines that businesses do not have access through a certified corporation, the board may receive applications for an urban challenge grant loan on the forms it prescribes. The board shall review applications and, based on the provisions of Minnesota Statutes, section 116M.18, and the business loan criteria in part 4355.0500, may approve them. If an application is denied, the commissioner shall inform the applicant as to the reasons for the denial.

4355.0500 BUSINESS LOAN CRITERIA.

Subpart 1. **Terms and conditions.**

A. The interest rate on a loan shall be established by the corporation, but may be no less than two percent per annum, nor more than ten percent per annum or one percent per annum above the prime rate, as published in the Wall Street Journal at the time the loan is closed, whichever is greater.

B. The corporation may only charge the business all out-of-pocket administrative expenses connected with originating the loan at the time of closing.

C. The loan funds may be used for normal business expenses including, but not limited to, site acquisition, new construction, renovation, machinery and equipment, and working capital. Loans may not be used to refinance a business or personal existing debt.

Subp. 2. **Loan repayment.** For loans made by the board, all loan repayments must be deposited in the urban revolving loan fund for further distribution to businesses or nonprofit corporations pursuant to Minnesota Statutes, section 116M.18.

For loans made by a nonprofit corporation, amounts equal to one-half of the principal and interest must be deposited in the urban revolving loan fund. The principal payments shall be made available to the corporation originating the loan in order to make additional loans, as long as the corporation remains certified and the grant agreement with the board is in effect. The board may return interest payments to the corporation in order to pay for the corporation's administrative expenses.

The remaining amount of the loan repayment may be deposited in the nonprofit revolving loan fund created by the corporation which originated the loan for further distribution by the nonprofit corporation, or for other uses as may be determined by the corporation.