

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 2081

1.2 A bill for an act

1.3 relating to economic development and housing; establishing and modifying  
1.4 certain programs; providing for regulation of certain activities and practices;  
1.5 amending certain unemployment insurance provisions; providing for accounts,  
1.6 assessments, and fees; changing codes and licensing provisions; amending Iron  
1.7 Range resources provisions; regulating debt management and debt settlement  
1.8 services; increasing certain occupation license fees; making technical changes;  
1.9 providing penalties; appropriating money; amending Minnesota Statutes 2008,  
1.10 sections 15.75, subdivision 5; 16B.54, subdivision 2; 45.011, subdivision 1;  
1.11 45.027, subdivision 1; 46.04, subdivision 1; 46.05; 46.131, subdivision 2; 84.94,  
1.12 subdivision 3; 115C.08, subdivision 4; 116J.035, subdivisions 1, 6; 116J.401,  
1.13 subdivision 2; 116J.424; 116J.435, subdivisions 2, 3; 116J.68, subdivision 2;  
1.14 116J.8731, subdivisions 2, 3; 116L.03, subdivision 5; 116L.05, subdivision 5;  
1.15 116L.871, subdivision 1; 116L.96; 123A.08, subdivision 1; 124D.49, subdivision  
1.16 3; 129D.13, subdivisions 1, 2, 3; 129D.14, subdivisions 4, 5, 6; 129D.155;  
1.17 154.44, subdivision 1; 160.16, by adding a subdivision; 160.276, subdivision  
1.18 8; 241.27, subdivision 1; 248.061, subdivision 3; 248.07, subdivisions 7, 8;  
1.19 256J.626, subdivision 4; 256J.66, subdivision 1; 268.031; 268.035, subdivisions  
1.20 2, 17, by adding subdivisions; 268.042, subdivision 3; 268.043; 268.044,  
1.21 subdivision 2; 268.047, subdivisions 1, 2; 268.051, subdivisions 1, 4; 268.052,  
1.22 subdivision 2; 268.053, subdivision 1; 268.057, subdivisions 4, 5; 268.0625,  
1.23 subdivision 1; 268.066; 268.067; 268.069, subdivision 1; 268.07, subdivisions  
1.24 1, 2, 3, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095,  
1.25 subdivisions 1, 2, 4, 10, 11; 268.101, subdivisions 1, 2; 268.103, subdivision 1, by  
1.26 adding a subdivision; 268.105, subdivisions 1, 2, 3a, 4; 268.115, subdivision 5;  
1.27 268.125, subdivision 5; 268.135, subdivision 4; 268.145, subdivision 1; 268.18,  
1.28 subdivisions 1, 2, 4a; 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211;  
1.29 268A.06, subdivision 1; 270.97; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11;  
1.30 298.221; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.2214, by adding  
1.31 a subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2;  
1.32 298.294; 298.296, subdivision 2; 298.2961; 325E.115, subdivision 1; 325E.1151,  
1.33 subdivisions 1, 3, 4; 325E.311, subdivision 6; 326B.33, subdivisions 13, 19;  
1.34 326B.46, subdivision 4; 326B.475, subdivisions 4, 7; 326B.49, subdivision  
1.35 1; 326B.56, subdivision 4; 326B.58; 326B.815, subdivision 1; 326B.821,  
1.36 subdivision 2; 326B.86, subdivision 1; 326B.885, subdivision 2; 326B.89,  
1.37 subdivisions 3, 16; 326B.94, subdivision 4; 326B.972; 326B.986, subdivisions 2,  
1.38 5, 8; 327B.04, subdivisions 7, 8, by adding a subdivision; 327C.03, by adding a  
1.39 subdivision; 327C.095, subdivision 12; 332A.02, subdivisions 5, 8, 9, 10, 13,  
1.40 by adding subdivisions; 332A.04, subdivision 6; 332A.08; 332A.10; 332A.11,  
1.41 subdivision 2; 332A.14; 469.169, subdivision 3; Laws 1998, chapter 404, section  
1.42 23, subdivision 6, as amended; proposing coding for new law in Minnesota

2.1 Statutes, chapters 1; 116J; 137; 161; 268; 298; 326B; proposing coding for new  
 2.2 law as Minnesota Statutes, chapter 332B; repealing Minnesota Statutes 2008,  
 2.3 sections 116J.402; 116J.413; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656;  
 2.4 116L.16; 116L.88; 116U.65; 129D.13, subdivision 4; 176.135, subdivision 1b;  
 2.5 268.085, subdivision 14; 268.086; Minnesota Rules, part 1350.8300.

2.6 May 3, 2009

2.7 The Honorable James P. Metzen  
 2.8 President of the Senate

2.9 The Honorable Margaret Anderson Kelliher  
 2.10 Speaker of the House of Representatives

2.11 We, the undersigned conferees for S.F. No. 2081 report that we have agreed upon  
 2.12 the items in dispute and recommend as follows:

2.13 That the House recede from its amendments and that S.F. No. 2081 be further  
 2.14 amended as follows:

2.15 Delete everything after the enacting clause and insert:

2.16 **"ARTICLE 1**

2.17 **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS**

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

2.19 The amounts shown in this section summarize direct appropriations, by fund, made  
 2.20 in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
2.21 <u>General</u>	\$ 133,947,000	\$ 133,136,000	\$ 267,083,000
2.22 <u>Workforce Development</u>	17,976,000	17,876,000	35,852,000
2.23 <u>Remediation</u>	700,000	700,000	1,400,000
2.24 <u>Workers' Compensation</u>	22,574,000	22,574,000	45,148,000
2.25 <b><u>Total</u></b>	<b>\$ 175,197,000</b>	<b>\$ 174,286,000</b>	<b>\$ 349,483,000</b>

2.26

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

2.28 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.29 agencies and for the purposes specified in this article. The appropriations are from the  
 2.30 general fund, or another named fund, and are available for the fiscal years indicated  
 2.31 for each purpose. The figures "2010" and "2011" used in this article mean that the  
 2.32 appropriations listed under them are available for the fiscal year ending June 30, 2010, or  
 2.33 June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal  
 2.34 year 2011. "The biennium" is fiscal years 2010 and 2011.



4.1 women's business development programs  
4.2 and for programs that encourage and assist  
4.3 women to enter nontraditional careers in the  
4.4 trades; manual and technical occupations;  
4.5 science, technology, engineering, and  
4.6 mathematics-related occupations; and green  
4.7 jobs. This appropriation may be matched  
4.8 dollar for dollar with any resources available  
4.9 from the federal government for these  
4.10 purposes with priority given to initiatives  
4.11 that have a goal of increasing by at least ten  
4.12 percent the number of women in occupations  
4.13 where women currently comprise less than 25  
4.14 percent of the workforce. The appropriation  
4.15 is available until expended.

4.16 (c) \$105,000 each year is from the general  
4.17 fund and \$50,000 each year is from the  
4.18 workforce development fund for a grant to  
4.19 the Metropolitan Economic Development  
4.20 Association for continuing minority business  
4.21 development programs in the metropolitan  
4.22 area. This appropriation must be used for the  
4.23 sole purpose of providing free or reduced  
4.24 fee business consulting services to minority  
4.25 entrepreneurs and contractors.

4.26 (d)(1) \$500,000 each year is from the  
4.27 general fund for a grant to BioBusiness  
4.28 Alliance of Minnesota for bioscience  
4.29 business development programs to promote  
4.30 and position the state as a global leader  
4.31 in bioscience business activities. This  
4.32 appropriation is added to the department's  
4.33 base. These funds may be used to create,  
4.34 recruit, retain, and expand biobusiness  
4.35 activity in Minnesota; implement the  
4.36 destination 2025 statewide plan; update

5.1 a statewide assessment of the bioscience  
5.2 industry and the competitive position of  
5.3 Minnesota-based bioscience businesses  
5.4 relative to other states and other nations;  
5.5 and develop and implement business and  
5.6 scenario-planning models to create, recruit,  
5.7 retain, and expand biobusiness activity in  
5.8 Minnesota.

5.9 (2) The BioBusiness Alliance must report  
5.10 each year by February 15 to the committees  
5.11 of the house of representatives and the senate  
5.12 having jurisdiction over bioscience industry  
5.13 activity in Minnesota on the use of funds;  
5.14 the number of bioscience businesses and  
5.15 jobs created, recruited, retained, or expanded  
5.16 in the state since the last reporting period;  
5.17 the competitive position of the biobusiness  
5.18 industry; and utilization rates and results of  
5.19 the business and scenario-planning models  
5.20 and outcomes resulting from utilization of  
5.21 the business and scenario-planning models.

5.22 (e)(1) Of the money available in the  
5.23 Minnesota Investment Fund, Minnesota  
5.24 Statutes, section 116J.8731, to the  
5.25 commissioner of the Department of  
5.26 Employment and Economic Development,  
5.27 up to \$3,000,000 is appropriated in fiscal year  
5.28 2010 for a loan to an aircraft manufacturing  
5.29 and assembly company, associated with the  
5.30 aerospace industry, for equipment utilized  
5.31 to establish an aircraft completion center  
5.32 at the Minneapolis-St. Paul International  
5.33 Airport. The finishing center must use the  
5.34 state's vocational training programs designed  
5.35 specifically for aircraft maintenance training,  
5.36 and to the extent possible, work to recruit

6.1 employees from these programs. The center  
6.2 must create at least 200 new manufacturing  
6.3 jobs within 24 months of receiving the  
6.4 loan, and create not less than 500 new  
6.5 manufacturing jobs over a five-year period  
6.6 in Minnesota.

6.7 (2) This loan is not subject to loan limitations  
6.8 under Minnesota Statutes, section 116J.8731,  
6.9 subdivision 5. Any match requirements  
6.10 under Minnesota Statutes, section 116J.8731,  
6.11 subdivision 3, may be made from current  
6.12 resources. This is a onetime appropriation  
6.13 and is effective the day following final  
6.14 enactment.

6.15 (f) \$65,000 each year is from the general  
6.16 fund for a grant to the Minnesota Inventors  
6.17 Congress, of which at least \$6,500 must be  
6.18 used for youth inventors.

6.19 (g) \$200,000 the first year and \$200,000 the  
6.20 second year are for the Office of Science and  
6.21 Technology. This is a onetime appropriation.

6.22 (h) \$500,000 the first year and \$500,000 the  
6.23 second year are for a grant to Enterprise  
6.24 Minnesota, Inc., for the small business  
6.25 growth acceleration program under  
6.26 Minnesota Statutes, section 116O.115. This  
6.27 is a onetime appropriation and is available  
6.28 until expended.

6.29 (i)(1) \$100,000 each year is from the  
6.30 workforce development fund for a grant  
6.31 under Minnesota Statutes, section 116J.421,  
6.32 to the Rural Policy and Development  
6.33 Center at St. Peter, Minnesota. The grant  
6.34 shall be used for research and policy  
6.35 analysis on emerging economic and social

7.1 issues in rural Minnesota, to serve as a  
7.2 policy resource center for rural Minnesota  
7.3 communities, to encourage collaboration  
7.4 across higher education institutions, to  
7.5 provide interdisciplinary team approaches  
7.6 to research and problem-solving in rural  
7.7 communities, and to administer overall  
7.8 operations of the center.

7.9 (2) The grant shall be provided upon the  
7.10 condition that each state-appropriated  
7.11 dollar be matched with a nonstate dollar.  
7.12 Acceptable matching funds are nonstate  
7.13 contributions that the center has received and  
7.14 have not been used to match previous state  
7.15 grants. Any funds not spent the first year are  
7.16 available the second year.

7.17 (j) Notwithstanding Minnesota Statutes,  
7.18 section 268.18, subdivision 2, \$414,000 of  
7.19 funds collected for unemployment insurance  
7.20 administration under this subdivision is  
7.21 appropriated as follows: \$250,000 to Lake  
7.22 County for ice storm damage; \$64,000 is for  
7.23 the city of Green Isle for reimbursement of  
7.24 fire relief efforts and other expenses incurred  
7.25 as a result of the fire in the city of Green Isle;  
7.26 and \$100,000 is to develop the construction  
7.27 mitigation pilot program to make grants for  
7.28 up to five projects statewide available to local  
7.29 government units to mitigate the impacts of  
7.30 transportation construction on local small  
7.31 business. These are onetime appropriations  
7.32 and are available until expended.

7.33 (k) Up to \$10,000,000 is appropriated  
7.34 from the Minnesota minerals 21st century  
7.35 fund to the commissioner of Iron Range

8.1 resources and rehabilitation to make a grant  
8.2 or forgivable loan to a manufacturer of  
8.3 windmill blades at a facility to be located  
8.4 within the taconite tax relief area defined in  
8.5 Minnesota Statutes, section 273.134.

8.6 (l) \$1,000,000 is appropriated from the  
8.7 Minnesota minerals 21st century fund to  
8.8 the Board of Trustees of the Minnesota  
8.9 State Colleges and Universities for a grant  
8.10 to the Northeast Higher Education District  
8.11 for planning, design, and construction of  
8.12 classrooms and housing facilities for upper  
8.13 division students in the engineering program.

8.14 (m)(1) \$189,000 each year is appropriated  
8.15 from the workforce development fund for  
8.16 grants of \$63,000 to eligible organizations  
8.17 each year to assist in the development of  
8.18 entrepreneurs and small businesses. Each  
8.19 state grant dollar must be matched with \$1  
8.20 of nonstate funds. Any balance in the first  
8.21 year does not cancel but is available in the  
8.22 second year.

8.23 (2) Three grants must be awarded to  
8.24 continue or to develop a program. One  
8.25 grant must be awarded to the Riverbend  
8.26 Center for Entrepreneurial Facilitation  
8.27 in Blue Earth County, and two to other  
8.28 organizations serving Faribault and Martin  
8.29 Counties. Grant recipients must report to the  
8.30 commissioner by February 1 of each year  
8.31 that the organization receives a grant with the  
8.32 number of customers served; the number of  
8.33 businesses started, stabilized, or expanded;  
8.34 the number of jobs created and retained; and  
8.35 business success rates. The commissioner

9.1 must report to the house of representatives  
 9.2 and senate committees with jurisdiction  
 9.3 over economic development finance on the  
 9.4 effectiveness of these programs for assisting  
 9.5 in the development of entrepreneurs and  
 9.6 small businesses.

9.7 **Subd. 3. Workforce Development** 46,871,000 46,471,000

9.8	<u>Appropriations by Fund</u>	
9.9	<u>General</u>	<u>30,263,000</u> <u>29,963,000</u>
9.10	<u>Workforce</u>	
9.11	<u>Development</u>	<u>16,608,000</u> <u>16,508,000</u>

9.12 (a) \$4,562,000 each year is from the general  
 9.13 fund for the Minnesota job skills partnership  
 9.14 program under Minnesota Statutes, sections  
 9.15 116L.01 to 116L.17. If the appropriation for  
 9.16 either year is insufficient, the appropriation  
 9.17 for the other year is available. This  
 9.18 appropriation is available until spent.

9.19 (b) \$8,800,000 each year is from the general  
 9.20 fund for the state's vocational rehabilitation  
 9.21 program under Minnesota Statutes, chapter  
 9.22 268A.

9.23 (c) \$5,986,000 each year is from the general  
 9.24 fund for the state services for the blind  
 9.25 activities.

9.26 (d) \$2,380,000 each year is from the general  
 9.27 fund for grants to centers for independent  
 9.28 living under Minnesota Statutes, section  
 9.29 268A.11.

9.30 (e) \$350,000 each year is from the general  
 9.31 fund and \$105,000 each year is from the  
 9.32 workforce development fund for a grant  
 9.33 under Minnesota Statutes, section 116J.8747,

10.1 to Twin Cities RISE! to provide training to  
10.2 hard-to-train individuals. Funds unexpended  
10.3 in the first year are available for expenditure  
10.4 in the second year.

10.5 (f) \$150,000 each year is from the general  
10.6 fund and \$50,000 each year is from the  
10.7 workforce development fund for a grant  
10.8 to Northern Connections in Perham to  
10.9 implement and operate a workforce program  
10.10 that provides one-stop supportive services  
10.11 to individuals as they transition into the  
10.12 workforce.

10.13 (g) \$100,000 each year is from the workforce  
10.14 development fund for a grant to the Ramsey  
10.15 County Workforce Investment Board for the  
10.16 development of the building lives program.  
10.17 This is a onetime appropriation.

10.18 (h) \$150,000 each year is from the general  
10.19 fund for a grant to Advocating Change  
10.20 Together for training, technical assistance,  
10.21 and resource materials for persons with  
10.22 developmental and mental illness disabilities.

10.23 (i) \$5,627,000 each year is from the general  
10.24 fund and \$6,830,000 each year is from the  
10.25 workforce development fund for extended  
10.26 employment services for persons with severe  
10.27 disabilities or related conditions under  
10.28 Minnesota Statutes, section 268A.15. Of  
10.29 the general fund appropriation, \$125,000  
10.30 each year is to supplement funds paid for  
10.31 wage incentives for the community support  
10.32 fund established in Minnesota Rules, part  
10.33 3300.2045.

10.34 (j) \$250,000 the first year and \$100,000  
10.35 the second year are for grants to Minnesota

11.1 Diversified Industries, Inc., to provide  
11.2 progressive development and employment  
11.3 opportunities for people with disabilities.  
11.4 This appropriation is available in either  
11.5 year of the biennium. The budget base  
11.6 for Minnesota Diversified Industries, Inc.,  
11.7 is \$175,000 each year in the 2012-2013  
11.8 biennium.

11.9 (k) Of the money available to Minnesota from  
11.10 the American Recovery and Reinvestment  
11.11 Act of 2009, Public Law 111-5, and allocated  
11.12 to the Department of Employment and  
11.13 Economic Development for activities  
11.14 authorized under Title 1 of the Rehabilitation  
11.15 Act of 1973 as amended and Code of  
11.16 Federal Regulations, title 34, part 361, of its  
11.17 implementing regulations, \$250,000 is for  
11.18 a grant to Minnesota Diversified Industries,  
11.19 Inc. to assist individuals with disabilities to  
11.20 obtain employment outcomes as defined in  
11.21 Code of Federal Regulations, title 34, part  
11.22 361.5 (B) (16). Funds expended must be  
11.23 used for activities allowed under section 103  
11.24 (a) of the Rehabilitation Act and Code of  
11.25 Federal Regulations, title 34, part 361.48.

11.26 (l) \$1,613,000 each year is from the general  
11.27 fund for grants to programs that provide  
11.28 employment support services to persons with  
11.29 mental illness under Minnesota Statutes,  
11.30 sections 268A.13 and 268A.14. Grants  
11.31 may be used for special projects for young  
11.32 people with mental illness transitioning from  
11.33 school to work and people with serious  
11.34 mental illness receiving services through  
11.35 a mental health court or civil commitment  
11.36 court. Special projects must demonstrate

- 12.1 interagency collaboration. Up to \$77,000  
12.2 each year may be used for administrative  
12.3 expenses.
- 12.4 (m) \$75,000 each year is from the workforce  
12.5 development fund for a grant to MN  
12.6 WORKS!, a nonprofit organization. The  
12.7 nonprofit organization must work on behalf  
12.8 of all licensed vendors to coordinate their  
12.9 efforts to respond to solicitations or other  
12.10 requests from private and governmental  
12.11 units as defined in Minnesota Statutes,  
12.12 section 471.59, subdivision 1, in order  
12.13 to increase employment opportunities for  
12.14 persons with disabilities. This is a onetime  
12.15 appropriation and is available in either year  
12.16 of the biennium. Any funds unexpended in  
12.17 the first year are available for expenditure in  
12.18 the second year.
- 12.19 (n) \$145,000 each year is from the general  
12.20 fund and \$175,000 each year is from the  
12.21 workforce development fund for a grant  
12.22 under Minnesota Statutes, section 268A.03,  
12.23 to Rise, Inc. for the Minnesota Employment  
12.24 Center for People Who are Deaf or Hard of  
12.25 Hearing. Money not expended the first year  
12.26 is available the second year.
- 12.27 (o) \$100,000 each year is from the general  
12.28 fund and \$200,000 each year is from the  
12.29 workforce development fund for a grant to  
12.30 Lifetrack Resources for its immigrant and  
12.31 refugee collaborative program, including  
12.32 those related to job-seeking skills and  
12.33 workplace orientation, intensive job  
12.34 development, functional work English, and

13.1 on-site job coaching. This appropriation may  
13.2 also be used in Rochester.

13.3 (p) \$3,500,000 each year is from the  
13.4 workforce development fund for the  
13.5 Minnesota youth program under Minnesota  
13.6 Statutes, sections 116L.56 and 116L.561.

13.7 (q) \$1,375,000 each year is from the  
13.8 workforce development fund for the  
13.9 Opportunities Industrialization Center  
13.10 programs.

13.11 (r) \$1,200,000 each year is from the  
13.12 workforce development fund for grants for  
13.13 the Minneapolis summer youth employment  
13.14 program. The grants shall be used to fund  
13.15 up to 500 jobs for youth each summer. Of  
13.16 this appropriation, \$300,000 each year is for  
13.17 a grant to the learn-to-earn summer youth  
13.18 employment program. The commissioner  
13.19 shall establish criteria for awarding the  
13.20 grants. This appropriation is available in  
13.21 either year of the biennium and is available  
13.22 until spent.

13.23 (s) \$750,000 each year is from the workforce  
13.24 development fund for a grant to the  
13.25 Minnesota Alliance of Boys and Girls  
13.26 Clubs to administer a statewide project  
13.27 of youth jobs skills development. This  
13.28 project, which may have career guidance  
13.29 components, including health and life skills,  
13.30 is to encourage, train, and assist youth in  
13.31 job-seeking skills, workplace orientation,  
13.32 and job-site knowledge through coaching.  
13.33 This grant requires a 25 percent match from  
13.34 nonstate resources.

14.1 (t) \$558,000 the first year and \$558,000  
14.2 the second year are from the workforce  
14.3 development fund for grants to fund summer  
14.4 youth employment in St. Paul. The grants  
14.5 shall be used to fund up to 500 jobs for  
14.6 youth each summer. The commissioner shall  
14.7 establish criteria for awarding the grants.  
14.8 This appropriation is available in either year  
14.9 of the biennium and is available until spent.

14.10 (u) \$1,000,000 each year is from the  
14.11 workforce development fund for the  
14.12 youthbuild program under Minnesota  
14.13 Statutes, sections 116L.361 to 116L.366.

14.14 (v) \$100,000 each year is from the  
14.15 workforce development fund for grants  
14.16 for the indigenous earthkeepers program  
14.17 for American Indian youth environmental  
14.18 education and training. Funds must be  
14.19 used to provide programming for up to  
14.20 80 American Indian youth ages 14 to 19.  
14.21 The indigenous earthkeepers program must  
14.22 use the environment, with native language  
14.23 as its primary core, to develop student  
14.24 academic skills and knowledge at Center  
14.25 School and Healthy Nations Program of the  
14.26 Minneapolis American Indian Center. The  
14.27 program must foster a sense of civic and  
14.28 environmental responsibility by providing  
14.29 youth the opportunity to serve on small,  
14.30 natural, and urban resource crews in the  
14.31 Twin Cities metropolitan area and outside of  
14.32 the metropolitan area. In addition, it must  
14.33 build the capacity of these youths to improve  
14.34 their lives in an indigenous-inspired and  
14.35 culturally relevant manner. At a minimum,  
14.36 the program curriculum must include water

- 15.1 studies, identification of waterway cleanup  
15.2 sites, cleanup of waterways significant to  
15.3 indigenous culture and education, plant  
15.4 identification, gardening, and indigenous  
15.5 language components. This is a onetime  
15.6 appropriation and is available until expended.
- 15.7 (w) \$340,000 each year is from the workforce  
15.8 development fund for grants to provide  
15.9 interpreters for a regional transition program  
15.10 that specializes in providing culturally  
15.11 appropriate transition services leading to  
15.12 employment for deaf, hard-of-hearing, and  
15.13 deaf-blind students.
- 15.14 (x) \$150,000 the first year is for a grant to  
15.15 Lutheran Social Service of Minnesota to  
15.16 increase capacity statewide for budget and  
15.17 debt counseling, debt management planning,  
15.18 and other debt management services. This  
15.19 is a onetime appropriation and is available  
15.20 until expended.
- 15.21 (y) The first \$1,450,000 deposited in each  
15.22 year of the biennium into the contingent  
15.23 account created under Minnesota Statutes,  
15.24 section 268.199, shall be transferred  
15.25 before the closing of each fiscal year to  
15.26 the workforce development fund created  
15.27 under Minnesota Statutes, section 116L.20.  
15.28 Deposits in excess of \$1,450,000 shall be  
15.29 transferred before the closing of each fiscal  
15.30 year to the general fund.
- 15.31 (z) \$100,000 the first year is from the  
15.32 workforce development fund for a grant to a  
15.33 Southeast Asian mutual assistance nonprofit  
15.34 organization for an intensive intervention  
15.35 transitional employment training project

16.1 to move refugee and immigrant welfare  
16.2 recipients into unsubsidized employment  
16.3 leading to economic self-sufficiency. An  
16.4 organization may apply for a grant in the form  
16.5 and manner established by the commissioner  
16.6 of employment and economic development.  
16.7 The organization that is awarded the grant  
16.8 must have experience providing the services  
16.9 required under this paragraph. The primary  
16.10 effort must be on intensive employment  
16.11 skills training, including workplace English  
16.12 and overcoming cultural barriers, and on  
16.13 specialized training in fields of work which  
16.14 involve a credit-based curriculum. For  
16.15 recipients without a high school diploma or  
16.16 a GED, extra effort shall be made to help  
16.17 the recipient meet the ability to benefit test  
16.18 so the recipient can receive financial aid  
16.19 for further training. During the specialized  
16.20 training, efforts should be made to involve  
16.21 the recipients with an internship program  
16.22 and retention specialist. This appropriation  
16.23 is not available until the commissioner of  
16.24 finance has determined that at least an equal  
16.25 amount has been committed from nonstate  
16.26 funds. This is a onetime appropriation and is  
16.27 available until expended.

16.28 (aa) \$1,000,000 each year is from reserve  
16.29 funds allocated to the Department of  
16.30 Employment and Economic Development  
16.31 under the American Recovery and  
16.32 Reinvestment Act of 2009, Public Law  
16.33 111-5, for Workforce Investment Act  
16.34 adult and displaced worker programs for  
16.35 on-the-job training for eligible persons in

17.1 counties with high unemployment. This is a  
17.2 onetime appropriation.

17.3 (bb)(1) \$150,000 each year is from the  
17.4 workforce development fund for a grant  
17.5 to the nonprofit organization selected to  
17.6 administer the demonstration project for  
17.7 high-risk adults under Laws 2007, chapter  
17.8 54, article 1, section 19, in order to continue  
17.9 the project for a second biennium. This is a  
17.10 onetime appropriation and is available until  
17.11 expended.

17.12 (2) The commissioners of the Housing  
17.13 Finance Agency and employment and  
17.14 economic development are directed to work  
17.15 with the commissioner of public safety  
17.16 to seek federal stimulus money available  
17.17 through the Office of Justice to continue the  
17.18 demonstration project under Laws 2007,  
17.19 chapter 54, article 1, section 19, at a level  
17.20 sufficient to reduce the rate per participant.

17.21 (cc) All Wagner-Peyser funds available to  
17.22 the state for job seeker services under the  
17.23 American Recovery and Reinvestment Act of  
17.24 2009, Public Law 111-5, must be allocated to  
17.25 workforce development centers for universal  
17.26 job seeker services.

17.27 (dd)(1) All Workforce Investment Act  
17.28 discretionary funds available to the  
17.29 commissioner for workforce development  
17.30 under the American Recovery and  
17.31 Reinvestment Act of 2009, Public Law  
17.32 111-5, must first be allocated to replace  
17.33 reductions in state general fund or workforce  
17.34 development fund resources for employment  
17.35 and training or youth programs.

18.1 (2) The commissioner shall not use any  
 18.2 unallocated discretionary funds available to  
 18.3 the department under the American Recovery  
 18.4 and Reinvestment Act, Public Law 111-5,  
 18.5 to hire full-time or part-time staff or enter  
 18.6 into professional or technical contracts for  
 18.7 any purpose other than administration of  
 18.8 the unemployment insurance program or to  
 18.9 provide services to job seekers, including  
 18.10 assistance in filing for unemployment  
 18.11 benefits.

18.12 **Subd. 4. State-Funded Administration** 2,426,000 2,426,000

18.13 The transfer of funds to the governor's office  
 18.14 for the Washington, D.C. office function is  
 18.15 \$20,000 each year.

18.16 **Sec. 4. PUBLIC FACILITIES AUTHORITY** **\$ 93,000 \$ 93,000**

18.17 For the small community wastewater  
 18.18 treatment program under Minnesota Statutes,  
 18.19 chapter 446A.

18.20 **Sec. 5. EXPLORE MINNESOTA TOURISM** **\$ 10,717,000 \$ 10,717,000**

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

18.23 (b)(1) To develop maximum private sector  
 18.24 involvement in tourism, \$500,000 the first  
 18.25 year and \$500,000 the second year must  
 18.26 be matched by Explore Minnesota Tourism  
 18.27 from nonstate sources. Each \$1 of state  
 18.28 incentive must be matched with \$3 of private  
 18.29 sector funding. Cash match is defined as  
 18.30 revenue to the state or documented cash  
 18.31 expenditures directly expended to support  
 18.32 Explore Minnesota Tourism programs. Up  
 18.33 to one-half of the private sector contribution

19.1 may be in-kind or soft match. The incentive  
19.2 in the first year shall be based on fiscal  
19.3 year 2009 private sector contributions. The  
19.4 incentive in the second year will be based on  
19.5 fiscal year 2010 private sector contributions.

19.6 This incentive is ongoing.

19.7 (2) Funding for the marketing grants is  
19.8 available either year of the biennium.  
19.9 Unexpended grant funds from the first year  
19.10 are available in the second year.

19.11 (3) Unexpended money from the general  
19.12 fund appropriations made under this section  
19.13 does not cancel but must be placed in a  
19.14 special marketing account for use by Explore  
19.15 Minnesota Tourism for additional marketing  
19.16 activities.

19.17 (c) \$325,000 the first year and \$325,000 the  
19.18 second year are for the Minnesota Film and  
19.19 TV Board. The appropriation in each year  
19.20 is available only upon receipt by the board  
19.21 of \$1 in matching contributions of money or  
19.22 in-kind contributions from nonstate sources  
19.23 for every \$3 provided by this appropriation,  
19.24 except that each year up to \$50,000 is  
19.25 available on July 1 even if the required  
19.26 matching contribution has not been received  
19.27 by that date.

19.28 (d) \$1,225,000 the first year and \$1,225,000  
19.29 the second year are appropriated for a grant  
19.30 to the Minnesota Film and TV Board for  
19.31 the film jobs production program under  
19.32 Minnesota Statutes, section 116U.26. These  
19.33 appropriations are available in either year  
19.34 of the biennium and are available until  
19.35 expended.



21.1	<u>For a rental housing assistance program for</u>		
21.2	<u>persons with a mental illness or families with</u>		
21.3	<u>an adult member with a mental illness under</u>		
21.4	<u>Minnesota Statutes, section 462A.2097.</u>		
21.5	<b><u>Subd. 5. Family Homeless Prevention</u></b>	<u>7,465,000</u>	<u>7,465,000</u>
21.6	<u>For the family homeless prevention and</u>		
21.7	<u>assistance programs under Minnesota</u>		
21.8	<u>Statutes, section 462A.204.</u>		
21.9	<b><u>Subd. 6. Home Ownership Assistance Fund</u></b>	<u>860,000</u>	<u>860,000</u>
21.10	<u>For the home ownership assistance program</u>		
21.11	<u>under Minnesota Statutes, section 462A.21,</u>		
21.12	<u>subdivision 8. In fiscal years 2012 and 2013,</u>		
21.13	<u>the base shall be \$885,000 each year.</u>		
21.14	<b><u>Subd. 7. Affordable Rental Investment Fund</u></b>	<u>8,821,000</u>	<u>8,821,000</u>
21.15	<u>(a) For the affordable rental investment fund</u>		
21.16	<u>program under Minnesota Statutes, section</u>		
21.17	<u>462A.21, subdivision 8b. The appropriation</u>		
21.18	<u>is to finance the acquisition, rehabilitation,</u>		
21.19	<u>and debt restructuring of federally assisted</u>		
21.20	<u>rental property and for making equity</u>		
21.21	<u>take-out loans under Minnesota Statutes,</u>		
21.22	<u>section 462A.05, subdivision 39.</u>		
21.23	<u>(b) The owner of federally assisted rental</u>		
21.24	<u>property must agree to participate in</u>		
21.25	<u>the applicable federally assisted housing</u>		
21.26	<u>program and to extend any existing</u>		
21.27	<u>low-income affordability restrictions on the</u>		
21.28	<u>housing for the maximum term permitted.</u>		
21.29	<u>The owner must also enter into an agreement</u>		
21.30	<u>that gives local units of government,</u>		
21.31	<u>housing and redevelopment authorities,</u>		
21.32	<u>and nonprofit housing organizations the</u>		
21.33	<u>right of first refusal if the rental property</u>		
21.34	<u>is offered for sale. Priority must be given</u>		

22.1 among comparable federally assisted rental  
 22.2 properties to properties with the longest  
 22.3 remaining term under an agreement for  
 22.4 federal assistance. Priority must also be  
 22.5 given among comparable rental housing  
 22.6 developments to developments that are or  
 22.7 will be owned by local government units, a  
 22.8 housing and redevelopment authority, or a  
 22.9 nonprofit housing organization.

22.10 (c) The appropriation also may be used to  
 22.11 finance the acquisition, rehabilitation, and  
 22.12 debt restructuring of existing supportive  
 22.13 housing properties. For purposes of this  
 22.14 subdivision, "supportive housing" means  
 22.15 affordable rental housing with links to  
 22.16 services necessary for individuals, youth, and  
 22.17 families with children to maintain housing  
 22.18 stability.

22.19 (d) For the affordable rental investment fund  
 22.20 program under Minnesota Statutes, section  
 22.21 462A.21, subdivision 8b, in fiscal years 2012  
 22.22 and 2013, the base is \$8,996,000 each year.

22.23	<b><u>Subd. 8. Housing Rehabilitation</u></b>	<u>4,287,000</u>	<u>4,287,000</u>
22.24	<u>For the housing rehabilitation program</u>		
22.25	<u>under Minnesota Statutes, section 462A.05,</u>		
22.26	<u>subdivision 14, for rental housing</u>		
22.27	<u>developments.</u>		
22.28	<b><u>Subd. 9. Homeownership Education,</u></b>		
22.29	<b><u>Counseling, and Training</u></b>	<u>865,000</u>	<u>865,000</u>
22.30	<u>For the homeownership education,</u>		
22.31	<u>counseling, and training program under</u>		
22.32	<u>Minnesota Statutes, section 462A.209.</u>		
22.33	<b><u>Subd. 10. Capacity Building Grants</u></b>	<u>250,000</u>	<u>250,000</u>

23.1 For nonprofit capacity building grants  
 23.2 under Minnesota Statutes, section 462A.21,  
 23.3 subdivision 3b.

23.4 **Subd. 11. Transfer of Disaster Relief**  
 23.5 **Contingency Funds**

23.6 \$1,500,000 of the amount unobligated  
 23.7 and unencumbered in the disaster relief  
 23.8 contingency fund under Minnesota Statutes,  
 23.9 section 462A.21, subdivision 29, is  
 23.10 transferred to the housing trust fund under  
 23.11 Minnesota Statutes, section 462A.201, for  
 23.12 grants for temporary rental assistance for  
 23.13 families with children who are homeless and  
 23.14 in need of or utilizing an emergency shelter  
 23.15 facility. This is a onetime transfer and is not  
 23.16 added to the agency's permanent budget base.

23.17 **Subd. 12. Demonstration Project for High-Risk**

23.18 <b><u>Adults</u></b>	<u>250,000</u>	<u>250,000</u>
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23.19 \$250,000 in fiscal year 2010 and \$250,000  
 23.20 in fiscal year 2011 are appropriated from  
 23.21 the general fund to the commissioner of the  
 23.22 Housing Finance Agency for grants to the  
 23.23 nonprofit organization selected to administer  
 23.24 the demonstration project for high-risk adults  
 23.25 under Laws 2007, chapter 54, article 1,  
 23.26 section 19, in order to continue the project  
 23.27 for a second biennium. This is a onetime  
 23.28 appropriation.

23.29 **Sec. 7. DEPARTMENT OF LABOR AND**  
 23.30 **INDUSTRY**

23.31 <b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 22,780,000</u></b>	<b><u>\$ 22,780,000</u></b>
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24.1	<u>Appropriations by Fund</u>		
24.2		<u>2010</u>	<u>2011</u>
24.3	<u>General</u>	<u>880,000</u>	<u>880,000</u>
24.4	<u>Workers'</u>		
24.5	<u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
24.6	<u>Workforce</u>		
24.7	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>
24.8	<u>The amounts that may be spent for each</u>		
24.9	<u>purpose are specified in the following</u>		
24.10	<u>subdivisions.</u>		
24.11	<u>Subd. 2. <b>Workers' Compensation</b></u>	<u>14,890,000</u>	<u>14,890,000</u>
24.12	<u>This appropriation is from the workers'</u>		
24.13	<u>compensation fund.</u>		
24.14	<u>\$200,000 each year is for grants to the</u>		
24.15	<u>Vinland Center for rehabilitation services.</u>		
24.16	<u>Grants shall be distributed as the department</u>		
24.17	<u>refers injured workers to the Vinland Center</u>		
24.18	<u>for rehabilitation services.</u>		
24.19	<u>Subd. 3. <b>Labor Standards/Apprenticeship</b></u>	<u>1,909,000</u>	<u>1,909,000</u>
24.20	<u>Appropriations by Fund</u>		
24.21	<u>General</u>	<u>880,000</u>	<u>880,000</u>
24.22	<u>Workforce</u>		
24.23	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>
24.24	<u>(a) \$879,000 each year is appropriated from</u>		
24.25	<u>the workforce development fund for the</u>		
24.26	<u>apprenticeship program under Minnesota</u>		
24.27	<u>Statutes, chapter 178, and includes</u>		
24.28	<u>\$100,000 each year for labor education and</u>		
24.29	<u>advancement program grants and to expand</u>		
24.30	<u>and promote registered apprenticeship</u>		
24.31	<u>training in nonconstruction trade programs.</u>		

25.1	<u>(b) \$150,000 each year is from the workforce</u>		
25.2	<u>development fund for prevailing wage</u>		
25.3	<u>enforcement.</u>		
25.4	<u>(c) \$200,000 the first year and \$200,000</u>		
25.5	<u>the second year are from the assigned risk</u>		
25.6	<u>safety account for independent contractor</u>		
25.7	<u>investigator services to ensure compliance</u>		
25.8	<u>with the state's independent contractor</u>		
25.9	<u>exemption certificate program under</u>		
25.10	<u>Minnesota Statutes, section 181.723.</u>		
25.11	<b>Subd. 4. <u>General Support</u></b>	<u>5,981,000</u>	<u>5,981,000</u>
25.12	<u>This appropriation is from the workers'</u>		
25.13	<u>compensation fund.</u>		
25.14	<b>Sec. 8. <u>BUREAU OF MEDIATION</u></b>		
25.15	<b><u>SERVICES</u></b>		
25.16	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b><u>\$ 1,683,000</u></b>	<b><u>\$ 1,683,000</u></b>
25.17	<u>The amounts that may be spent for each</u>		
25.18	<u>purpose are specified in the following</u>		
25.19	<u>subdivisions.</u>		
25.20	<b>Subd. 2. <u>Mediation Services</u></b>	<u>1,583,000</u>	<u>1,583,000</u>
25.21	<b>Subd. 3. <u>Labor Management Cooperation</u></b>		
25.22	<b><u>Grants</u></b>	<u>100,000</u>	<u>100,000</u>
25.23	<u>\$100,000 each year is for grants to area labor</u>		
25.24	<u>management committees. Grants may be</u>		
25.25	<u>awarded for a 12-month period beginning</u>		
25.26	<u>July 1 each year. Any unencumbered balance</u>		
25.27	<u>remaining at the end of the first year does not</u>		
25.28	<u>cancel but is available for the second year.</u>		
25.29	<b>Sec. 9. <u>WORKERS' COMPENSATION</u></b>		
25.30	<b><u>COURT OF APPEALS</u></b>	<b><u>\$ 1,703,000</u></b>	<b><u>\$ 1,703,000</u></b>



27.1 appropriation is added to the society's budget  
 27.2 base.

27.3 (f) Balances Forward

27.4 Any unencumbered balance remaining in  
 27.5 this subdivision the first year does not cancel  
 27.6 but is available for the second year of the  
 27.7 biennium.

27.8 Subd. 5. Fund Transfer

27.9 The Minnesota Historical Society may  
 27.10 reallocate funds appropriated in and between  
 27.11 subdivisions 2 and 3 for any program  
 27.12 purposes and the appropriations are available  
 27.13 in either year of the biennium.

27.14 Sec. 11. BOARD OF THE ARTS

27.15	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>8,624,000</u>	<u>\$</u>	<u>8,624,000</u>
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27.16 The amounts that may be spent for each  
 27.17 purpose are specified in the following  
 27.18 subdivisions.

27.19	<u>Subd. 2. Operations and Services</u>	<u>651,000</u>	<u>651,000</u>
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27.20	<u>Subd. 3. Grants Program</u>	<u>5,515,000</u>	<u>5,515,000</u>
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27.21	<u>Subd. 4. Regional Arts Councils</u>	<u>2,458,000</u>	<u>2,458,000</u>
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27.22 Sec. 12. MINNESOTA HUMANITIES

27.23	<u>CENTER</u>	<u>\$</u>	<u>250,000</u>	<u>\$</u>	<u>250,000</u>
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27.24	<u>Sec. 13. PUBLIC BROADCASTING</u>	<u>\$</u>	<u>2,295,000</u>	<u>\$</u>	<u>2,015,000</u>
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27.25 (a) The appropriations under this section are  
 27.26 to the commissioner of administration for the  
 27.27 purposes specified.

27.28 (b) \$280,000 is for a grant to Minnesota  
 27.29 Public Radio to assist with conversion to a

28.1 digital broadcast signal. This is a onetime  
28.2 appropriation.

28.3 (c) \$1,161,000 the first year and \$1,161,000  
28.4 the second year are for matching grants for  
28.5 public television.

28.6 (d) \$200,000 the first year and \$200,000  
28.7 the second year are for public television  
28.8 equipment grants. Equipment or matching  
28.9 grant allocations shall be made after  
28.10 considering the recommendations of the  
28.11 Minnesota Public Television Association.

28.12 (e) \$17,000 the first year and \$17,000 the  
28.13 second year are for grants to the Twin Cities  
28.14 regional cable channel.

28.15 (f) \$287,000 the first year and \$287,000 the  
28.16 second year are for community service grants  
28.17 to public educational radio stations.

28.18 (g) \$100,000 the first year and \$100,000  
28.19 the second year are for equipment grants to  
28.20 public educational radio stations.

28.21 (h) The grants in paragraphs (f) and (g)  
28.22 must be allocated after considering the  
28.23 recommendations of the Association of  
28.24 Minnesota Public Educational Radio Stations  
28.25 under Minnesota Statutes, section 129D.14.

28.26 (i) \$250,000 the first year and \$250,000  
28.27 the second year are for equipment grants to  
28.28 Minnesota Public Radio, Inc.

28.29 (j) Any unencumbered balance remaining the  
28.30 first year for grants to public television or  
28.31 radio stations does not cancel and is available  
28.32 for the second year.

28.33 Sec. 14. **BOARD OF ACCOUNTANCY**                    \$                    **505,000** \$                    **505,000**

29.1 Sec. 15. BOARD OF ARCHITECTURE,  
 29.2 ENGINEERING, LAND SURVEYING,  
 29.3 LANDSCAPE ARCHITECTURE,  
 29.4 GEOSCIENCE, AND INTERIOR DESIGN     \$           815,000 \$           815,000

29.5 Sec. 16. BOARD OF COSMETOLOGIST  
 29.6 EXAMINERS                                     \$           691,000 \$           651,000

29.7 Sec. 17. BOARD OF BARBER EXAMINERS \$           193,000 \$           188,000

29.8 Sec. 18. COMBATIVE SPORTS  
 29.9 COMMISSION                                     \$           80,000 \$           80,000

29.10 This is a onetime appropriation. The  
 29.11 Combative Sports Commission expires on  
 29.12 July 1, 2011, unless the commissioner of  
 29.13 finance determines that the commission's  
 29.14 projected expenditures for the fiscal biennium  
 29.15 ending June 30, 2013, will not exceed the  
 29.16 commission's projected revenues for the  
 29.17 fiscal biennium ending June 30, 2013, from  
 29.18 fees and penalties authorized in Minnesota  
 29.19 Statutes 2008, chapter 341.

29.20 Sec. 19. TRANSFERS

29.21 By June 30, 2010, the commissioner of  
 29.22 finance shall transfer \$2,500,000, and by June  
 29.23 30, 2011, \$2,500,000 of the unencumbered  
 29.24 balance in the workforce development fund  
 29.25 to the general fund.

29.26 Sec. 20. LEGISLATIVE COORDINATING  
 29.27 COMMISSION                                     \$           70,000 \$           0

29.28 From the general fund to the Legislative  
 29.29 Coordinating Commission under Minnesota  
 29.30 Statutes, section 3.303, for fiscal year 2010

30.1 for the economic development strategy  
30.2 working group established in article 2,  
30.3 section 41.

30.4 **ARTICLE 2**

30.5 **EMPLOYMENT AND ECONOMIC DEVELOPMENT**  
30.6 **- RELATED PROVISIONS**

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

30.8 Subd. 5. **Agreements with Department of Employment and Economic**  
30.9 **Development.** The commissioner of employment and economic development may  
30.10 enter into agreements with regional entities established under subdivision 4 to prepare  
30.11 plans to ensure coordination of the department's business development, community  
30.12 development, workforce development, and trade functions with programs of local units of  
30.13 government and other public and private development agencies in the regions. The plans  
30.14 will identify regional development priorities and serve as a guide for the implementation  
30.15 of the department's programs in the regions.

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

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

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

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

30.34 (d) The commissioner shall provide for the uniform marking of all motor vehicles.  
30.35 Motor vehicle colors must be selected from the regular color chart provided by the

- 31.1 manufacturer each year. The commissioner may further provide for the use of motor  
31.2 vehicles without marking by:
- 31.3 (1) the governor;
  - 31.4 (2) the lieutenant governor;
  - 31.5 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling  
31.6 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of  
31.7 Public Safety;
  - 31.8 (4) the Financial Institutions Division and investigative staff of the Department  
31.9 of Commerce;
  - 31.10 (5) the Division of Disease Prevention and Control of the Department of Health;
  - 31.11 (6) the State Lottery;
  - 31.12 (7) criminal investigators of the Department of Revenue;
  - 31.13 (8) state-owned community service facilities in the Department of Human Services;
  - 31.14 ~~(9) the investigative staff of the Department of Employment and Economic~~  
31.15 ~~Development;~~
  - 31.16 ~~(10)~~ (9) the Office of the Attorney General; and
  - 31.17 ~~(11)~~ (10) the investigative staff of the Gambling Control Board.

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

31.19 Subd. 3. **Identification and classification.** The Department of Natural Resources,  
31.20 with the cooperation of the state Geological Survey, ~~Departments~~ the Department of  
31.21 Transportation, and ~~Energy, Planning and Development~~ the Department of Employment  
31.22 and Economic Development, outside of the metropolitan area as defined in section  
31.23 473.121, shall conduct a program of identification and classification of potentially valuable  
31.24 publicly or privately owned aggregate lands located outside of urban or developed areas  
31.25 where aggregate mining is restricted, without consideration of their present land use. The  
31.26 program shall give priority to identification and classification in areas of the state where  
31.27 urbanization or other factors are or may be resulting in a loss of aggregate resources to  
31.28 development. Lands shall be classified as:

- 31.29 (1) identified resources, being those containing significant aggregate deposits;
- 31.30 (2) potential resources, being those containing potentially significant deposits and  
31.31 meriting further evaluation; or
- 31.32 (3) subeconomic resources, being those containing no significant deposits.

31.33 As lands are classified, the information on the classification shall be transmitted to  
31.34 each of the departments and agencies named in this subdivision, to the planning authority  
31.35 of the appropriate county and municipality, and to the appropriate county engineer. The

32.1 county planning authority shall notify owners of land classified under this subdivision by  
32.2 publication in a newspaper of general circulation in the county or by mail.

32.3 Sec. 4. Minnesota Statutes 2008, section 116J.035, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

32.26 Sec. 5. Minnesota Statutes 2008, section 116J.035, subdivision 6, is amended to read:

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

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

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

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

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

33.7 Sec. 6. Minnesota Statutes 2008, section 116J.401, subdivision 2, is amended to read:

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

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

33.13 (2) receive and administer the Small Cities Community Development Block Grant  
33.14 Program authorized by Congress under the Housing and Community Development Act of  
33.15 1974, as amended;

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

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

33.23 (5) receive applications for state and federal grants and grant programs for planning,  
33.24 community affairs, and community development purposes, and other state and federal  
33.25 programs assigned to the department by law or by the governor in accordance with section  
33.26 4.07;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35.4           (25) locate markets for manufacturers and processors and aid merchants in locating  
35.5 and contacting markets;

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

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

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

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

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

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

35.23           (32) make recommendations regarding circumstances promoting or hampering  
35.24 business and industrial development;

35.25           (33) serve as a clearing house for business and industrial problems of the state;

35.26           (34) advise small business enterprises regarding improved methods of accounting  
35.27 and bookkeeping;

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

35.31           (36) cooperate with other state departments and with boards, commissions, and  
35.32 other state agencies in the preparation and coordination of plans and policies for the  
35.33 development of the state and for the use and conservation of its resources insofar as the  
35.34 use, conservation, and development may be appropriately directed or influenced by a  
35.35 state agency;

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

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

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

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

36.14 (41) confer and cooperate with the executive, legislative, or planning authorities of  
36.15 the United States, neighboring states and provinces, and the counties and municipalities  
36.16 of neighboring states, for the purpose of bringing about a coordination between the  
36.17 development of neighboring provinces, states, counties, and municipalities and the  
36.18 development of this state;

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

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

36.27 (44) annually convene conferences of providers of economic development-related  
36.28 financial and technical assistance for the purposes of exchanging information on economic  
36.29 development assistance, coordinating economic development activities, and formulating  
36.30 economic development strategies;

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

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

37.1 average salary and benefits for the jobs resulting from the program, and the number of  
37.2 projects approved;  
37.3 (47) provide a continuous program of education for business people;  
37.4 (48) publish, disseminate, and distribute information and statistics;  
37.5 (49) promote and encourage the expansion and development of markets for  
37.6 Minnesota products;  
37.7 (50) promote and encourage the location and development of new businesses in the  
37.8 state as well as the maintenance and expansion of existing businesses and for that purpose  
37.9 cooperate with state and local agencies and individuals, both within and outside the state;  
37.10 (51) advertise and disseminate information as to natural resources, desirable  
37.11 locations, and other advantages for the purpose of attracting businesses to locate in this  
37.12 state;  
37.13 (52) aid the various communities in this state in attracting business to their  
37.14 communities;  
37.15 (53) advise and cooperate with municipal, county, regional, and other planning  
37.16 agencies and planning groups within the state for the purpose of promoting coordination  
37.17 between the state and localities as to plans and development in order to maintain a high  
37.18 level of gainful employment in private profitable production and achieve commensurate  
37.19 advancement in social and cultural welfare;  
37.20 (54) coordinate the activities of statewide and local planning agencies, correlate  
37.21 information secured from them and from state departments and disseminate information  
37.22 and suggestions to the planning agencies;  
37.23 (55) encourage and assist in the organization and functioning of local planning  
37.24 agencies where none exist; and  
37.25 (56) adopt measures calculated to promote public interest in and understanding of  
37.26 the problems of planning and, to that end, may publish and distribute copies of any plan  
37.27 or any report and may employ other means of publicity and education that will give full  
37.28 effect to the provisions of sections 116J.58 to 116J.63.  
37.29 (b) At the request of any governmental subdivision in paragraph (a), clause (53),  
37.30 the commissioner may provide planning assistance, which includes but is not limited to  
37.31 surveys, land use studies, urban renewal plans, technical services and other planning work  
37.32 to any city or other municipality in the state or perform similar planning work in any  
37.33 county, metropolitan, or regional area in the state. The commissioner must not perform  
37.34 the planning work with respect to a metropolitan or regional area which is under the  
37.35 jurisdiction for planning purposes of a county, metropolitan, regional, or joint planning

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

38.3 (c) The commissioner is authorized to:

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

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

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

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

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

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

38.20 Sec. 7. Minnesota Statutes 2008, section 116J.431, subdivision 1, is amended to read:

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

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

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

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

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

39.1 Sec. 8. Minnesota Statutes 2008, section 116J.431, is amended by adding a subdivision  
39.2 to read:

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

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

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

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

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

39.14 Sec. 9. Minnesota Statutes 2008, section 116J.431, subdivision 2, is amended to read:

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

39.17 (1) manufacturing;

39.18 (2) technology;

39.19 (3) warehousing and distribution;

39.20 (4) research and development;

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

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

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

39.27 Sec. 10. Minnesota Statutes 2008, section 116J.431, subdivision 4, is amended to read:

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

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

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

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

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

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

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

40.13 Sec. 11. Minnesota Statutes 2008, section 116J.431, subdivision 6, is amended to read:

40.14 Subd. 6. **Maximum grant amount.** A county or city may receive no more than  
40.15 \$1,000,000 in two years for one or more projects.

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

40.17 Sec. 12. Minnesota Statutes 2008, section 116J.435, subdivision 3, is amended to read:

40.18 Subd. 3. **Grant program established.** (a) The commissioner shall make  
40.19 competitive grants to local governmental units to acquire and prepare land on which  
40.20 public infrastructure required to support an eligible project will be located, including  
40.21 demolition of structures and remediation of any hazardous conditions on the land, or to  
40.22 predesign, design, acquire, construct, furnish, and equip public infrastructure required to  
40.23 support an eligible project. The local governmental unit receiving a grant must provide  
40.24 for the remainder of the public infrastructure costs. The commissioner may waive  
40.25 the requirements related to an eligible project under subdivision 2 if a project would  
40.26 be eligible under this section but for the fact that its location requires infrastructure  
40.27 improvements to residential development.

40.28 (b) The amount of a grant may not exceed the lesser of the cost of the public  
40.29 infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost  
40.30 of the completed eligible project.

40.31 (c) The purpose of the program is to keep or enhance jobs in the area, increase the  
40.32 tax base, or to expand or create new economic development through the growth of new  
40.33 bioscience businesses and organizations.

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

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

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

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

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

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

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

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

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

41.33           (d) The determination of whether to make a grant for a qualifying site is within the  
41.34 sole discretion of the commissioner, subject to the process provided by this section, and  
41.35 available unencumbered money in the appropriation. The commissioner's decisions and

42.1 application of the priorities under section 116J.555 are not subject to judicial review,  
42.2 except for abuse of discretion.

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

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

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

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

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

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

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

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

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

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

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

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

42.33 The factors are not listed in a rank order of priority; rather the commissioner may  
42.34 weigh each factor, depending upon the facts and circumstances, as the commissioner  
42.35 considers appropriate. The commissioner may consider other factors that affect the net

43.1 return of public benefits for completion of the response action plan. The commissioner,  
43.2 notwithstanding the listing of priorities and the goal of maximizing the return of public  
43.3 benefits, shall make grants that distribute available money to sites both within and outside  
43.4 of the metropolitan area. The commissioner shall provide a written statement of the  
43.5 supporting reasons for each grant. Unless sufficient applications are not received for  
43.6 qualifying sites outside of the metropolitan area, at least ~~25~~ 35 percent of the money  
43.7 provided as grants must be made for sites located outside of the metropolitan area.

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

43.9 Sec. 16. **[116J.6581] MINNESOTA SCIENCE AND TECHNOLOGY**  
43.10 **ECONOMIC DEVELOPMENT PROJECT.**

43.11 (a) The commissioner of employment and economic development shall lead a  
43.12 public-private project with science and technology experts from public, academic, and  
43.13 private sectors to advise state agency collaboration to design, coordinate, and administer a  
43.14 strategic science and technology program for the state designed to promote the welfare of  
43.15 the people of the state, maximize the economic growth of the state, and create and retain  
43.16 jobs in the state's industrial base through enhancement of Minnesota's:

43.17 (1) high technology research and development capabilities;

43.18 (2) product and process innovation and commercialization;

43.19 (3) high technology manufacturing capabilities;

43.20 (4) science and technology business environment; and

43.21 (5) science and technology workforce preparation.

43.22 (b) Project membership shall consist of science and technology experts from  
43.23 public, academic, and private sectors. A member must have a background in science or  
43.24 technology in order to serve on the project. The project members shall consist of at least  
43.25 13 members as follows:

43.26 (1) a representative of the University of Minnesota;

43.27 (2) a representative of Minnesota State Colleges and Universities;

43.28 (3) the chief executive officer of Mayo Clinic or a designee; and

43.29 (4) six chief executive officers or designees from science- or technology-oriented  
43.30 companies and four representatives from science- and technology-oriented trade  
43.31 organizations.

43.32 (c) The commissioner of employment and economic development must report  
43.33 by January 15, 2010, to the legislative committees having jurisdiction over science  
43.34 and technology and economic development policy and finance on the activities of the

44.1 project and must recommend changes or additions to its organization, including specific  
44.2 recommendations for necessary legislation.

44.3 Sec. 17. Minnesota Statutes 2008, section 116J.68, subdivision 2, is amended to read:

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

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

44.8 ~~(b)~~ (2) refer persons interested in the start-up, operation, or expansion of a small  
44.9 business in Minnesota to assistance programs sponsored by federal agencies, state  
44.10 agencies, educational institutions, chambers of commerce, civic organizations, community  
44.11 development groups, private industry associations, and other organizations ~~or to the~~  
44.12 ~~business assistance referral system established by the Minnesota Project Outreach~~  
44.13 ~~Corporation;~~

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

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

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

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

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

44.32 ~~(h)~~ (8) establish and maintain a toll free telephone number so that all small business  
44.33 persons anywhere in the state can call the bureau office for assistance. An outreach  
44.34 program shall be established to make the existence of the bureau well known to its  
44.35 potential clientele throughout the state. If the small business person requires a referral to

45.1 another provider the bureau may use the business assistance referral system established by  
45.2 the Minnesota Project Outreach Corporation;

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

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

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

45.8 ~~(h)~~ (12) develop a public awareness program through the use of newsletters, personal  
45.9 contacts, and electronic and print news media advertising about state assistance programs  
45.10 for small businesses, including those programs specifically for socially disadvantaged  
45.11 small business persons;

45.12 ~~(m)~~ (13) enter into agreements with the federal government and other public and  
45.13 private entities to serve as the statewide coordinator or host agency for the federal small  
45.14 business development center program under United States Code, title 15, section 648; and

45.15 ~~(n)~~ (14) assist providers in the evaluation of their programs and the assessment of  
45.16 their service area needs. The bureau may establish model evaluation techniques and  
45.17 performance standards for providers to use.

45.18 Sec. 18. Minnesota Statutes 2008, section 116J.8731, subdivision 2, is amended to read:

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

45.31 Sec. 19. Minnesota Statutes 2008, section 116J.8731, subdivision 3, is amended to read:

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

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

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

46.12 Sec. 20. **[116J.997] PROGRAM ACCOUNTABILITY REQUIREMENTS.**

46.13 Subdivision 1. **Accountability measurement.** By October 1, 2009, the  
46.14 commissioner of employment and economic development shall develop a uniform  
46.15 accountability report for economic development or workforce related programs funded in  
46.16 whole or in part by state or federal funds. The commissioner shall also develop a formula  
46.17 for measuring the return on investment for each program and a comparison of the return  
46.18 on investment of all programs funded in whole or in part by state or federal funds. The  
46.19 requirements of this section apply to programs administered directly by the commissioner  
46.20 or administered by other employment organizations under a grant made by the department.  
46.21 The report and formula required by this subdivision shall be submitted to the chairs and  
46.22 ranking minority members of the committees of the house of representatives and senate  
46.23 having jurisdiction over economic development and workforce policy and finance by  
46.24 October 15, 2009, for review and comment.

46.25 Subd. 2. **Report to the legislature.** By December 31 of each even-numbered  
46.26 year the commissioner must report to the chairs and the ranking minority members of  
46.27 the committees of the house of representatives and the senate having jurisdiction over  
46.28 economic development and workforce policy and finance the following information for  
46.29 each program subject to the requirements of subdivision 1:

46.30 (1) the target population;

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

46.33 (3) the number of individuals leaving the unemployment compensation program as  
46.34 a result of the program;

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

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

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

47.5 (7) the return on investment as calculated by the formula developed by the  
47.6 commissioner; and

47.7 (8) the dollar amount and percentage of the total grant used for administrative  
47.8 expenses.

47.9 Subd. 3. **Report to the commissioner.** A recipient of a grant made by or through  
47.10 the department must report to the commissioner by September 1 of each even-numbered  
47.11 year on each of the items in subdivision 2 for each program it administers. The report  
47.12 must be in a format prescribed by the commissioner.

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

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

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

47.21 Sec. 21. Minnesota Statutes 2008, section 116L.03, subdivision 5, is amended to read:

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

47.28 Sec. 22. Minnesota Statutes 2008, section 116L.05, subdivision 5, is amended to read:

47.29 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,  
47.30 the board may use workforce development funds for the purposes outlined in sections  
47.31 116L.02, 116L.04<sub>2</sub> and 116L.10 to 116L.14, or to provide incumbent worker training  
47.32 services under section 116L.18 if the following conditions have been met:

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

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

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

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

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

48.16 Sec. 23. Minnesota Statutes 2008, section 116L.20, subdivision 1, is amended to read:

48.17 Subdivision 1. **Determination and collection of special assessment.** (a) In addition  
48.18 to amounts due from an employer under the Minnesota unemployment insurance program,  
48.19 each employer, except an employer making reimbursements is liable for a special  
48.20 assessment levied at the rate of .10 percent per year on all taxable wages, as defined in  
48.21 section 268.035, subdivision 24, except that effective July 1, 2009, until June 30, 2011, the  
48.22 special assessment shall be levied at a rate of .12 percent per year on all taxable wages as  
48.23 defined in section 268.035, subdivision 24. The assessment shall become due and be paid  
48.24 by each employer on the same schedule and in the same manner as other amounts due  
48.25 from an employer under section 268.051, subdivision 1.

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

48.29 Sec. 24. Minnesota Statutes 2008, section 116L.362, subdivision 1, is amended to read:

48.30 Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible  
48.31 organizations for programs to provide education and training services to targeted youth.  
48.32 The purpose of these programs is to provide specialized training and work experience for  
48.33 targeted youth who have not been served effectively by the current educational system.  
48.34 The programs are to include a work experience component with work projects that

49.1 result in the rehabilitation, improvement, or construction of (1) residential units for the  
49.2 homeless, ~~or~~; (2) improvements to the energy efficiency and environmental health of  
49.3 residential units and other green jobs purposes; (3) facilities to support community garden  
49.4 projects; or (4) education, social service, or health facilities which are owned by a public  
49.5 agency or a private nonprofit organization.

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

- 49.8 (1) Head Start or day care centers;  
49.9 (2) homeless, battered women, or other shelters;  
49.10 (3) transitional housing;  
49.11 (4) youth or senior citizen centers; ~~and~~  
49.12 (5) community health centers; and  
49.13 (6) community garden facilities.

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

49.16 Sec. 25. Minnesota Statutes 2008, section 116L.364, subdivision 3, is amended to read:

49.17 Subd. 3. **Work experience component.** A work experience component must be  
49.18 included in each program. The work experience component must provide vocational skills  
49.19 training in an industry where there is a viable expectation of job opportunities. A training  
49.20 subsidy, living allowance, or stipend, not to exceed an amount equal to 100 percent of the  
49.21 poverty line for a family of two as defined in United States Code, title 42, section 673,  
49.22 paragraph (2), may be provided to program participants. The wage or stipend must be  
49.23 provided to participants who are recipients of public assistance in a manner or amount  
49.24 which will not reduce public assistance benefits. The work experience component must be  
49.25 designed so that work projects result in (1) the expansion or improvement of residential  
49.26 units for homeless persons and very low income families, ~~or~~; (2) improvements to the  
49.27 energy efficiency and environmental health of residential units; (3) facilities to support  
49.28 community garden projects; or (4) rehabilitation, improvement, or construction of eligible  
49.29 education, social service, or health facilities that principally serve homeless or very low  
49.30 income individuals and families. Any work project must include direct supervision by  
49.31 individuals skilled in each specific vocation. Program participants may earn credits  
49.32 toward the completion of their secondary education from their participation in the work  
49.33 experience component.

49.34 Sec. 26. Minnesota Statutes 2008, section 116L.871, subdivision 1, is amended to read:

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

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

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

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

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

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

50.20 (4) demonstrated administrative capabilities, including adequate fiscal and  
50.21 accounting procedures, financial management systems, participant data systems, and  
50.22 record retention procedures.

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

50.29 Sec. 27. Minnesota Statutes 2008, section 116L.96, is amended to read:

50.30 **116L.96 DISPLACED HOMEMAKER PROGRAMS.**

50.31 The commissioner of ~~economic security~~ employment and economic development  
50.32 may enter into arrangements with existing private or nonprofit organizations and agencies  
50.33 with experience in dealing with displaced homemakers to provide counseling and  
50.34 training services. The commissioner shall assist displaced homemakers in applying for  
50.35 appropriate welfare programs and shall take welfare allowances received into account

51.1 in setting the stipend level. Income received as a stipend under these programs shall  
51.2 be totally disregarded for purposes of determining eligibility for and the amount of a  
51.3 general assistance grant.

51.4 Sec. 28. Minnesota Statutes 2008, section 116O.115, subdivision 2, is amended to read:

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

51.9 Sec. 29. Minnesota Statutes 2008, section 116O.115, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

52.5           Sec. 30. Minnesota Statutes 2008, section 123A.08, subdivision 1, is amended to read:

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

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

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

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

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

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

52.13           (5) private resources, foundation grants, gifts, corporate contributions, and other  
52.14 grants.

52.15           Sec. 31. Minnesota Statutes 2008, section 124D.49, subdivision 3, is amended to read:

52.16           Subd. 3. **Local education and employment transitions systems.** A local education  
52.17 and employment transitions partnership must assess the needs of employers, employees,  
52.18 and learners, and develop a plan for implementing and achieving the objectives of a local  
52.19 or regional education and employment transitions system. The plan must provide for a  
52.20 comprehensive local system for assisting learners and workers in making the transition  
52.21 from school to work or for retraining in a new vocational area. The objectives of a local  
52.22 education and employment transitions system include:

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

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

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

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

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

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

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

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

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

53.15 (10) improving the coordination and effectiveness of local vocational and job  
53.16 training programs, including vocational education, adult basic education, tech prep,  
53.17 apprenticeship, service-learning, youth entrepreneur, youth training and employment  
53.18 programs administered by the commissioner of employment and economic development,  
53.19 and local job training programs under the ~~Job Training Partnership Act, United States~~  
53.20 ~~Code, title 29, section 1501, et seq.~~ Workforce Investment Act of 1998, Public Law  
53.21 105-220;

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

53.24 (12) providing students with current information and counseling about career  
53.25 opportunities, potential employment, educational opportunities in postsecondary  
53.26 institutions, workplaces, and the community, and the skills and knowledge necessary to  
53.27 succeed;

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

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

53.34 (15) providing a warranty to employers, postsecondary education programs, and  
53.35 other postsecondary training programs, that learners successfully completing a high school  
53.36 work-based or applied learning program will be able to apply the knowledge and work

54.1 skills included in the program outcomes or graduation requirements. The warranty shall  
54.2 require education and training programs to continue to work with those learners that need  
54.3 additional skill development until they can demonstrate achievement of the program  
54.4 outcomes or graduation requirements.

54.5 Sec. 32. Minnesota Statutes 2008, section 160.276, subdivision 8, is amended to read:

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

54.12 Sec. 33. Minnesota Statutes 2008, section 241.27, subdivision 1, is amended to read:

54.13 Subdivision 1. **Establishment of Minnesota correctional industries; MINNCOR**  
54.14 **industries.** For the purpose of providing adequate, regular and suitable employment,  
54.15 educational training, and to aid the inmates of state correctional facilities, the  
54.16 commissioner of corrections may establish, equip, maintain and operate at any correctional  
54.17 facility under the commissioner's control such industrial and commercial activities as may  
54.18 be deemed necessary and suitable to the profitable employment, educational training and  
54.19 development of proper work habits of the inmates of state correctional facilities. The  
54.20 industrial and commercial activities authorized by this section are designated MINNCOR  
54.21 industries and shall be for the primary purpose of sustaining and ensuring MINNCOR  
54.22 industries' self-sufficiency, providing educational training, meaningful employment  
54.23 and the teaching of proper work habits to the inmates of correctional facilities under  
54.24 the control of the commissioner of corrections, and not solely as competitive business  
54.25 ventures. The net profits from these activities shall be used for the benefit of the inmates  
54.26 as it relates to education, self-sufficiency skills, and transition services and not to fund  
54.27 non-inmate-related activities or mandates. Prior to the establishment of any industrial and  
54.28 commercial activity, the commissioner of corrections may consult with representatives  
54.29 of business, industry, organized labor, the state Department of Education, the state  
54.30 Apprenticeship Council, the state Department of Labor and Industry, the Department of  
54.31 Employment ~~Security~~ and Economic Development, the Department of Administration,  
54.32 and such other persons and bodies as the commissioner may feel are qualified to determine  
54.33 the quantity and nature of the goods, wares, merchandise and services to be made or  
54.34 provided, and the types of processes to be used in their manufacture, processing, repair,

55.1 and production consistent with the greatest opportunity for the reform and educational  
55.2 training of the inmates, and with the best interests of the state, business, industry and labor.

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

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

55.13 Sec. 34. Minnesota Statutes 2008, section 248.061, subdivision 3, is amended to read:

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

55.18 Sec. 35. Minnesota Statutes 2008, section 248.07, subdivision 7, is amended to read:

55.19 Subd. 7. **Blind, vending stands and machines on governmental property;**  
55.20 **liability limited.** (a) Notwithstanding any other law, for the rehabilitation of blind persons  
55.21 the commissioner shall have exclusive authority to establish and to operate vending  
55.22 stands and vending machines in all buildings and properties owned or rented exclusively  
55.23 by the Minnesota State Colleges and Universities at a state university, a community  
55.24 college, a consolidated community technical college, or a technical college served by  
55.25 the commissioner before January 1, 1996, or by any department or agency of the state  
55.26 of Minnesota except the Department of Natural Resources properties operated directly  
55.27 by the Division of State Parks and not subject to private leasing. ~~The merchandise to be~~  
55.28 ~~dispensed by such~~ Vending stands and machines authorized under this subdivision may  
55.29 ~~include~~ dispense nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and  
55.30 related items. ~~Such vending stands and vending machines herein authorized shall~~ and  
55.31 must be operated on the same basis as other vending stands for the blind established and  
55.32 supervised by the commissioner under federal law. The commissioner shall waive this  
55.33 authority to displace any present private individual concessionaire in any state-owned or  
55.34 rented building or property who is operating under a contract with a specific renewal or

56.1 termination date, until the renewal or termination date. With the consent of the governing  
56.2 body of a governmental subdivision of the state, the commissioner may establish and  
56.3 supervise vending stands and vending machines for the blind in any building or property  
56.4 exclusively owned or rented by the governmental subdivision.

56.5 (b) The Department of Employment and Economic Development is not liable  
56.6 under chapter 176 for any injury sustained by a blind vendor's employee or agent. The  
56.7 Department of Employment and Economic Development, its officers, and its agents are  
56.8 not liable for the acts or omissions of a blind vendor or of a blind vendor's employee or  
56.9 agent that may result in the blind vendor's liability to third parties. The Department of  
56.10 Employment and Economic Development, its officers, and its agents are not liable for  
56.11 negligence based on any theory of liability for claims arising from the relationship created  
56.12 under this subdivision with the blind vendor.

56.13 Sec. 36. Minnesota Statutes 2008, section 248.07, subdivision 8, is amended to read:

56.14 Subd. 8. **Use of revolving fund, licenses for operation of vending machines**  
56.15 **stands.** (a) The revolving fund created by Laws 1947, chapter 535, section 5, is continued  
56.16 as provided in this subdivision and shall be known as the revolving fund for vocational  
56.17 rehabilitation of the blind. It shall be used for the purchase of equipment and supplies  
56.18 for establishing and operating of vending stands by blind persons. All income, receipts,  
56.19 earnings, and federal ~~grants~~ vending machine income due to the operation ~~thereof~~ of  
56.20 vending stands operated under this subdivision shall also be paid into the fund. All interest  
56.21 earned on money accrued in the fund must be credited to the fund by the commissioner of  
56.22 finance. All equipment, supplies, and expenses for setting up these stands shall be paid  
56.23 for from the fund.

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

- 56.28 (1) purchase, upkeep and replacement of equipment;
- 56.29 (2) expenses incidental to the setting up of new stands and improvement of old  
56.30 stands;
- 56.31 (3) reimbursement under section 15.059 to individual blind vending operators  
56.32 for reasonable expenses incurred in attending supervisory meetings as called by the  
56.33 commissioner and other expenditures for management services consistent with federal  
56.34 law; and

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

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

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

57.15 (e) The commissioner shall issue each license for the operation of a vending stand  
57.16 or vending machine for an indefinite period but may terminate any license in the manner  
57.17 provided. In granting licenses for new or vacated stands preference on the basis of  
57.18 seniority of experience in operating stands under the control of the commissioner shall  
57.19 be given to capable operators who are deemed competent to handle the enterprise under  
57.20 consideration. Application of this preference shall not prohibit the commissioner from  
57.21 selecting an operator from the community in which the stand is located.

57.22 Sec. 37. Minnesota Statutes 2008, section 256J.626, subdivision 4, is amended to read:

57.23 Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1,  
57.24 2004, and each two-year period thereafter, each county and tribe must have in place an  
57.25 approved biennial service agreement related to the services and programs in this chapter.  
57.26 In counties with a city of the first class with a population over 300,000, the county must  
57.27 consider a service agreement that includes a jointly developed plan for the delivery of  
57.28 employment services with the city. Counties may collaborate to develop multicounty,  
57.29 multitribal, or regional service agreements.

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

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

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

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

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

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

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

58.14 (d) The service agreement must be submitted to the commissioner by October 15,  
58.15 2003, and October 15 of each second year thereafter. The county or tribe must allow  
58.16 a period of not less than 30 days prior to the submission of the agreement to solicit  
58.17 comments from the public on the contents of the agreement.

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

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

58.24 Sec. 38. Minnesota Statutes 2008, section 256J.66, subdivision 1, is amended to read:

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

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

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

59.5 Sec. 39. Minnesota Statutes 2008, section 268A.06, subdivision 1, is amended to read:

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

59.14 Sec. 40. Minnesota Statutes 2008, section 469.169, subdivision 3, is amended to read:

59.15 Subd. 3. **Evaluation of applications.** (a) The commissioner shall review and  
59.16 evaluate the applications submitted pursuant to subdivision 2 and shall determine whether  
59.17 each area is eligible for designation as an enterprise zone. In determining whether an  
59.18 area is eligible under section 469.168, subdivision 4, paragraph (a), if unemployment,  
59.19 employment, income, or other necessary data are not available for the area from the  
59.20 federal departments of labor or commerce or the state demographer, the commissioner  
59.21 may rely upon other data submitted by the municipality if the commissioner determines it  
59.22 is statistically reliable or accurate. The commissioner, together with the commissioner  
59.23 of revenue, shall prepare an estimate of the amount of state tax revenue which will be  
59.24 foregone for each application if the area is designated as a zone.

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

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

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

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

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

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

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

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

60.13 (8) other relevant factors that the commissioner specifies in the commissioner's  
60.14 recommendations.

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

60.18 Sec. 41. **ECONOMIC DEVELOPMENT STRATEGY WORKING GROUP.**

60.19 (a) An 18-member bipartisan working group with members from all geographic  
60.20 areas of the state to develop an economic development strategy to guide job and business  
60.21 growth in Minnesota and to strengthen the state's economy is established. The working  
60.22 group consists of six members of the house of representatives and three members of the  
60.23 public appointed by the speaker of the house and six members of the senate and three  
60.24 members of the public appointed by the subcommittee on committees of the senate.  
60.25 The working group is responsible to review and analyze Minnesota's current economic  
60.26 development strategy and make recommendations on improvements according to this  
60.27 section. The Legislative Coordinating Commission under Minnesota Statutes, section  
60.28 3.303, must provide staff support for the working group.

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

60.30 (1) perform best practices research on economic development principles to apply  
60.31 to Minnesota;

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

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

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

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

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

61.11 Sec. 42. **APPROPRIATION; GREEN ENTERPRISE ASSISTANCE.**

61.12 The remaining balance of the fiscal year 2009 special revenue fund appropriation for  
61.13 the Green Jobs Task Force under Laws 2008, chapter 363, article 6, section 3, subdivision  
61.14 4, is transferred and appropriated to the commissioner of employment and economic  
61.15 development for the purposes of green enterprise assistance under Minnesota Statutes,  
61.16 section 116J.438. This appropriation is available until spent.

61.17 Sec. 43. **REVISOR'S INSTRUCTION.**

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

61.21 Sec. 44. **REPEALER.**

61.22 Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431, subdivision 5;  
61.23 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; and 116U.65, are  
61.24 repealed.

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

### 61.26 **ARTICLE 3**

### 61.27 **UNEMPLOYMENT INSURANCE POLICY**

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

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

61.30 (a) The state or political subdivision may elect to be a taxpaying employer for any  
61.31 calendar year if a notice of election is filed within 30 calendar days following January 1 of  
61.32 that calendar year. Upon election, the state or political subdivision must be assigned the  
61.33 new employer tax rate under section 268.051, subdivision 5, for the calendar year of the

62.1 election and unless or until it qualifies for an experience rating under section 268.051,  
62.2 subdivision 3.

62.3 (b) An election is for a minimum period of two calendar years following the effective  
62.4 date of the election and continue unless a notice terminating the election is filed not later  
62.5 than 30 calendar days before the beginning of the calendar year. The termination is  
62.6 effective at the beginning of the next calendar year. ~~Upon election, the commissioner shall~~  
62.7 ~~establish a reimbursable account for the state or political subdivision. A termination of~~  
62.8 ~~election is allowed only if the state or political subdivision has, since the beginning of the~~  
62.9 ~~experience rating period under section 268.051, subdivision 3, paid taxes equal to or more~~  
62.10 ~~than 125 percent of the unemployment benefits used in computing the experience rating. In~~  
62.11 ~~addition, any unemployment benefits paid after the experience rating period are transferred~~  
62.12 ~~to the new reimbursable account of the state or political subdivision. If the amount of taxes~~  
62.13 ~~paid since the beginning of the experience rating period exceeds 125 percent of the amount~~  
62.14 ~~of unemployment benefits paid during the experience rating period, that amount in excess~~  
62.15 ~~is applied against any unemployment benefits paid after the experience rating period.~~

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

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

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

62.22 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in  
62.23 covered employment must pay taxes on a quarterly basis in accordance with section  
62.24 268.051 unless it elects to make reimbursements to the trust fund the amount of  
62.25 unemployment benefits charged to its reimbursable account under section 268.047.

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

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

62.33 (c) A nonprofit organization that has been making reimbursements that files a notice  
62.34 of termination of election must be assigned the new employer tax rate under section

63.1 268.051, subdivision 5, for the calendar year of the termination of election and unless or  
63.2 until it qualifies for an experience rating under section 268.051, subdivision 3.

63.3 (d) Any nonprofit organization that has been paying taxes may elect to make  
63.4 reimbursements by filing no less than 30 calendar days before January 1 of any calendar  
63.5 year a notice of election. ~~Upon election, the commissioner shall establish a reimbursable~~  
63.6 ~~account for the nonprofit organization. An election is allowed only if the nonprofit~~  
63.7 ~~organization has, since the beginning of the experience rating period under section~~  
63.8 ~~268.051, subdivision 3, paid taxes equal to or more than 125 percent of the unemployment~~  
63.9 ~~benefits used in computing the experience rating. In addition, any unemployment benefits~~  
63.10 ~~paid after the experience rating period are transferred to the new reimbursable account~~  
63.11 ~~of the nonprofit organization. If the amount of taxes paid since the beginning of the~~  
63.12 ~~experience rating period exceeds 125 percent of the amount of unemployment benefits~~  
63.13 ~~paid during the experience rating period, that amount in excess is applied against any~~  
63.14 ~~unemployment benefits paid after the experience rating period. The election is not~~  
63.15 terminable by the organization for that and the next calendar year.

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

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

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

63.21 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

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

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

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

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

64.2 **268.067 COMPROMISE.**

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

64.8 (b) The commissioner may at any time compromise any ~~amount~~ unemployment  
64.9 insurance tax or reimbursement due from an employer under this chapter or section  
64.10 116L.20.

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

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

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

64.16 Subd. 2. **Unemployment benefits paid from state funds.** Unemployment benefits  
64.17 are paid from state funds and are not considered paid from any special insurance plan,  
64.18 nor as paid by an employer. An application for unemployment benefits is not considered  
64.19 a claim against an employer but is considered a request for unemployment benefits  
64.20 from the trust fund. The commissioner has the responsibility for the proper payment of  
64.21 unemployment benefits regardless of the level of interest or participation by an applicant or  
64.22 an employer in any determination or appeal. An applicant's entitlement to unemployment  
64.23 benefits must be determined based upon that information available ~~without regard to any~~  
64.24 ~~burden of proof~~, and any agreement between an applicant and an employer is not binding  
64.25 on the commissioner in determining an applicant's entitlement. There is no presumption of  
64.26 entitlement or nonentitlement to unemployment benefits.

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

64.28 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for  
64.29 unemployment benefits is effective the Sunday of the calendar week that the application  
64.30 was filed. ~~Upon specific request of an applicant,~~ An application for unemployment benefits  
64.31 may be backdated one calendar week before the Sunday of the week the application was  
64.32 actually filed if the applicant requests the backdating at the time the application is filed.  
64.33 An application may be backdated only if the applicant ~~was unemployed throughout~~ had  
64.34 no employment during the period of the backdating. If an individual attempted to file an

65.1 application for unemployment benefits, but was prevented from filing an application by  
65.2 the department, the application is effective the Sunday of the calendar week the individual  
65.3 first attempted to file an application.

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

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

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

65.9 (2) a new application for unemployment benefits is filed and a new benefit account is  
65.10 established at the time of the withdrawal; ~~and.~~

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

65.13 A determination or amended determination of eligibility or ineligibility issued under  
65.14 section 268.101, that was ~~issued~~ sent before the withdrawal of the benefit account, remains  
65.15 in effect and is not voided by the withdrawal of the benefit account. A determination of  
65.16 ineligibility requiring subsequent earnings to satisfy the period of ineligibility under  
65.17 section 268.095, subdivision 10, applies to the weekly unemployment benefit amount on  
65.18 the new benefit account.

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

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

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

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

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

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

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

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

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

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

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

66.22 **EFFECTIVE DATE.** This section is effective the day following final enactment  
66.23 and is retroactive to December 1, 2008.

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

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

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

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

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

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

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

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

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

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

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

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

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

67.22 (d) An applicant who has restrictions on the hours of the day or days of the week  
67.23 that the applicant can or will work, that are not normal for the applicant's usual occupation  
67.24 or other suitable employment, is not "available for suitable employment." An applicant  
67.25 must be available for daytime employment, if suitable employment is performed during  
67.26 the daytime, even though the applicant previously worked the night shift.

67.27 ~~(e) An applicant must have transportation throughout the labor market area to be~~  
67.28 ~~considered "available for suitable employment."~~

67.29 Sec. 10. **[268.088] BENEFITS PAID DURING CERTAIN VOLUNTARY**  
67.30 **UNEMPLOYMENT.**

67.31 (a) An applicant who elects to become temporarily unemployed in order to avoid  
67.32 the layoff of another employee with the applicant's employer due to lack of work is  
67.33 not ineligible for benefits under the leave of absence provisions of section 268.085,  
67.34 subdivision 13a, nor ineligible under the quit provisions of section 268.095, if:

68.1           (1) the election is authorized under a collective bargaining agreement or written  
68.2 employer policy;

68.3           (2) the employer has accepted the applicant's election;

68.4           (3) the employer provides a written certification that is provided to the department  
68.5 that the applicant's election prevented another employee with the employer from being  
68.6 laid off due to lack of work; and

68.7           (4) both the applicant and the employer, at the time of the election, expect the  
68.8 applicant's unemployment from the employer to be temporary.

68.9           (b) In addition to the requirements of paragraph (a), for unemployment benefits to be  
68.10 payable, an applicant must meet all the other benefit eligibility requirements under this  
68.11 chapter, including being available for suitable employment with a different employer.

68.12           Sec. 11. Minnesota Statutes 2008, section 268.095, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

69.5 If the applicant's serious illness is chemical dependency, this exception does not  
69.6 apply if the applicant was previously diagnosed as chemically dependent or had treatment  
69.7 for chemical dependency, and since that diagnosis or treatment has failed to make  
69.8 consistent efforts to control the chemical dependency.

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

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

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

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

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

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

69.25 (iii) documentation that the perpetrator of the domestic abuse has been convicted  
69.26 of the offense of domestic abuse;

69.27 (iv) medical documentation of domestic abuse; or

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

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

69.33 Sec. 12. Minnesota Statutes 2008, section 268.095, subdivision 2, is amended to read:

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

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

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

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

70.14 This paragraph applies only if, at the time of beginning of employment with the  
70.15 staffing service employer, the applicant signed and was provided a copy of a separate  
70.16 document written in clear and concise language that informed the applicant of this  
70.17 paragraph and that unemployment benefits may be affected.

70.18 For purposes of this paragraph, "good cause" is a reason that is significant and  
70.19 would compel an average, reasonable worker, who would otherwise want an additional  
70.20 temporary job assignment with the staffing service employer, (1) to fail to contact the  
70.21 staffing service employer, or (2) to refuse an offered assignment.

70.22 For purposes of this paragraph, a "staffing service employer" is an employer whose  
70.23 business involves employing individuals directly for the purpose of furnishing temporary  
70.24 job assignment workers to clients of the staffing service.

70.25 Sec. 13. Minnesota Statutes 2008, section 268.103, is amended by adding a subdivision  
70.26 to read:

70.27 Subd. 2a. **Employer-agent appeals filed online.** (a) If an agent files an appeal on  
70.28 behalf of an employer, the appeal must be filed online. The appeal must be filed through  
70.29 the electronic address provided on the determination being appealed. Use of another  
70.30 method of filing does not constitute an appeal. This paragraph does not apply to an  
70.31 employee filing an appeal on behalf of an employer.

70.32 (b) All information requested when the appeal is filed must be supplied or the  
70.33 communication does not constitute an appeal.

70.34 Sec. 14. Minnesota Statutes 2008, section 268.18, subdivision 4a, is amended to read:

71.1 Subd. 4a. **Court fees; collection fees.** (a) If the commissioner is required to pay any  
71.2 court fees in an attempt to enforce collection of overpaid unemployment benefits, penalties,  
71.3 or interest, the commissioner may add the amount of the court fees to the total amount due.

71.4 (b) If an applicant who has been determined overpaid unemployment benefits  
71.5 because of fraud seeks to have any portion of the debt discharged under the federal  
71.6 bankruptcy code, and the commissioner files an objection in bankruptcy court to the  
71.7 discharge, the commissioner may add the commissioner's cost of any court fees to the debt  
71.8 if the bankruptcy court does not discharge the debt.

71.9 (c) If the Internal Revenue Service assesses the commissioner a fee for offsetting  
71.10 from a federal tax refund the amount of any fraud overpayment, including penalties and  
71.11 interest, the amount of the fee may be added to the total amount due. The offset amount  
71.12 must be put in the trust fund and that amount credited to the total amount due from the  
71.13 applicant.

71.14 Sec. 15. Minnesota Statutes 2008, section 268.186, is amended to read:

71.15 **268.186 RECORDS; AUDITS.**

71.16 (a) Each employer must keep true and accurate records for the periods of time and  
71.17 containing the information the commissioner may require by rule. For the purpose of  
71.18 administering this chapter, the commissioner has the power to audit, examine, or cause to  
71.19 be supplied or copied, any books, correspondence, papers, records, or memoranda that  
71.20 are relevant, whether the books, correspondence, papers, records, or memoranda are the  
71.21 property of or in the possession of the employer or any other person at any reasonable  
71.22 time and as often as may be necessary.

71.23 (b) Any employer that refuses to allow an audit of its records by the department, or  
71.24 that fails to make all necessary records available for audit in Minnesota upon request of  
71.25 the commissioner, may be assessed an administrative penalty of \$500. An employer that  
71.26 fails to provide a weekly breakdown of money earned by an applicant upon request of the  
71.27 commissioner, information necessary for the detection of applicant fraud under section  
71.28 268.18, subdivision 2, may be assessed an administrative penalty of \$100. Any notice  
71.29 requesting a weekly breakdown must clearly state that a \$100 penalty may be assessed for  
71.30 failure to provide the information. The penalty collected is credited to the ~~administration~~  
71.31 ~~account to be used by the commissioner to ensure integrity in the administration of the~~  
71.32 ~~unemployment insurance program trust fund.~~

71.33 (c) The commissioner may make summaries, compilations, photographs,  
71.34 duplications, or reproductions of any records, or reports that the commissioner considers  
71.35 advisable for the preservation of the information contained therein. Any summaries,

72.1 compilations, photographs, duplications, or reproductions is admissible in any proceeding  
72.2 under this chapter. The commissioner may duplicate records, reports, summaries,  
72.3 compilations, instructions, determinations, or any other written or recorded matter  
72.4 pertaining to the administration of this chapter.

72.5 (d) Regardless of any law to the contrary, the commissioner may provide for the  
72.6 destruction of any records, reports, or reproductions, or other papers that are no longer  
72.7 necessary for the administration of this chapter, including any required audit. In addition,  
72.8 the commissioner may provide for the destruction or disposition of any record, report,  
72.9 or other paper from which the information has been electronically captured and stored,  
72.10 or that has been photographed, duplicated, or reproduced.

72.11 Sec. 16. **ENTREPRENEURSHIP FOR DISLOCATED WORKERS.**

72.12 Subdivision 1. Authorization. Minnesota has been awarded a federal grant by the  
72.13 United States Department of Labor under the Project GATE (Growing America Through  
72.14 Entrepreneurship) program to assist certain dislocated workers in starting a business.  
72.15 Providing unemployment benefits while the dislocated worker is receiving services such  
72.16 as entrepreneurial training, business counseling, and technical assistance will assist in the  
72.17 success of this pilot project. In order to provide unemployment benefits, the commissioner  
72.18 of employment and economic development is authorized to waive the availability for  
72.19 suitable employment requirements of Minnesota Statutes, section 268.085, subdivision 1,  
72.20 as well as the earnings deductibility provisions of Minnesota Statutes, section 268.085,  
72.21 subdivision 5, for individuals enrolled in this pilot project.

72.22 Subd. 2. Limitations. A maximum of 500 applicants for unemployment benefits are  
72.23 authorized to receive a waiver.

72.24 Subd. 3. Expiration date. The authorization under subdivision 1 expires June  
72.25 30, 2012.

72.26 Sec. 17. **EFFECTIVE DATE.**

72.27 Sections 1 to 6, 8 to 12, 14, and 15 are effective August 2, 2009, and apply to all  
72.28 department determinations and unemployment law judge decisions issued on or after that  
72.29 date. Section 13 is effective April 1, 2010, and applies to all department determinations  
72.30 and unemployment law judge decisions issued on or after that date. Section 7 is effective  
72.31 retroactively from December 1, 2008. Section 16 is effective the day following final  
72.32 enactment.

73.1 **ARTICLE 4**

73.2 **UNEMPLOYMENT INSURANCE TECHNICAL CHANGES**

73.3 Section 1. Minnesota Statutes 2008, section 268.031, is amended to read:

73.4 **268.031 STANDARD OF PROOF.**

73.5 Subdivision 1. **Standard of proof.** All issues of fact under the Minnesota  
73.6 Unemployment Insurance Law are determined by a preponderance of the evidence.  
73.7 ~~Preponderance of the evidence means evidence in substantiation of a fact that, when~~  
73.8 ~~weighed against the evidence opposing the fact, is more convincing and has a greater~~  
73.9 ~~probability of truth.~~

73.10 Subd. 2. **Statutory application.** This chapter is remedial in nature and must be  
73.11 applied in favor of awarding unemployment benefits. Any legal conclusion that results in  
73.12 an applicant being ineligible for unemployment benefits must be fully supported by the  
73.13 facts. In determining eligibility or ineligibility for benefits, any statutory provision that  
73.14 would preclude an applicant from receiving benefits must be narrowly construed.

73.15 Sec. 2. **[268.034] COMPUTATIONS OF MONEY ROUNDED DOWN.**

73.16 Computations of money required under this chapter that do not result in a whole  
73.17 dollar are rounded down to the next lower whole dollar, unless specifically provided  
73.18 otherwise by law.

73.19 Sec. 3. Minnesota Statutes 2008, section 268.035, subdivision 2, is amended to read:

73.20 Subd. 2. **Agricultural employment.** "Agricultural employment" means services:

73.21 (1) on a farm, in the employ of any person or family farm corporation in connection  
73.22 with cultivating the soil, or in connection with raising or harvesting any agricultural or  
73.23 horticultural commodity, including the raising, shearing, feeding, caring for, training, and  
73.24 management of livestock, bees, poultry, fur-bearing animals, and wildlife;

73.25 (2) in the employ of the owner or tenant or other operator of a farm, in connection  
73.26 with the operation, management, conservation, improvement, or maintenance of the farm  
73.27 and its tools and equipment, or in salvaging timber or clearing land of brush and other  
73.28 debris left by a tornado-like storm, if the major part of the employment is performed  
73.29 on a farm;

73.30 (3) in connection with the production or harvesting of any commodity defined as  
73.31 an agricultural product in United States Code, title 7, section 1626 of the Agricultural  
73.32 Marketing Act, or in connection with cotton ginning, or in connection with the operation

74.1 or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for  
74.2 profit, used exclusively for supplying and storing water for farming purposes;

74.3 (4) in the employ of the operator of a farm in handling, planting, drying, packing,  
74.4 packaging, processing, freezing, grading, storing, or delivering to storage or to market  
74.5 or to a carrier for transportation to market, in its unmanufactured state, any agricultural  
74.6 or horticultural commodity; but only if the operator produced more than one-half of  
74.7 the commodity with respect to which the employment is performed, or in the employ  
74.8 of a group of operators of farms or a cooperative organization of which the operators  
74.9 are members, but only if the operators produced more than one-half of the commodity  
74.10 with respect to which the employment is performed; however, this clause ~~shall~~ is not  
74.11 ~~be~~ applicable to employment performed in connection with commercial canning or  
74.12 commercial freezing or in connection with any agricultural or horticultural commodity  
74.13 after its delivery to a terminal market for distribution for consumption; or

74.14 (5) on a farm operated for profit if the employment is not in the course of the  
74.15 employer's trade or business.

74.16 For purposes of this subdivision, the term "farm" includes stock, dairy, poultry, fruit,  
74.17 fur-bearing animals, and truck farms, plantations, ranches, nurseries, orchards, ranges,  
74.18 greenhouses, or other similar structures used primarily for the raising of agricultural or  
74.19 horticultural commodities.

74.20 Sec. 4. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision  
74.21 to read:

74.22 Subd. 9a. **Construction; independent contractor.** For purposes of this chapter,  
74.23 section 181.723 determines whether a worker is an independent contractor or an employee  
74.24 when performing public or private sector commercial or residential building construction  
74.25 or improvement services.

74.26 Sec. 5. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision  
74.27 to read:

74.28 Subd. 12c. **Determination.** "Determination" means a document sent to an applicant  
74.29 or employer by mail or electronic transmission that is an initial department ruling on a  
74.30 specific issue. All documents that are determinations under this chapter use that term in  
74.31 the title of the document and are appealable to an unemployment law judge under section  
74.32 268.105, subdivision 1.

74.33 Sec. 6. Minnesota Statutes 2008, section 268.035, subdivision 17, is amended to read:

75.1 Subd. 17. **Filing; filed.** "Filing" or "filed" means the personal delivery of any  
75.2 ~~document~~ an application, appeal, or other required action to the commissioner or any of  
75.3 the commissioner's agents, or ~~the depositing of the document~~ if done by mail, deposited  
75.4 in the United States mail properly addressed to the department with postage prepaid, in  
75.5 which case ~~the document~~ it is considered filed on the day indicated by the cancellation  
75.6 mark of the United States Postal Service.

75.7 ~~If, where allowed,~~ an application, appeal, or other required action is made by  
75.8 electronic transmission, it is considered filed on the day received by the department.

75.9 Sec. 7. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision  
75.10 to read:

75.11 Subd. 20a. **Preponderance of the evidence.** "Preponderance of the evidence"  
75.12 means evidence in substantiation of a fact that, when weighed against the evidence  
75.13 opposing the fact, is more convincing and has a greater probability of truth.

75.14 Sec. 8. Minnesota Statutes 2008, section 268.042, subdivision 3, is amended to read:

75.15 Subd. 3. **Election to have noncovered employment considered covered**  
75.16 **employment.** (a) Any employer that has employment performed for it that is noncovered  
75.17 employment under section 268.035, subdivision 20, may file with the commissioner, by  
75.18 electronic transmission in a format prescribed by the commissioner, an election that all  
75.19 employees in that class of employment, in one or more distinct establishments or places  
75.20 of business, is considered covered employment for not less than two calendar years.  
75.21 The commissioner has discretion on the approval of any election. Upon the approval of  
75.22 the commissioner, sent by mail or electronic transmission, the employment constitutes  
75.23 covered employment beginning the calendar quarter after the date of approval or  
75.24 beginning a later calendar quarter if requested by the employer. The employment ceases to  
75.25 be considered covered employment as of the first day of January of any calendar year only  
75.26 if at least 30 calendar days before the first day of January the employer has filed with the  
75.27 commissioner, by electronic transmission in a format prescribed by the commissioner, a  
75.28 notice to that effect.

75.29 (b) The commissioner must terminate any election agreement under this subdivision  
75.30 upon 30 calendar days' notice sent by mail or electronic transmission, if the employer is  
75.31 delinquent on any taxes due or reimbursements due the trust fund.

75.32 Sec. 9. Minnesota Statutes 2008, section 268.043, is amended to read:

75.33 **268.043 DETERMINATIONS OF COVERAGE.**

76.1 (a) The commissioner, upon the commissioner's own motion or upon application  
76.2 of a person, ~~shall~~ must determine if that person is an employer or whether services  
76.3 performed for it constitute employment and covered employment, or whether ~~the~~ any  
76.4 compensation ~~for services~~ constitutes wages, and notify the person of the determination.  
76.5 The determination is final unless the person, files an appeal within 20 calendar days  
76.6 after ~~sending of the determination~~ the commissioner sends the determination by mail  
76.7 or electronic transmission, ~~files an appeal~~. Proceedings on the appeal are conducted in  
76.8 accordance with section 268.105.

76.9 (b) No person may be initially determined an employer, or that services performed  
76.10 for it were in employment or covered employment, for periods more than four years  
76.11 before the year in which the determination is made, unless the commissioner finds that  
76.12 there was fraudulent action to avoid liability under this chapter.

76.13 Sec. 10. Minnesota Statutes 2008, section 268.044, subdivision 2, is amended to read:

76.14 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to  
76.15 submit the quarterly wage detail report when due must pay a late fee of \$10 per employee,  
76.16 computed based upon the highest of:

76.17 (1) the number of employees reported on the last wage detail report submitted;

76.18 (2) the number of employees reported in the corresponding quarter of the prior  
76.19 calendar year; or

76.20 (3) if no wage detail report has ever been submitted, the number of employees  
76.21 listed at the time of employer registration.

76.22 The late fee is ~~waived~~ canceled if the wage detail report is received within 30  
76.23 calendar days after a demand for the report is sent to the employer by mail or electronic  
76.24 transmission. A late fee assessed an employer may not be ~~waived~~ canceled more than  
76.25 twice each 12 months. The amount of the late fee assessed may not be less than \$250.

76.26 (b) If the wage detail report is not received in a manner and format prescribed by the  
76.27 commissioner within 30 calendar days after demand is sent under paragraph (a), the late  
76.28 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the  
76.29 increased late fee will be sent to the employer by mail or electronic transmission.

76.30 (c) Late fees due under this subdivision may be ~~compromised~~ canceled, in whole or  
76.31 in part, under section ~~268.067~~ 268.066 where good cause for late submission is found by  
76.32 the commissioner.

76.33 Sec. 11. Minnesota Statutes 2008, section 268.047, subdivision 1, is amended to read:

77.1           Subdivision 1. **General rule.** Unemployment benefits paid to an applicant,  
77.2 including extended and shared work benefits, will be used in computing the future  
77.3 tax rate of a taxpaying base period employer or charged to the reimbursable account  
77.4 of a base period nonprofit or government employer that has elected to be liable for  
77.5 reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment  
77.6 benefits used in computing the future tax rate of taxpaying employers or charged to the  
77.7 reimbursable account of a nonprofit or government employer that has elected to be liable  
77.8 for reimbursements is the same percentage of the total amount of unemployment benefits  
77.9 paid as the percentage of wage credits from the employer is of the total amount of wage  
77.10 credits from all the applicant's base period employers.

77.11           ~~In making computations under this subdivision, the amount of wage credits, if not a~~  
77.12 ~~whole dollar, must be computed to the nearest whole dollar.~~

77.13           Sec. 12. Minnesota Statutes 2008, section 268.047, subdivision 2, is amended to read:

77.14           Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be  
77.15 used in computing the future tax rate of a taxpaying base period employer or charged to  
77.16 the reimbursable account of a base period nonprofit or government employer that has  
77.17 elected to be liable for reimbursements when:

77.18           (1) the applicant was discharged from the employment because of aggravated  
77.19 employment misconduct as determined under section 268.095. This exception applies  
77.20 only to unemployment benefits paid for periods after the applicant's discharge from  
77.21 employment;

77.22           (2) an applicant's discharge from that employment occurred because a law required  
77.23 removal of the applicant from the position the applicant held;

77.24           ~~(3) the employer is in the tourist or recreation industry and is in active operation of~~  
77.25 ~~business less than 15 calendar weeks each year and the applicant's wage credits from the~~  
77.26 ~~employer are less than 600 times the applicable state or federal minimum wage;~~

77.27           ~~(4)~~ (3) the employer provided regularly scheduled part-time employment to the  
77.28 applicant during the applicant's base period and continues to provide the applicant with  
77.29 regularly scheduled part-time employment during the benefit year of at least 90 percent  
77.30 of the part-time employment provided in the base period, and is an involved employer  
77.31 because of the applicant's loss of other employment. This exception terminates effective  
77.32 the first week that the employer fails to meet the benefit year employment requirements.  
77.33 This exception applies to educational institutions without consideration of the period  
77.34 between academic years or terms;

78.1 ~~(5)~~ (4) the employer is a fire department or firefighting corporation or operator  
78.2 of a life-support transportation service, and continues to provide employment for the  
78.3 applicant as a volunteer firefighter or a volunteer ambulance service personnel during the  
78.4 benefit year on the same basis that employment was provided in the base period. This  
78.5 exception terminates effective the first week that the employer fails to meet the benefit  
78.6 year employment requirements;

78.7 ~~(6)~~ (5) the applicant's unemployment from this employer was a direct result of  
78.8 the condemnation of property by a governmental agency, a fire, flood, or act of nature,  
78.9 where 25 percent or more of the employees employed at the affected location, including  
78.10 the applicant, became unemployed as a result. This exception does not apply where the  
78.11 unemployment was a direct result of the intentional act of the employer or a person acting  
78.12 on behalf of the employer;

78.13 ~~(7)~~ (6) the unemployment benefits were paid by another state as a result of the  
78.14 transferring of wage credits under a combined wage arrangement provided for in section  
78.15 268.131;

78.16 ~~(8)~~ (7) the applicant stopped working because of a labor dispute at the applicant's  
78.17 primary place of employment if the employer was not a party to the labor dispute;

78.18 ~~(9)~~ (8) the unemployment benefits were determined overpaid unemployment benefits  
78.19 under section 268.18;

78.20 ~~(10)~~ (9) the applicant was employed as a replacement worker, for a period of six  
78.21 months or longer, for an employee who is in the military reserve and was called for active  
78.22 duty during the time the applicant worked as a replacement, and the applicant was laid off  
78.23 because the employee returned to employment after active duty; or

78.24 ~~(11)~~ (10) the trust fund was reimbursed for the unemployment benefits by the  
78.25 federal government.

78.26 Sec. 13. Minnesota Statutes 2008, section 268.051, subdivision 1, is amended to read:

78.27 Subdivision 1. **Payments.** (a) Unemployment insurance taxes and any special  
78.28 assessments, fees, or surcharges accrue and become payable by each employer for each  
78.29 calendar year on the taxable wages that the employer paid to employees in covered  
78.30 employment, except for:

78.31 (1) nonprofit organizations that elect to make reimbursements as provided in section  
78.32 268.053; and

78.33 (2) the state of Minnesota and political subdivisions that make reimbursements,  
78.34 unless they elect to pay taxes as provided in section 268.052.

79.1 Each employer must pay taxes quarterly, at the employer's assigned tax rate under  
79.2 subdivision 6, on the taxable wages paid to each employee. The commissioner must  
79.3 compute the tax due from the wage detail report required under section 268.044 and notify  
79.4 the employer of the tax due. The taxes and any special assessments, fees, or surcharges  
79.5 must be paid to the trust fund and must be received by the department on or before the last  
79.6 day of the month following the end of the calendar quarter.

79.7 (b) ~~The tax amount computed, if not a whole dollar, is rounded down to the next~~  
79.8 ~~lower whole dollar.~~

79.9 (e) If for any reason the wages on the wage detail report under section 268.044 are  
79.10 adjusted for any quarter, the commissioner must recompute the taxes due for that quarter  
79.11 and assess the employer for any amount due or credit the employer as appropriate.

79.12 Sec. 14. Minnesota Statutes 2008, section 268.051, subdivision 4, is amended to read:

79.13 Subd. 4. **Experience rating history transfer.** (a) When:

79.14 (1) a taxpaying employer acquires all of the organization, trade or business, or  
79.15 workforce of another taxpaying employer; and

79.16 (2) there is 25 percent or more common ownership or there is substantially common  
79.17 management or control between the predecessor and successor, the experience rating  
79.18 history of the predecessor employer is transferred to the successor employer.

79.19 (b) When:

79.20 (1) a taxpaying employer acquires a portion, but less than all, of the organization,  
79.21 trade or business, or workforce of another taxpaying employer; and

79.22 (2) there is 25 percent or more common ownership or there is substantially common  
79.23 management or control between the predecessor and successor, the successor employer  
79.24 acquires, as of the date of acquisition, the experience rating history attributable to the  
79.25 portion it acquired, and the predecessor employer retains the experience rating history  
79.26 attributable to the portion that it has retained. If the commissioner determines that  
79.27 sufficient information is not available to substantiate that a distinct severable portion  
79.28 was acquired and to assign the appropriate distinct severable portion of the experience  
79.29 rating history, the commissioner ~~shall~~ must assign the successor employer that percentage  
79.30 of the predecessor employer's experience rating history equal to that percentage of  
79.31 the employment positions it has obtained, and the predecessor employer retains that  
79.32 percentage of the experience rating history equal to the percentage of the employment  
79.33 positions it has retained.

80.1 (c) The term "common ownership" for purposes of this subdivision includes  
80.2 ownership by a spouse, parent, grandparent, child, grandchild, brother, sister, aunt, uncle,  
80.3 niece, nephew, or first cousin, by birth or by marriage.

80.4 (d) Each successor employer that is subject to paragraph (a) or (b) must notify the  
80.5 commissioner of the acquisition by electronic transmission, in a format prescribed by the  
80.6 commissioner, within 30 calendar days of the date of acquisition. Any successor employer  
80.7 that fails to notify the commissioner is subject to the penalties under section 268.184,  
80.8 subdivision 1a, if the successor's ~~experience rating~~ assigned tax rate under subdivision 2  
80.9 or 5 was lower than the predecessor's ~~experience rating~~ assigned tax rate at the time of  
80.10 the acquisition. Payments made toward the penalties are credited to the administration  
80.11 account to be used to ensure integrity in the unemployment insurance program.

80.12 (e) If the successor employer under paragraphs (a) and (b) had an experience rating  
80.13 at the time of the acquisition, the transferred experience rating history of the predecessor  
80.14 is combined with the successor's experience rating history for purposes of recomputing  
80.15 a tax rate.

80.16 (f) If there has been a transfer of an experience rating history under paragraph (a) or  
80.17 (b), employment with a predecessor employer is not considered to have been terminated if  
80.18 similar employment is offered by the successor employer and accepted by the employee.

80.19 (g) The commissioner, upon notification of an employer, or upon the commissioner's  
80.20 own motion if the employer fails to provide the required notification, ~~shall~~ must determine  
80.21 if an employer is a successor within the meaning of this subdivision. The commissioner  
80.22 ~~shall~~ must, after determining the issue of succession or nonsuccession, recompute the tax  
80.23 rate under subdivision 6 of all employers affected. The commissioner ~~shall~~ must send the  
80.24 recomputed tax rate to all affected employers by mail or electronic transmission. Any  
80.25 affected employer may appeal the recomputed tax rate in accordance with the procedures  
80.26 in subdivision 6, paragraph (c).

80.27 (h) The "experience rating history" for purposes of this subdivision and subdivision  
80.28 4a means the amount of unemployment benefits paid and the taxable wages that are being  
80.29 used and would be used in computing the current and any future experience rating.

80.30 For purposes of this chapter, an "acquisition" means anything that results in the  
80.31 obtaining by the successor employer, in any way or manner, of the organization, trade or  
80.32 business, or workforce of the predecessor employer.

80.33 A "distinct severable portion" in paragraph (b) means a location or unit separately  
80.34 identifiable within the employer's wage detail report under section 268.044.

80.35 (i) Regardless of the ownership, management, or control requirements of paragraph  
80.36 (a), if there is an acquisition or merger of a publicly held corporation by or with another

81.1 publicly held corporation the experience rating histories of the corporations are combined  
81.2 as of the date of acquisition or merger for the purpose of recomputing a tax rate.

81.3 Sec. 15. Minnesota Statutes 2008, section 268.057, subdivision 4, is amended to read:

81.4 Subd. 4. **Costs.** (a) Any person employer, and any applicant subject to section  
81.5 268.18, subdivision 2, that fails to pay any amount when due under this chapter is liable  
81.6 for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public  
81.7 or private collection agency, or litigation costs, including attorney fees, incurred in the  
81.8 collection of the amounts due.

81.9 (b) If any tendered payment of any amount due is not honored when presented to  
81.10 a financial institution for payment, any costs assessed the department by the financial  
81.11 institution and a fee of \$25 must be assessed to the person.

81.12 (c) Costs and fees collected under this subdivision are credited to the administration  
81.13 account ~~to be used by the commissioner to ensure integrity in the administration of the~~  
81.14 ~~unemployment insurance program.~~

81.15 Sec. 16. Minnesota Statutes 2008, section 268.057, subdivision 5, is amended to read:

81.16 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer  
81.17 under this chapter or section 116L.20, except late fees under section 268.044, are not  
81.18 received on the date due the unpaid balance bears interest at the rate of one and one-half  
81.19 percent per month or any part thereof. ~~Interest assessed, if not a whole dollar amount,~~  
81.20 ~~is rounded down to the next lower whole dollar.~~ Interest collected is credited to the  
81.21 contingent account. ~~Interest may be compromised under section 268.067.~~

81.22 Sec. 17. Minnesota Statutes 2008, section 268.0625, subdivision 1, is amended to read:

81.23 Subdivision 1. **Notice of debt to licensing authority.** The state of Minnesota or a  
81.24 political subdivision may not issue, transfer, or renew, and must revoke a license for the  
81.25 conduct of any profession, trade, or business, if the commissioner notifies the licensing  
81.26 authority that the licensee, applicant, or employer owes any amount due under this chapter  
81.27 or section 116L.20, of \$500 or more. A licensing authority that has received ~~such~~ a notice  
81.28 may issue, transfer, renew, or not revoke the license only if the licensing authority has  
81.29 received a copy of the debt clearance certificate issued by the commissioner.

81.30 Sec. 18. Minnesota Statutes 2008, section 268.069, subdivision 1, is amended to read:

81.31 Subdivision 1. **Requirements.** The commissioner ~~shall~~ must pay unemployment  
81.32 benefits from the trust fund to an applicant who has met each of the following requirements:

82.1 (1) the applicant has filed an application for unemployment benefits and established  
82.2 a benefit account in accordance with section 268.07;

82.3 (2) the applicant has not been held ineligible for unemployment benefits under  
82.4 section 268.095 because of a quit or discharge;

82.5 (3) the applicant has met all of the ongoing eligibility requirements under ~~sections~~  
82.6 section 268.085 and 268.086;

82.7 (4) the applicant does not have an outstanding overpayment of unemployment  
82.8 benefits, including any penalties or interest; and

82.9 (5) the applicant has not been held ineligible for unemployment benefits under  
82.10 section 268.182 because of a false representation or concealment of facts.

82.11 Sec. 19. Minnesota Statutes 2008, section 268.07, subdivision 1, is amended to read:

82.12 Subdivision 1. **Application for unemployment benefits; determination of benefit**  
82.13 **account.** (a) An application for unemployment benefits may be filed in person, by mail,  
82.14 or by electronic transmission as the commissioner may require. The applicant must be  
82.15 unemployed at the time the application is filed and must provide all requested information  
82.16 in the manner required. If the applicant is not unemployed at the time of the application  
82.17 or fails to provide all requested information, the communication is not considered an  
82.18 application for unemployment benefits.

82.19 (b) The commissioner ~~shall~~ must examine each application for unemployment  
82.20 benefits to determine the base period and the benefit year, and based upon all  
82.21 the covered employment in the base period the commissioner shall determine the  
82.22 weekly unemployment benefit amount available, if any, and the maximum amount of  
82.23 unemployment benefits available, if any. The determination ~~is known as the,~~ which is a  
82.24 document separate and distinct from a document titled a determination of eligibility or  
82.25 determination of ineligibility issued under section 268.101, must be titled determination of  
82.26 benefit account. A determination of benefit account must be sent to the applicant and all  
82.27 base period employers, by mail or electronic transmission.

82.28 (c) If a base period employer did not provide wage information for the applicant as  
82.29 provided for in section 268.044, or provided erroneous information, the commissioner  
82.30 may accept an applicant certification as to wage credits, based upon the applicant's records,  
82.31 and issue a determination of benefit account.

82.32 (d) The commissioner may, at any time within 24 months from the establishment  
82.33 of a benefit account, reconsider any determination of benefit account and make an  
82.34 amended determination if the commissioner finds that the determination was incorrect  
82.35 for any reason. An amended determination of benefit account must be promptly sent

83.1 to the applicant and all base period employers, by mail or electronic transmission.  
83.2 This subdivision does not apply to documents titled determinations of eligibility or  
83.3 determinations of ineligibility issued under section 268.101.

83.4 (e) If an amended determination of benefit account reduces the weekly  
83.5 unemployment benefit amount or maximum amount of unemployment benefits available,  
83.6 any unemployment benefits that have been paid greater than the applicant was entitled  
83.7 is considered an overpayment of unemployment benefits. A determination or amended  
83.8 determination issued under this section that results in an overpayment of unemployment  
83.9 benefits must set out the amount of the overpayment and the requirement under section  
83.10 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

83.11 Sec. 20. Minnesota Statutes 2008, section 268.07, subdivision 2, is amended to read:

83.12 Subd. 2. **Benefit account requirements and weekly unemployment benefit**  
83.13 **amount and maximum amount of unemployment benefits.** (a) To establish a benefit  
83.14 account, an applicant must have:

- 83.15 (1) high quarter wage credits of \$1,000 or more; and  
83.16 (2) wage credits, in other than the high quarter, of \$250 or more.

83.17 (b) If an applicant has established a benefit account, the weekly unemployment  
83.18 benefit amount available during the benefit year is the higher of:

- 83.19 (1) 50 percent of the applicant's average weekly wage during the base period, to a  
83.20 maximum of 66-2/3 percent of the state's average weekly wage; or  
83.21 (2) 50 percent of the applicant's average weekly wage during the high quarter, to a  
83.22 maximum of 43 percent of the state's average weekly wage.

83.23 The applicant's average weekly wage under clause (1) is computed by dividing  
83.24 the total wage credits by 52. The applicant's average weekly wage under clause (2) is  
83.25 computed by dividing the high quarter wage credits by 13.

83.26 (c) ~~The state's maximum weekly unemployment benefit amount and an applicant's~~  
83.27 ~~weekly unemployment benefit amount and maximum amount of unemployment benefits~~  
83.28 ~~available is rounded down to the next lower whole dollar.~~ The state's maximum weekly  
83.29 benefit amount, computed in accordance with section 268.035, subdivision 23, applies  
83.30 to a benefit account established effective on or after the last Sunday in October. Once  
83.31 established, an applicant's weekly unemployment benefit amount is not affected by the last  
83.32 Sunday in October change in the state's maximum weekly unemployment benefit amount.

83.33 (d) The maximum amount of unemployment benefits available on any benefit  
83.34 account is the lower of:

- 83.35 (1) 33-1/3 percent of the applicant's total wage credits; or

84.1 (2) 26 times the applicant's weekly unemployment benefit amount.

84.2 Sec. 21. Minnesota Statutes 2008, section 268.07, subdivision 3, is amended to read:

84.3 Subd. 3. **Second benefit account requirements.** To establish a second benefit  
84.4 account following the expiration of a benefit year on a prior benefit account, an  
84.5 applicant must ~~have sufficient wage credits to establish a benefit account under~~ meet the  
84.6 requirements of subdivision 2 and must have performed services in covered employment  
84.7 after the effective date of the prior benefit account. The wages paid for ~~that employment~~  
84.8 those services must equal not less than be at least eight times the weekly unemployment  
84.9 benefit amount of the prior benefit account. ~~Part of the purpose of~~ reason for this  
84.10 subdivision is to prevent an applicant from establishing more than one benefit account as a  
84.11 result of one loss of employment.

84.12 Sec. 22. Minnesota Statutes 2008, section 268.084, is amended to read:

84.13 **268.084 PERSONAL IDENTIFICATION NUMBER; PRESUMPTION.**

84.14 (a) Each applicant must be issued a personal identification number (PIN) for the  
84.15 purpose of filing continued requests for unemployment benefits, accessing information,  
84.16 and engaging in other transactions with the department.

84.17 (b) If a PIN assigned to an applicant is used in the filing of a continued request for  
84.18 unemployment benefits under section ~~268.086~~ 268.0865 or any other type of transaction,  
84.19 the applicant is presumed to have been the individual using that PIN and presumed to have  
84.20 received any unemployment benefit payment issued. This presumption may be rebutted  
84.21 by a preponderance of the evidence showing that the applicant assigned the PIN was not  
84.22 the individual who used that PIN in the transaction.

84.23 (c) The commissioner ~~shall~~ must notify each applicant of this section.

84.24 Sec. 23. Minnesota Statutes 2008, section 268.085, subdivision 1, is amended to read:

84.25 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive  
84.26 unemployment benefits for any week if:

84.27 (1) the applicant has ~~an active benefit account and has~~ filed a continued request for  
84.28 unemployment benefits for that week under section ~~268.086~~ 268.0865;

84.29 (2) the week for which unemployment benefits are requested is in the applicant's  
84.30 benefit year;

84.31 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

84.32 (4) the applicant was ~~able to work and was~~ available for suitable employment, ~~and~~  
84.33 ~~was actively seeking suitable employment~~ as defined in subdivision 15. The applicant's

85.1 weekly unemployment benefit amount is reduced one-fifth for each day the applicant  
85.2 is ~~unable to work or is unavailable for suitable employment. If the computation of the~~  
85.3 ~~reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower~~  
85.4 ~~whole dollar.~~ This clause does not apply to an applicant who is in reemployment assistance  
85.5 training, or each day the applicant is on jury duty or serving as an election judge;

85.6 (5) the applicant was actively seeking suitable employment as defined in subdivision  
85.7 16. This clause does not apply to an applicant who is in reemployment assistance training  
85.8 or who was on jury duty throughout the week;

85.9 (6) the applicant has served a nonpayable waiting period of one week that the  
85.10 applicant is otherwise entitled to some amount of unemployment benefits. This clause  
85.11 does not apply if the applicant would have been entitled to federal disaster unemployment  
85.12 assistance because of a disaster in Minnesota, but for the applicant's establishment of a  
85.13 benefit account under section 268.07; and

85.14 ~~(6)~~ (7) the applicant has been participating in reemployment assistance services,  
85.15 such as job search and resume writing classes, if the applicant has been determined in  
85.16 need of reemployment assistance services by the commissioner, unless the applicant  
85.17 has good cause for failing to participate.

85.18 Sec. 24. Minnesota Statutes 2008, section 268.085, subdivision 2, is amended to read:

85.19 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for  
85.20 any week:

85.21 (1) that occurs before the effective date of a benefit account;

85.22 (2) that the applicant, at the beginning of the week, has an outstanding fraud  
85.23 overpayment balance under section 268.18, subdivision 2, including any penalties and  
85.24 interest;

85.25 (3) that occurs in a period when the applicant is a student in attendance at, or on  
85.26 vacation from a secondary school including the period between academic years or terms;

85.27 (4) that the applicant is incarcerated or performing ~~court-ordered~~ court-ordered  
85.28 community service. The applicant's weekly unemployment benefit amount is reduced  
85.29 by one-fifth for each day the applicant is incarcerated or performing ~~court-ordered~~  
85.30 court-ordered community service. ~~If the computation of the reduced unemployment~~  
85.31 ~~benefits is not a whole dollar, it is rounded down to the next lower whole dollar;~~

85.32 (5) that the applicant fails or refuses to provide information on an issue of  
85.33 ineligibility required under section 268.101;

86.1 (6) that the applicant is performing services 32 hours or more, in employment,  
86.2 covered employment, noncovered employment, volunteer work, or self-employment  
86.3 regardless of the amount of any earnings; or

86.4 (7) with respect to which the applicant is receiving, has received, or has filed an  
86.5 application for unemployment benefits under any federal law or the law of any other  
86.6 state. If the appropriate agency finally determines that the applicant is not entitled to the  
86.7 unemployment benefits, this clause does not apply.

86.8 Sec. 25. Minnesota Statutes 2008, section 268.085, subdivision 3a, is amended to read:

86.9 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An  
86.10 applicant is not eligible to receive unemployment benefits for any week in which the  
86.11 applicant is receiving or has received compensation for loss of wages equal to or in excess  
86.12 of the applicant's weekly unemployment benefit amount under:

86.13 (1) the workers' compensation law of this state;

86.14 (2) the workers' compensation law of any other state or similar federal law; or

86.15 (3) any insurance or trust fund paid in whole or in part by an employer.

86.16 (b) This subdivision does not apply to an applicant who has a claim pending for  
86.17 loss of wages under paragraph (a); however, before unemployment benefits may be paid  
86.18 when a claim is pending, the issue of the applicant being ~~able to work~~ available for  
86.19 suitable employment, as required under subdivision 1, clause ~~(2)~~ (4), is determined under  
86.20 section 268.101, subdivision ~~3~~ 2. If the applicant later receives compensation as a result  
86.21 of the pending claim, the applicant is subject to the provisions of paragraph (a) and the  
86.22 unemployment benefits paid are subject to recoupment by the commissioner to the extent  
86.23 that the compensation constitutes overpaid unemployment benefits.

86.24 (c) If the amount of compensation described under paragraph (a) for any week is  
86.25 less than the applicant's weekly unemployment benefit amount, unemployment benefits  
86.26 requested for that week are reduced by the amount of that compensation payment.

86.27 Sec. 26. Minnesota Statutes 2008, section 268.085, subdivision 4, is amended to read:

86.28 Subd. 4. **Social Security benefits.** (a) Any applicant aged 62 or over is required  
86.29 to state when filing an application for unemployment benefits and when filing continued  
86.30 requests for unemployment benefits if the applicant is receiving, has filed for, or intends to  
86.31 file for, primary Social Security old age benefits for any week during the benefit year.

86.32 ~~If the effective date of the applicant's Social Security claim for old age benefits is,~~  
86.33 ~~or will be, after the start of the base period, there must be deducted from an applicant's~~  
86.34 ~~weekly unemployment benefit amount~~ Unless paragraph (b) applies, 50 percent of the

87.1 weekly equivalent of the primary Social Security old age benefit the applicant has  
87.2 received, has filed for, or intends to file for, with respect to that week must be deducted  
87.3 from an applicant's weekly unemployment benefit amount.

87.4 ~~(b) If the effective date~~ (b) If the effective date all of the applicant's wage credits were earned while the  
87.5 applicant was claiming Social Security claim for old age benefits is before the start of the  
87.6 base period, there is no deduction from the applicant's weekly unemployment benefit  
87.7 amount. The purpose of this paragraph is to ensure that an applicant who is claiming  
87.8 Social Security benefits has demonstrated a desire and ability to work.

87.9 ~~(b)~~ (c) An applicant who is receiving, has received, or has filed for primary Social  
87.10 Security disability benefits for any week during the benefit year must be determined  
87.11 ~~unable to work and~~ unavailable for suitable employment for that week, unless:

87.12 (1) the Social Security Administration approved the collecting of primary Social  
87.13 Security disability benefits each month the applicant was employed during the base  
87.14 period; or

87.15 (2) the applicant provides a statement from an appropriate health care professional  
87.16 who is aware of the applicant's Social Security disability claim and the basis for that claim,  
87.17 certifying that the applicant is ~~able to work and~~ available for suitable employment.

87.18 If an applicant meets the requirements of clause (1) there is no deduction from the  
87.19 applicant's weekly benefit amount for any Social Security disability benefits. If only  
87.20 clause (2) applies, then there must be deducted from the applicant's weekly unemployment  
87.21 benefit amount 50 percent of the weekly equivalent of the primary Social Security  
87.22 disability benefits the applicant is receiving, has received, or has filed for, with respect  
87.23 to that week; provided, however, that if the Social Security Administration determines  
87.24 that an individual is not entitled to receive primary Social Security disability benefits for  
87.25 any week the applicant has applied for those benefits, the 50 percent deduction does not  
87.26 apply to that week.

87.27 ~~(e)~~ (d) Information from the Social Security Administration is considered conclusive,  
87.28 absent specific evidence showing that the information was erroneous.

87.29 ~~(d) If the computation of the reduced unemployment benefits is not a whole dollar, it~~  
87.30 ~~is rounded down to the next lower whole dollar.~~

87.31 (e) This subdivision does not apply to Social Security survivor benefits.

87.32 Sec. 27. Minnesota Statutes 2008, section 268.085, subdivision 5, is amended to read:

87.33 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday  
87.34 pay, with respect to any week, from employment, covered employment, noncovered  
87.35 employment, self-employment, or volunteer work, equal to or in excess of the applicant's

88.1 weekly unemployment benefit amount, the applicant is ineligible for unemployment  
88.2 benefits for that week.

88.3 (b) If the applicant has earnings, with respect to any week, that is less than  
88.4 the applicant's weekly unemployment benefit amount, from employment, covered  
88.5 employment, noncovered employment, self-employment, or volunteer work, 55 percent of  
88.6 the earnings are deducted from the weekly unemployment benefit amount.

88.7 ~~The resulting unemployment benefit, if not a whole dollar, is rounded down to the~~  
88.8 ~~next lower whole dollar.~~

88.9 (c) No deduction is made from an applicant's weekly unemployment benefit amount  
88.10 for earnings from service in the National Guard or a United States military reserve unit or  
88.11 from direct service as a volunteer firefighter or volunteer ambulance service personnel.  
88.12 This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided  
88.13 to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made  
88.14 for jury duty pay or for pay as an election judge.

88.15 (d) The applicant may report deductible earnings on continued requests for  
88.16 unemployment benefits at the next lower whole dollar amount.

88.17 (e) Deductible earnings does not include any money considered a deductible  
88.18 payment under subdivision 3, but includes all compensation considered wages under  
88.19 section 268.035, subdivision 29, and any other compensation considered earned income  
88.20 under state and federal law for income tax purposes.

88.21 Sec. 28. **[268.0865] CONTINUED REQUEST FOR UNEMPLOYMENT**  
88.22 **BENEFITS.**

88.23 Subdivision 1. Continued request for unemployment benefits defined. A  
88.24 continued request for unemployment benefits is a certification by an applicant, done  
88.25 on a weekly basis, that the applicant is unemployed and meets the ongoing eligibility  
88.26 requirements for unemployment benefits under section 268.085. A continued request  
88.27 must include information on possible issues of ineligibility in accordance with section  
88.28 268.101, subdivision 1, paragraph (c).

88.29 Subd. 2. Filing continued requests for unemployment benefits. (a) The  
88.30 commissioner must designate to each applicant one of the following methods for filing a  
88.31 continued request:

88.32 (1) by electronic transmission under subdivision 3; or

88.33 (2) by mail under subdivision 4.

88.34 (b) The method designated by the commissioner is the only method allowed for  
88.35 filing a continued request by that applicant. An applicant may ask that the other allowed

89.1 method be designated and the commissioner must consider inconvenience to the applicant  
89.2 as well as administrative capacity in determining whether to allow an applicant to change  
89.3 the designated method for filing a continued request for unemployment benefits.

89.4 **Subd. 3. Continued request for unemployment benefits by electronic**  
89.5 **transmission.** (a) A continued request for unemployment benefits by electronic  
89.6 transmission must be filed to that electronic mail address, telephone number, or Internet  
89.7 address prescribed by the commissioner for that applicant. In order to constitute a  
89.8 continued request, all information asked for, including information authenticating that the  
89.9 applicant is sending the transmission, must be provided in the format required. If all of the  
89.10 information asked for is not provided, the communication does not constitute a continued  
89.11 request for unemployment benefits.

89.12 (b) The electronic transmission communication must be filed on the date and during  
89.13 the time of day designated for the applicant for filing a continued request by electronic  
89.14 transmission.

89.15 (c) If the electronic transmission continued request is not filed on the date and  
89.16 during the time of day designated, a continued request by electronic transmission must be  
89.17 accepted if the applicant files the continued request by electronic transmission within two  
89.18 calendar weeks following the week in which the date designated occurred. If the continued  
89.19 request by electronic transmission is not filed within two calendar weeks following the  
89.20 week in which the date designated occurred, the electronic continued request will not be  
89.21 accepted and the applicant is ineligible for unemployment benefits for the period covered  
89.22 by the continued request, unless the applicant shows good cause for failing to file the  
89.23 continued request by electronic transmission within the time period required.

89.24 **Subd. 4. Continued request for unemployment benefits by mail.** (a) A  
89.25 continued request for unemployment benefits by mail must be on a form prescribed by  
89.26 the commissioner. The form, in order to constitute a continued request, must be totally  
89.27 completed and signed by the applicant. The form must be filed on the date required for  
89.28 the applicant for filing a continued request by mail, in an envelope with postage prepaid,  
89.29 and sent to the address designated.

89.30 (b) If the mail continued request for unemployment benefits is not filed on the date  
89.31 designated, a continued request must be accepted if the form is filed by mail within two  
89.32 calendar weeks following the week in which the date designated occurred. If the form  
89.33 is not filed within two calendar weeks following the week in which the date designated  
89.34 occurred, the form will not be accepted and the applicant is ineligible for unemployment  
89.35 benefits for the period covered by the continued request for unemployment benefits,

90.1 unless the applicant shows good cause for failing to file the form by mail within the time  
90.2 period required.

90.3 (c) If the applicant has been designated to file a continued request for unemployment  
90.4 benefits by mail, an applicant may submit the form by facsimile transmission on the day  
90.5 otherwise required for mailing, or within two calendar weeks following the week in which  
90.6 the date designated occurred. A form submitted by facsimile transmission must be sent  
90.7 only to the telephone number assigned for that purpose.

90.8 (d) An applicant who has been designated to file a continued request by mail may  
90.9 personally deliver a continued request form only to the location to which the form was  
90.10 otherwise designated to be mailed.

90.11 Subd. 5. **Good cause defined.** (a) "Good cause" for purposes of this section is a  
90.12 compelling substantial reason that would have prevented a reasonable person acting with  
90.13 due diligence from filing a continued request for unemployment benefits within the time  
90.14 periods required.

90.15 (b) "Good cause" does not include forgetfulness, loss of the continued request form  
90.16 if filing by mail, having returned to work, having an appeal pending, or inability to file a  
90.17 continued request for unemployment benefits by the method designated if the applicant  
90.18 was aware of the inability and did not make diligent effort to have the method of filing a  
90.19 continued request changed by the commissioner. "Good cause" does not include having  
90.20 previously made an attempt to file a continued request for unemployment benefits but  
90.21 where the communication was not considered a continued request because the applicant  
90.22 failed to submit all required information.

90.23 Sec. 29. Minnesota Statutes 2008, section 268.095, subdivision 10, is amended to read:

90.24 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all  
90.25 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's  
90.26 unemployment and until the end of the calendar week that the applicant had total earnings  
90.27 in subsequent covered employment of eight times the applicant's weekly unemployment  
90.28 benefit amount.

90.29 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the  
90.30 week that the applicant became separated from employment.

90.31 (c) In addition to paragraph (a), if the applicant was discharged from employment  
90.32 because of aggravated employment misconduct, wage credits from that employment are  
90.33 canceled and cannot be used for purposes of a benefit account under section 268.07,  
90.34 subdivision 2.

91.1 Sec. 30. Minnesota Statutes 2008, section 268.095, subdivision 11, is amended to read:

91.2 Subd. 11. **Application.** (a) This section and section 268.085, subdivision 13c,  
91.3 ~~and this section~~ apply to all covered employment, full time or part time, temporary or of  
91.4 limited duration, permanent or of indefinite duration, that occurred in Minnesota during  
91.5 the base period, the period between the end of the base period and the effective date of the  
91.6 benefit account, or the benefit year, ~~except as provided for in subdivision 1, clause (5).~~

91.7 (b) Paragraph (a) also applies to employment covered under an unemployment  
91.8 insurance program of any other state or established by an act of Congress.

91.9 Sec. 31. Minnesota Statutes 2008, section 268.101, subdivision 1, is amended to read:

91.10 Subdivision 1. **Notification.** (a) In an application for unemployment benefits, each  
91.11 applicant must report the name and the reason for no longer working for the applicant's  
91.12 most recent employer, as well as the names of all employers and the reasons for no  
91.13 longer working for all employers during the six calendar months before the date of the  
91.14 application. If the reason reported for no longer working for any of those employers is  
91.15 other than a layoff because of lack of work, that raises an issue of ineligibility that the  
91.16 department must determine. An applicant must report any offers of employment refused  
91.17 during the eight calendar weeks before the date of the application for unemployment  
91.18 benefits and the name of the employer that made the offer. An applicant's failure to report  
91.19 the name of an employer, or giving an incorrect reason for no longer working for an  
91.20 employer, or failing to disclose an offer of employment that was refused, is a violation of  
91.21 section 268.182, subdivision 2.

91.22 In an application, the applicant must also provide all information necessary to  
91.23 determine the applicant's eligibility for unemployment benefits under this chapter. If the  
91.24 applicant fails or refuses to provide information necessary to determine the applicant's  
91.25 eligibility for unemployment benefits, the applicant is ineligible for unemployment  
91.26 benefits under section 268.085, subdivision 2, until the applicant provides this required  
91.27 information.

91.28 (b) Upon establishment of a benefit account under section 268.07, subdivision 2,  
91.29 the commissioner shall notify, by mail or electronic transmission, all employers the  
91.30 applicant was required to report on the application and all base period employers and  
91.31 determined successors to those employers under section 268.051, subdivision 4, in order  
91.32 to provide the employer an opportunity to raise, in a manner and format prescribed by the  
91.33 commissioner, any issue of ineligibility. An employer must be informed of the effect that  
91.34 failure to raise an issue of ineligibility as a result of a quit or discharge of the applicant,

92.1 ~~within ten calendar days after sending of the notice,~~ as provided for under subdivision 2,  
92.2 paragraph (b), may have on the employer under section 268.047.

92.3 (c) Each applicant must report any employment, and loss of employment, and offers  
92.4 of employment refused, during those weeks the applicant filed continued requests for  
92.5 unemployment benefits under section ~~268.086~~ 268.0865. Each applicant who stops filing  
92.6 continued requests during the benefit year and later begins filing continued requests during  
92.7 that same benefit year must report the name of any employer the applicant worked for  
92.8 during the period between the filing of continued requests and the reason the applicant  
92.9 stopped working for the employer. The applicant must report any offers of employment  
92.10 refused during the period between the filing of continued requests for unemployment  
92.11 benefits. Those employers from which the applicant has reported a loss of employment  
92.12 under this paragraph must be notified by mail or electronic transmission and provided an  
92.13 opportunity to raise, in a manner prescribed by the commissioner, any issue of ineligibility.  
92.14 An employer must be informed of the effect that failure to raise an issue of ineligibility as  
92.15 a result of a quit or a discharge of the applicant may have on the employer under section  
92.16 268.047.

92.17 (d) The purpose for requiring the applicant to report the name of employers and the  
92.18 reason for no longer working for those employers, or offers of employment refused, under  
92.19 paragraphs (a) and (c) is for the commissioner to obtain information from an applicant  
92.20 raising all issues that may result in the applicant being ineligible for unemployment  
92.21 benefits under section 268.095, because of a quit or discharge, or the applicant being  
92.22 ineligible for unemployment benefits under section 268.085, subdivision 13c. If the  
92.23 reason given by the applicant for no longer working for an employer is other than a layoff  
92.24 because of lack of work, that raises an issue of ineligibility and the applicant is required,  
92.25 as part of the determination process under subdivision 2, paragraph (a), to state all the  
92.26 facts about the cause for no longer working for the employer, if known. If the applicant  
92.27 fails or refuses to provide any required information, the applicant is ineligible for  
92.28 unemployment benefits under section 268.085, subdivision 2, until the applicant provides  
92.29 this required information.

92.30 Sec. 32. Minnesota Statutes 2008, section 268.101, subdivision 2, is amended to read:

92.31 Subd. 2. **Determination.** (a) The commissioner ~~shall~~ must determine any issue  
92.32 of ineligibility raised by information required from an applicant under subdivision 1,  
92.33 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or  
92.34 electronic transmission, a document titled a determination of eligibility or a determination  
92.35 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result

93.1 of a quit or a discharge of the applicant must state the effect on the employer under section  
93.2 268.047. A determination must be made in accordance with this paragraph even if a  
93.3 notified employer has not raised the issue of ineligibility.

93.4 (b) The commissioner ~~shall~~ must determine any issue of ineligibility raised by an  
93.5 employer and send to the applicant and that employer, by mail or electronic transmission,  
93.6 a document titled a determination of eligibility or a determination of ineligibility as is  
93.7 appropriate. The determination on an issue of ineligibility as a result of a quit or discharge  
93.8 of the applicant must state the effect on the employer under section 268.047.

93.9 If a base period employer:

93.10 (1) was not the applicant's most recent employer before the application for  
93.11 unemployment benefits;

93.12 (2) did not employ the applicant during the six calendar months before the  
93.13 application for unemployment benefits; and

93.14 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the  
93.15 applicant within ten calendar days of notification under subdivision 1, paragraph (b);  
93.16 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two  
93.17 weeks following the week that the issue of ineligibility as a result of a quit or discharge of  
93.18 the applicant was raised by the employer.

93.19 A communication from an employer must specifically set out why the applicant  
93.20 should be determined ineligible for unemployment benefits for that communication to be  
93.21 considered to have raised an issue of ineligibility for purposes of this section. A statement  
93.22 of "protest" or a similar term without more information does not constitute raising an issue  
93.23 of ineligibility for purposes of this section.

93.24 (c) Subject to section 268.031, an issue of ineligibility is determined based upon  
93.25 that information required of an applicant, any information that may be obtained from an  
93.26 applicant or employer, and information from any other source, ~~without regard to any~~  
93.27 ~~burden of proof~~.

93.28 (d) Regardless of the requirements of this subdivision, the commissioner is not  
93.29 required to send to an applicant a copy of the determination where the applicant has  
93.30 satisfied a period of ineligibility because of a quit or a discharge under section 268.095,  
93.31 subdivision 10.

93.32 (e) The commissioner may issue a determination on an issue of ineligibility at any  
93.33 time within 24 months from the establishment of a benefit account based upon information  
93.34 from any source, even if the issue of ineligibility was not raised by the applicant or an  
93.35 employer. This paragraph does not prevent the imposition of a penalty on an applicant  
93.36 under section 268.18, subdivision 2, or 268.182.

94.1 (f) A determination of eligibility or determination of ineligibility is final unless an  
94.2 appeal is filed by the applicant or notified employer within 20 calendar days after sending.  
94.3 The determination must contain a prominent statement indicating the consequences of not  
94.4 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

94.5 (g) An issue of ineligibility required to be determined under this section includes  
94.6 any question regarding the denial or allowing of unemployment benefits under this chapter  
94.7 except for issues under section 268.07. An issue of ineligibility for purposes of this section  
94.8 includes any question of effect on an employer under section 268.047.

94.9 (h) Except for issues of ineligibility as a result of a quit or discharge of the applicant,  
94.10 the employer will be (1) sent a copy of the determination of eligibility or a determination  
94.11 of ineligibility, or (2) considered an involved employer for purposes of an appeal under  
94.12 section 268.105, only if the employer raised the issue of ineligibility.

94.13 Sec. 33. Minnesota Statutes 2008, section 268.103, subdivision 1, is amended to read:

94.14 Subdivision 1. **In commissioner's discretion.** (a) The commissioner ~~shall have~~  
94.15 ~~the discretion to~~ may allow an appeal to be filed by electronic transmission. If the  
94.16 commissioner allows an appeal to be filed by electronic transmission, that must be clearly  
94.17 set out on the determination or decision subject to appeal.

94.18 (b) The commissioner may restrict the manner, and format, ~~and conditions~~ under  
94.19 which an appeal by electronic transmission may be filed. ~~Any Restrictions as to days,~~  
94.20 ~~hours, a specific telephone number, or electronic address, or other conditions,~~ must be  
94.21 clearly set out on the determination or decision subject to appeal.

94.22 (c) All information requested by the commissioner when an appeal is filed by  
94.23 electronic transmission must be supplied or the communication does not constitute an  
94.24 appeal.

94.25 (d) Subject to subdivision 2, this section applies to requests for reconsideration  
94.26 under section 268.105, subdivision 2.

94.27 Sec. 34. Minnesota Statutes 2008, section 268.105, subdivision 1, is amended to read:

94.28 Subdivision 1. **Evidentiary hearing by unemployment law judge.** (a) Upon  
94.29 a timely appeal having been filed, the department must send, by mail or electronic  
94.30 transmission, a notice of appeal to all involved parties that an appeal has been filed, and  
94.31 that a de novo due process evidentiary hearing will be scheduled, ~~and that the parties~~  
94.32 ~~have certain.~~ The notice must set out the parties' rights and responsibilities regarding the  
94.33 hearing. The notice must explain that the facts will be determined by the unemployment  
94.34 law judge based upon a preponderance of the evidence. The notice must explain in clear

95.1 and simple language the meaning of the term "preponderance of the evidence." The  
 95.2 department must set a time and place for a de novo due process evidentiary hearing and  
 95.3 send notice to any involved applicant and any involved employer, by mail or electronic  
 95.4 transmission, not less than ten calendar days before the date of the hearing.

95.5 (b) The evidentiary hearing is conducted by an unemployment law judge ~~without~~  
 95.6 ~~regard to any burden of proof as an evidence gathering inquiry and not an adversarial~~  
 95.7 ~~proceeding.~~ At the beginning of the hearing the unemployment law judge must fully  
 95.8 explain how the hearing will be conducted, that the applicant has the right to request  
 95.9 that the hearing be rescheduled so that documents or witnesses can be subpoenaed,  
 95.10 that the facts will be determined based on a preponderance of the evidence, and, in  
 95.11 clear and simple language, the meaning of the term "preponderance of the evidence."  
 95.12 The unemployment law judge must ensure that all relevant facts are clearly and fully  
 95.13 developed. The department may adopt rules on evidentiary hearings. The rules need  
 95.14 not conform to common law or statutory rules of evidence and other technical rules of  
 95.15 procedure. The department has discretion regarding the method by which the evidentiary  
 95.16 hearing is conducted. A report of any employee of the department, except a determination,  
 95.17 made in the regular course of the employee's duties, is competent evidence of the facts  
 95.18 contained in it. An affidavit or written statement based on personal knowledge and signed  
 95.19 under penalty of perjury is competent evidence of the facts contained in it; however, the  
 95.20 veracity of statements contained within the document or the credibility of the witness  
 95.21 making the statement may be disputed with other documents or testimony and production  
 95.22 of such documents or testimony may be compelled by subpoena.

95.23 (c) After the conclusion of the hearing, upon the evidence obtained, the  
 95.24 unemployment law judge must make findings of fact and decision and send those, by mail  
 95.25 or electronic transmission, to all involved parties. When the credibility of an involved  
 95.26 party or witness testifying in an evidentiary hearing has a significant effect on the outcome  
 95.27 of a decision, the unemployment law judge must set out the reason for crediting or  
 95.28 discrediting that testimony. The unemployment law judge's decision is final unless a  
 95.29 request for reconsideration is filed under subdivision 2.

95.30 (d) Regardless of paragraph (c), if the appealing party fails to participate in the  
 95.31 evidentiary hearing, the unemployment law judge has the discretion to dismiss the appeal  
 95.32 by summary order. By failing to participate, the appealing party is considered to have  
 95.33 failed to exhaust available administrative remedies unless the appealing party files a  
 95.34 request for reconsideration under subdivision 2 and establishes good cause for failing to  
 95.35 participate in the evidentiary hearing under subdivision 2, paragraph (d). Submission

96.1 of a written statement does not constitute participation. The applicant must participate  
96.2 personally and appearance solely by a representative does not constitute participation.

96.3 (e) Only employees of the department who are attorneys licensed to practice law  
96.4 in Minnesota may serve as the chief unemployment law judge, senior unemployment  
96.5 law judges who are supervisors, or unemployment law judges. The commissioner  
96.6 must designate a chief unemployment law judge. The chief unemployment law judge  
96.7 may transfer to another unemployment law judge any proceedings pending before an  
96.8 unemployment law judge.

96.9 Sec. 35. Minnesota Statutes 2008, section 268.105, subdivision 2, is amended to read:

96.10 Subd. 2. **Request for reconsideration.** (a) Any involved applicant, involved  
96.11 employer, or the commissioner may, within 20 calendar days of the sending of the  
96.12 unemployment law judge's decision under subdivision 1, file a request for reconsideration  
96.13 asking the unemployment law judge to reconsider that decision. Section 268.103 applies  
96.14 to a request for reconsideration. If a request for reconsideration is timely filed, the  
96.15 unemployment law judge must issue an order:

- 96.16 (1) modifying the findings of fact and decision issued under subdivision 1;  
96.17 (2) setting aside the ~~findings of fact and~~ decision issued under subdivision 1 and  
96.18 directing that an additional evidentiary hearing be conducted under subdivision 1; or  
96.19 (3) affirming the findings of fact and decision issued under subdivision 1.

96.20 (b) Upon a timely request for reconsideration having been filed, the department must  
96.21 send a notice, by mail or electronic transmission, to all involved parties that a request for  
96.22 reconsideration has been filed. The notice must inform the involved parties:

- 96.23 (1) of the opportunity to provide comment on the request for reconsideration, and  
96.24 the right under subdivision 5 to obtain a copy of any recorded testimony and exhibits  
96.25 offered or received into evidence at the evidentiary hearing;  
96.26 (2) that providing specific comments as to a perceived factual or legal error in the  
96.27 decision, or a perceived error in procedure during the evidentiary hearing, will assist the  
96.28 unemployment law judge in deciding the request for reconsideration;  
96.29 (3) of the right to obtain any comments and submissions provided by the other  
96.30 involved party regarding the request for reconsideration; and  
96.31 (4) of the provisions of paragraph (c) regarding additional evidence.

96.32 This paragraph does not apply if paragraph (d) is applicable.

96.33 (c) In deciding a request for reconsideration, the unemployment law judge must not,  
96.34 except for purposes of determining whether to order an additional evidentiary hearing,

97.1 consider any evidence that was not submitted at the evidentiary hearing conducted under  
97.2 subdivision 1.

97.3 The unemployment law judge must order an additional evidentiary hearing if an  
97.4 involved party shows that evidence which was not submitted at the evidentiary hearing:  
97.5 (1) would likely change the outcome of the decision and there was good cause for not  
97.6 having previously submitted that evidence; or (2) would show that the evidence that was  
97.7 submitted at the evidentiary hearing was likely false and that the likely false evidence had  
97.8 an effect on the outcome of the decision.

97.9 (d) If the involved applicant or involved employer who filed the request for  
97.10 reconsideration failed to participate in the evidentiary hearing conducted under subdivision  
97.11 1, an order setting aside the ~~findings of fact and~~ decision and directing that an additional  
97.12 evidentiary hearing be conducted must be issued if the party who failed to participate had  
97.13 good cause for failing to do so. In the notice that a request for reconsideration has been  
97.14 filed, the party who failed to participate must be informed of the requirement, and provided  
97.15 the opportunity, to show good cause for failing to participate. If the unemployment  
97.16 law judge determines that good cause for failure to participate has not been shown, the  
97.17 unemployment law judge must state that in the order issued under paragraph (a).

97.18 Submission of a written statement at the evidentiary hearing under subdivision 1  
97.19 does not constitute participation for purposes of this paragraph.

97.20 All involved parties must be informed of this paragraph with the notice of appeal  
97.21 and notice of hearing provided for in subdivision 1.

97.22 "Good cause" for purposes of this paragraph is a reason that would have prevented a  
97.23 reasonable person acting with due diligence from participating at the evidentiary hearing.

97.24 (e) A request for reconsideration must be decided by the unemployment law judge  
97.25 who issued the ~~findings of fact and~~ decision under subdivision 1 unless that unemployment  
97.26 law judge: (1) is no longer employed by the department; (2) is on an extended or indefinite  
97.27 leave; (3) has been disqualified from the proceedings on the judge's own motion; or (4)  
97.28 has been removed from the proceedings ~~as provided for under subdivision 1 or applicable~~  
97.29 rule by the chief unemployment law judge.

97.30 (f) The unemployment law judge must send to any involved applicant or involved  
97.31 employer, by mail or electronic transmission, the order issued under this subdivision. An  
97.32 order modifying the previously issued findings of fact and decision or an order affirming  
97.33 the previously issued findings of fact and decision is the final department decision on the  
97.34 matter and is final and binding on the involved applicant and involved employer unless  
97.35 judicial review is sought under subdivision 7.

98.1 Sec. 36. Minnesota Statutes 2008, section 268.105, subdivision 3a, is amended to read:

98.2 Subd. 3a. **Decisions.** (a) If an unemployment law judge's decision or order  
98.3 allows unemployment benefits to an applicant, the unemployment benefits must be paid  
98.4 regardless of any request for reconsideration or any appeal to the Minnesota Court of  
98.5 Appeals having been filed.

98.6 (b) If an unemployment law judge's decision or order modifies or reverses a  
98.7 determination, or prior decision of the unemployment law judge, allowing unemployment  
98.8 benefits to an applicant, any benefits paid in accordance with the determination, or  
98.9 prior decision of the unemployment law judge, is considered an overpayment of those  
98.10 unemployment benefits. A decision or order issued under this section that results in an  
98.11 overpayment of unemployment benefits must set out the amount of the overpayment and  
98.12 the requirement under section 268.18, subdivision 1, that the overpaid unemployment  
98.13 benefits must be repaid.

98.14 (c) If an unemployment law judge's order under subdivision 2 allows unemployment  
98.15 benefits to an applicant under section 268.095 because of a quit or discharge and the  
98.16 unemployment law judge's decision is reversed by the Minnesota Court of Appeals or  
98.17 the Supreme Court of Minnesota, the applicant cannot be held ineligible for any of  
98.18 the unemployment benefits paid the applicant and it is not considered an overpayment  
98.19 of those unemployment benefits under section 268.18, subdivision 1. The effect of the  
98.20 court's reversal is the application of section 268.047, subdivision 3, in computing the  
98.21 future tax rate of the employer.

98.22 (d) If an unemployment law judge, under subdivision 2, orders the taking of  
98.23 additional evidence, the unemployment law judge's prior decision must continue to be  
98.24 enforced until new findings of fact and decision are made by the unemployment law judge.

98.25 Sec. 37. Minnesota Statutes 2008, section 268.105, subdivision 4, is amended to read:

98.26 Subd. 4. **Oaths; subpoenas.** An unemployment law judge has authority to  
98.27 administer oaths and affirmations, take depositions, and issue subpoenas to compel the  
98.28 attendance of witnesses and the production of documents and other personal property  
98.29 considered necessary as evidence in connection with the subject matter of an evidentiary  
98.30 hearing.

98.31 The unemployment law judge must give full consideration to a request for a  
98.32 subpoena and must not unreasonably deny a request for a subpoena. If a subpoena request  
98.33 is initially denied, the unemployment law judge must, on the unemployment law judge's  
98.34 own motion, reconsider that request during the evidentiary hearing and rule on whether  
98.35 the request was properly denied. If the request was not properly denied, the evidentiary

99.1 hearing must be continued for issuance of the subpoena. The subpoenas are enforceable  
99.2 through the district court in Ramsey County. Witnesses subpoenaed, other than an involved  
99.3 applicant or involved employer or officers and employees of an involved employer, must  
99.4 be paid by the department the same witness fees as in a civil action in district court.

99.5 Sec. 38. Minnesota Statutes 2008, section 268.105, subdivision 5, is amended to read:

99.6 Subd. 5. **Use of evidence; data privacy.** (a) All testimony at any evidentiary  
99.7 hearing conducted under subdivision 1 must be recorded. A copy of any recorded  
99.8 testimony and exhibits offered or received into evidence at the hearing must, upon  
99.9 request, be furnished to a party at no cost during the time period for filing a request for  
99.10 reconsideration or while a request for reconsideration is pending.

99.11 (b) Regardless of any provision of law to the contrary, if recorded testimony and  
99.12 exhibits received into evidence at the evidentiary hearing are not requested during the time  
99.13 period for filing a request for reconsideration, ~~or~~ while a request for reconsideration is  
99.14 pending, during the time for filing any appeal under subdivision 7, or during the pendency  
99.15 thereof, that testimony and other evidence may later be made available only under a  
99.16 district court order. A subpoena is not considered a district court order.

99.17 (c) Testimony obtained under subdivision 1, may not be used or considered for any  
99.18 purpose, including impeachment, in any civil, administrative, or contractual proceeding,  
99.19 except by a local, state, or federal human rights agency with enforcement powers, unless  
99.20 the proceeding is initiated by the department.

99.21 Sec. 39. Minnesota Statutes 2008, section 268.115, subdivision 5, is amended to read:

99.22 Subd. 5. **Maximum amount of extended unemployment benefits.** The maximum  
99.23 amount of extended unemployment benefits available to an applicant is 50 percent of the  
99.24 maximum amount of regular unemployment benefits available in the benefit year, ~~rounded~~  
99.25 ~~down to the next lower whole dollar.~~ If the total rate of unemployment computed under  
99.26 subdivision 1, clause (2)(ii), equaled or exceeded eight percent, the maximum amount  
99.27 of extended unemployment benefits available is 80 percent of the maximum amount of  
99.28 regular unemployment benefits available in the benefit year.

99.29 Sec. 40. Minnesota Statutes 2008, section 268.125, subdivision 5, is amended to read:

99.30 Subd. 5. **Maximum amount of unemployment benefits.** The maximum amount  
99.31 of additional unemployment benefits available in the applicant's benefit year is one-half  
99.32 of the applicant's maximum amount of regular unemployment benefits available under  
99.33 section 268.07, subdivision 2, ~~rounded down to the next lower whole dollar.~~ Extended

100.1 unemployment benefits paid and unemployment benefits paid under any federal law other  
100.2 than regular unemployment benefits must be deducted from the maximum amount of  
100.3 additional unemployment benefits available.

100.4 Sec. 41. Minnesota Statutes 2008, section 268.135, subdivision 4, is amended to read:

100.5 Subd. 4. **Weekly benefit amount.** (a) An applicant who is eligible for shared work  
100.6 benefits is paid an amount equal to the regular weekly unemployment benefit amount  
100.7 multiplied by the nearest full percentage of reduction of the applicant's regular weekly  
100.8 hours of work as set in the plan. ~~The benefit payment, if not a whole dollar must be~~  
100.9 ~~rounded down to the next lower whole dollar.~~

100.10 (b) The deductible earnings provisions of section 268.085, subdivision 5, must not  
100.11 apply to earnings from the shared work employer of an applicant eligible for shared work  
100.12 benefits unless the resulting amount would be less than the regular weekly unemployment  
100.13 benefit amount the applicant would otherwise be eligible for without regard to shared  
100.14 work benefits.

100.15 (c) An applicant is not eligible for shared work benefits for any week that  
100.16 employment is performed for the shared work employer in excess of the reduced hours  
100.17 set forth in the plan.

100.18 Sec. 42. Minnesota Statutes 2008, section 268.145, subdivision 1, is amended to read:

100.19 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment  
100.20 benefits, the applicant must be informed that:

100.21 (1) unemployment benefits are subject to federal and state income tax;

100.22 (2) there are requirements for filing estimated tax payments;

100.23 (3) the applicant may elect to have federal income tax withheld from unemployment  
100.24 benefits;

100.25 (4) if the applicant elects to have federal income tax withheld, the applicant may, in  
100.26 addition, elect to have Minnesota state income tax withheld; and

100.27 (5) at any time during the benefit year the applicant may change a prior election.

100.28 (b) If an applicant elects to have federal income tax withheld, the commissioner  
100.29 ~~shall~~ must deduct ten percent for federal income tax, ~~rounded down to the next lower~~  
100.30 ~~whole dollar.~~ If an applicant also elects to have Minnesota state income tax withheld, the  
100.31 commissioner ~~shall~~ must make an additional five percent deduction for state income  
100.32 tax, ~~rounded down to the next lower whole dollar.~~ Any amounts deducted or offset under  
100.33 sections 268.155, 268.18, and 268.184 have priority over any amounts deducted under this  
100.34 section. Federal income tax withholding has priority over state income tax withholding.

101.1 (c) An election to have income tax withheld may not be retroactive and only applies  
101.2 to unemployment benefits paid after the election.

101.3 Sec. 43. Minnesota Statutes 2008, section 268.18, subdivision 1, is amended to read:

101.4 Subdivision 1. **Nonfraud overpayment.** (a) Any applicant who (1) because of a  
101.5 determination or amended determination issued under section 268.07 or 268.101, or any  
101.6 other section of this chapter, or (2) because of an appeal decision or order under section  
101.7 268.105, has received any unemployment benefits that the applicant was held not entitled  
101.8 to, must promptly repay the unemployment benefits to the trust fund.

101.9 (b) If the applicant fails to repay the unemployment benefits overpaid, the  
101.10 commissioner may offset from any future unemployment benefits otherwise payable the  
101.11 amount of the overpayment. Except when the overpayment resulted because the applicant  
101.12 failed to report deductible earnings or deductible or benefit delaying payments, no single  
101.13 offset may exceed 50 percent of the amount of the payment from which the offset is made.  
101.14 The overpayment may also be collected by the ~~same methods as delinquent payments~~  
101.15 ~~from an employer~~ allowed under state and federal law.

101.16 (c) If an applicant has been overpaid unemployment benefits under the law of  
101.17 another state, because of a reason other than fraud, and that state certifies that the applicant  
101.18 is liable under its law to repay the unemployment benefits and requests the commissioner  
101.19 to recover the overpayment, the commissioner may offset from future unemployment  
101.20 benefits otherwise payable the amount of overpayment, except that no single offset may  
101.21 exceed 50 percent of the amount of the payment from which the offset is made.

101.22 ~~(d) If under paragraph (b) or (c) the reduced unemployment benefits as a result of~~  
101.23 ~~a 50 percent offset is not a whole dollar amount, it is rounded down to the next lower~~  
101.24 ~~whole dollar.~~

101.25 Sec. 44. Minnesota Statutes 2008, section 268.18, subdivision 2, is amended to read:

101.26 Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives  
101.27 unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose  
101.28 any material fact, or who makes a false statement or representation without a good faith  
101.29 belief as to the correctness of the statement or representation, has committed fraud. After  
101.30 the discovery of facts indicating fraud, the commissioner ~~shall~~ must make a determination  
101.31 that the applicant obtained unemployment benefits by fraud and that the applicant must  
101.32 promptly repay the unemployment benefits to the trust fund. In addition, the commissioner  
101.33 ~~shall~~ must assess a penalty equal to 40 percent of the amount fraudulently obtained. This  
101.34 penalty is in addition to penalties under section 268.182.

102.1 (b) Unless the applicant files an appeal within 20 calendar days after the sending  
102.2 of the determination of overpayment by fraud to the applicant by mail or electronic  
102.3 transmission, the determination is final. Proceedings on the appeal are conducted in  
102.4 accordance with section 268.105.

102.5 (c) If the applicant fails to repay the unemployment benefits, penalty, and interest  
102.6 assessed, the total due may be collected by the ~~same methods as delinquent payments~~  
102.7 ~~from an employer~~ allowed under state and federal law. A determination of overpayment  
102.8 by fraud must state the methods of collection the commissioner may use to recover the  
102.9 overpayment. Money received in repayment of fraudulently obtained unemployment  
102.10 benefits, penalties, and interest is first applied to the unemployment benefits overpaid, then  
102.11 to the penalty amount due, then to any interest due. 62.5 percent of the payments made  
102.12 toward the penalty are credited to the contingent account and 37.5 percent credited to the  
102.13 administration account ~~for deterring, detecting, or collecting overpayments~~.

102.14 (d) If an applicant has been overpaid unemployment benefits under the law of  
102.15 another state because of fraud and that state certifies that the applicant is liable to repay  
102.16 the unemployment benefits and requests the commissioner to recover the overpayment,  
102.17 the commissioner may offset from future unemployment benefits otherwise payable the  
102.18 amount of overpayment.

102.19 (e) Unemployment benefits paid for weeks more than four years before the date of a  
102.20 determination of overpayment by fraud issued under this subdivision are not considered  
102.21 overpaid unemployment benefits.

102.22 Sec. 45. Minnesota Statutes 2008, section 268.196, subdivision 1, is amended to read:

102.23 Subdivision 1. **Administration account.** (a) There is created in the state treasury a  
102.24 special account to be known as the administration account. All money that is deposited  
102.25 ~~or paid~~ into this account is continuously available to the commissioner for expenditure to  
102.26 administer the Minnesota unemployment insurance program, and does not lapse at any  
102.27 time. The administration account consists of:

102.28 (1) all money received from the federal government to administer the Minnesota  
102.29 unemployment insurance program, any federal unemployment insurance program, or  
102.30 assistance provided to any other state to administer that state's unemployment insurance  
102.31 program;

102.32 (2) five percent of any money recovered on overpaid unemployment benefits as  
102.33 provided for in section 268.194, subdivision 1, clause (7), which must be used for  
102.34 deterring, detecting, and collecting overpaid unemployment benefits;

103.1 (3) any money received as compensation for services or facilities supplied to the  
103.2 federal government or any other state;

103.3 (4) any money credited to this account under this chapter;

103.4 (5) any amounts received for losses sustained by this account or by reason of  
103.5 damage to equipment or supplies; and

103.6 ~~(5)~~ (6) any proceeds from the sale or disposition of any equipment or supplies that  
103.7 may no longer be necessary for the proper administration of those sections.

103.8 (b) All money in this account must be deposited, administered, and disbursed in the  
103.9 same manner and under the same conditions and requirements as are provided by law for  
103.10 the other special accounts in the state treasury. The commissioner of finance, as treasurer  
103.11 and custodian of this account, is liable for the faithful performance of duties in connection  
103.12 with this account.

103.13 (c) All money in this account must be spent for the purposes and in the amounts  
103.14 found necessary by the United States Secretary of Labor for the proper and efficient  
103.15 administration of the Minnesota unemployment insurance program.

103.16 Sec. 46. Minnesota Statutes 2008, section 268.196, subdivision 2, is amended to read:

103.17 Subd. 2. **State to replace money wrongfully used.** If any money received under  
103.18 United States Code, title 42, section 501 of the Social Security Act ~~or the Wagner-Peyser~~  
103.19 ~~Act~~, is found by the United States Secretary of Labor to have been spent for purposes  
103.20 other than, ~~or in amounts in excess of, those necessary~~ for the proper administration of the  
103.21 Minnesota unemployment insurance program, ~~the commissioner may replace the money~~  
103.22 ~~from the contingent account. If the money is not replaced from the contingent account,~~  
103.23 ~~it is the policy of this state that the money be replaced by money appropriated for that~~  
103.24 ~~purpose from the general funds of this state. If not replaced from the contingent account,~~  
103.25 the commissioner ~~shall~~ must, at the earliest opportunity, submit to the legislature a request  
103.26 for the appropriation of that amount.

103.27 Sec. 47. Minnesota Statutes 2008, section 268.199, is amended to read:

103.28 **268.199 CONTINGENT ACCOUNT.**

103.29 (a) There is created in the state treasury a special account, to be known as the  
103.30 contingent account, that does not lapse nor revert to any other fund or account. This  
103.31 account consists of ~~all money appropriated by the legislature,~~ all money collected under  
103.32 this chapter that is required to be placed in this account, and any interest earned on the  
103.33 account. All money in this ~~account is supplemental to all federal money available to the~~  
103.34 ~~commissioner. Money in this account is appropriated to the commissioner and is available~~

104.1 ~~to the commissioner~~ for administration of the Minnesota unemployment insurance  
104.2 program unless otherwise appropriated by session law.

104.3 (b) All money in this account must be deposited, administered, and disbursed in the  
104.4 same manner and under the same conditions and requirements as is provided by law for  
104.5 the other special accounts in the state treasury. ~~On June 30 of each year, all amounts in~~  
104.6 ~~excess of \$300,000 in this account must be paid over to the trust fund.~~

104.7 Sec. 48. Minnesota Statutes 2008, section 268.211, is amended to read:

104.8 **268.211 UNEMPLOYMENT INSURANCE BENEFITS TELEPHONE**  
104.9 **SYSTEM.**

104.10 The commissioner must ensure that ~~the~~ any automated telephone system used  
104.11 for unemployment insurance benefits provides an option for any caller to speak to an  
104.12 unemployment insurance specialist. An individual who calls any of the publicized  
104.13 telephone numbers seeking information about applying for unemployment benefits or on  
104.14 the status of a ~~claim~~ benefit account must have the option to speak on the telephone to a  
104.15 specialist who can provide direct assistance or can direct the caller to the ~~person~~ individual  
104.16 or office that is able to respond to the caller's needs.

104.17 Sec. 49. **UNEMPLOYMENT LAW JUDGES.**

104.18 It is in the public interest, as well as the interest of applicants and employees, that  
104.19 an unemployment law judge conducting contested unemployment insurance hearings  
104.20 should be an experienced attorney with a background in civil, criminal, or administrative  
104.21 proceedings. An unemployment law judge should have a level of skill equal to that of a  
104.22 workers' compensation judge. In order to recruit and retain individuals with the appropriate  
104.23 skills, the pay of an unemployment law judge should be commensurate with that of a  
104.24 workers' compensation judge, but should also take into account the less formal nature of  
104.25 an unemployment insurance hearing. Before October 1, 2009, the commissioner of finance  
104.26 is directed, in consultation with the deputy commissioner of employment and economic  
104.27 development and the chief unemployment law judge, to determine and implement the  
104.28 appropriate pay level, with no more than two pay steps, for unemployment law judges,  
104.29 giving consideration only to the pay level provided to workers' compensation judges, but  
104.30 taking into account the less formal nature of an unemployment insurance hearing.

104.31 Sec. 50. **REVISOR'S INSTRUCTION.**

104.32 In Minnesota Statutes, chapter 268, the revisor shall change "shall" to "must," except  
104.33 in Minnesota Statutes, sections 268.035 and 268.103.

105.1 Sec. 51. **REPEALER.**

105.2 Minnesota Statutes 2008, sections 268.085, subdivision 14; and 268.086,  
105.3 subdivisions 1, 2, 3, 5, 6, 7, 8, and 9, are repealed.

105.4 Sec. 52. **EFFECTIVE DATE.**

105.5 Sections 1 to 48 and 50 are effective August 2, 2009, and apply to all department  
105.6 determinations and unemployment law judge decisions issued on or after that date.

105.7 **ARTICLE 5**

105.8 **LABOR STANDARDS AND WAGES; LICENSING AND FEES**

105.9 Section 1. Minnesota Statutes 2008, section 16C.28, is amended by adding a  
105.10 subdivision to read:

105.11 Subd. 6. **Contract awards.** When prevailing wage laws apply, an agency shall not  
105.12 be liable for costs under section 177.43, subdivision 3, if it has included language in its  
105.13 contracts which requires vendors and contractors to comply with prevailing wage laws  
105.14 and the contract also contains the following elements:

105.15 (1) a description of the prevailing wage laws and a citation to relevant statutes;

105.16 (2) contact details for further information from the Department of Labor and  
105.17 Industry; and

105.18 (3) a statement of contractor and subcontractor liability for failure to adhere to  
105.19 prevailing wage laws.

105.20 Sec. 2. Minnesota Statutes 2008, section 177.27, subdivision 4, is amended to read:

105.21 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
105.22 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
105.23 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, 181.275, subdivision 2a, and  
105.24 181.79, or with any rule promulgated under section 177.28. The commissioner shall  
105.25 issue an order requiring an employer to comply with sections 177.41 to 177.435 if the  
105.26 violation is repeated. For purposes of this subdivision only, a violation is repeated if  
105.27 at any time during the two years that preceded the date of violation, the commissioner  
105.28 issued an order to the employer for violation of sections 177.41 to 177.435 and the order  
105.29 is final or the commissioner and the employer have entered into a settlement agreement  
105.30 that required the employer to pay back wages that were required by sections 177.41 to  
105.31 177.435. The department shall serve the order upon the employer or the employer's  
105.32 authorized representative in person or by certified mail at the employer's place of business.  
105.33 An employer who wishes to contest the order must file written notice of objection to the

106.1 order with the commissioner within 15 calendar days after being served with the order.  
106.2 A contested case proceeding must then be held in accordance with sections 14.57 to  
106.3 14.69. If, within 15 calendar days after being served with the order, the employer fails  
106.4 to file a written notice of objection with the commissioner, the order becomes a final  
106.5 order of the commissioner.

106.6 Sec. 3. Minnesota Statutes 2008, section 177.30, is amended to read:

106.7 **177.30 KEEPING RECORDS; PENALTY.**

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

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

106.11 (2) the rate of pay, and the amount paid each pay period to each employee;

106.12 (3) the hours worked each day and each workweek by the employee;

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

106.24 (5) other information the commissioner finds necessary and appropriate to enforce  
106.25 sections 177.21 to ~~177.35~~ 177.435. The records must be kept for three years in or near the  
106.26 premises where an employee works except each employer subject to sections 177.41 to  
106.27 177.44, and while performing work on public works projects funded in whole or in part  
106.28 with state funds, the records must be kept for three years after the contracting authority  
106.29 has made final payment on the public works project.

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

107.1 Sec. 4. Minnesota Statutes 2008, section 177.31, is amended to read:

107.2 **177.31 POSTING OF LAW AND RULES; PENALTY.**

107.3 Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must obtain and keep  
107.4 a summary of those sections, approved by the department, and copies of any applicable  
107.5 rules adopted under those sections, or a summary of the rules. The employer must post the  
107.6 summaries in a conspicuous and accessible place in or about the premises in which any  
107.7 person covered by sections 177.21 to ~~177.35~~ 177.44 is employed. The department shall  
107.8 furnish copies of the summaries and rules to employers without charge.

107.9 The commissioner may fine an employer up to \$200 for each failure to comply with  
107.10 this section. This penalty is in addition to any penalties provided by section 177.32,  
107.11 subdivision 1.

107.12 Sec. 5. Minnesota Statutes 2008, section 177.32, is amended to read:

107.13 **177.32 PENALTIES.**

107.14 Subdivision 1. **Misdemeanors.** An employer who does any of the following is  
107.15 guilty of a misdemeanor:

107.16 (1) hinders or delays the commissioner in the performance of duties required under  
107.17 sections 177.21 to ~~177.35~~ 177.435;

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

107.20 (3) repeatedly fails to make, keep, and preserve records as required by section  
107.21 177.30;

107.22 (4) falsifies any record;

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

107.25 (6) repeatedly fails to post a summary of sections 177.21 to ~~177.35~~ 177.44 or a copy  
107.26 or summary of the applicable rules as required by section 177.31;

107.27 (7) pays or agrees to pay wages at a rate less than the rate required under sections  
107.28 177.21 to ~~177.35~~ 177.44;

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

107.30 (9) otherwise violates any provision of sections 177.21 to ~~177.35~~ 177.44.

107.31 Subd. 2. **Fine.** An employer shall be fined not less than \$700 nor more than \$3,000  
107.32 if convicted of discharging or otherwise discriminating against any employee because:

107.33 (1) the employee has complained to the employer or to the department that wages  
107.34 have not been paid in accordance with sections 177.21 to ~~177.35~~ 177.435;

108.1 (2) the employee has instituted or will institute a proceeding under or related to  
108.2 sections 177.21 to ~~177.35~~ 177.435; or

108.3 (3) the employee has testified or will testify in any proceeding.

108.4 Sec. 6. Minnesota Statutes 2008, section 177.42, subdivision 6, is amended to read:

108.5 Subd. 6. **Prevailing wage rate.** "Prevailing wage rate" means the hourly basic rate  
108.6 of pay plus the contribution ~~for health and welfare benefits, vacation benefits, pension~~  
108.7 ~~benefits, and any other economic benefit~~ paid to or for the largest number of workers  
108.8 engaged in the same class of labor within the area and for medical or hospital care,  
108.9 pensions on retirement or death, compensation for injuries or illness resulting from  
108.10 occupational activity, or insurance to provide any of the foregoing, for unemployment  
108.11 benefits, life insurance, disability and sickness insurance, or accident insurance, for  
108.12 vacation and holiday pay, for defraying the costs of apprenticeship or other similar  
108.13 programs, or for other bona fide fringe benefits, but only where the contractor or  
108.14 subcontractor is not required by other federal, state, or local law to provide any of those  
108.15 benefits, the amount of:

108.16 (1) the rate of contribution irrevocably made by a contractor or subcontractor to a  
108.17 trustee or to a third person under a fund, plan, or program; and

108.18 (2) the rate of costs to the contractor or subcontractor that may be reasonably  
108.19 anticipated in providing benefits to laborers and mechanics pursuant to an enforceable  
108.20 commitment to carry out a financially responsible plan or program which was  
108.21 communicated in writing to the laborers and mechanics affected.

108.22 "Prevailing wage rate" includes, for the purposes of section 177.44, rental rates for  
108.23 truck hire paid to those who own and operate the truck.

108.24 The prevailing wage rate may not be less than a reasonable and living wage.

108.25 Sec. 7. Minnesota Statutes 2008, section 177.42, is amended by adding a subdivision  
108.26 to read:

108.27 Subd. 7. **Employer.** "Employer" means an individual, partnership, association,  
108.28 corporation, business trust, or other business entity that hires a laborer, worker, or  
108.29 mechanic.

108.30 Sec. 8. Minnesota Statutes 2008, section 177.43, subdivision 3, is amended to read:

108.31 Subd. 3. **Contract requirements.** The contract must specifically state the prevailing  
108.32 wage rates, prevailing hours of labor, and hourly basic rates of pay. The contracting  
108.33 authority shall incorporate into its proposals and all contracts the applicable wage

109.1 determinations for the contract along with contract language provided by the commissioner  
109.2 of labor and industry to notify the contractor and all subcontractors of the applicability of  
109.3 sections 177.41 to 177.44. Failure to incorporate the determination or provided contract  
109.4 language into the contracts shall make the contracting authority liable for making whole  
109.5 the contractor or subcontractor for any increases in the wages paid, including employment  
109.6 taxes and reasonable administrative costs based on the appropriate prevailing wage due to  
109.7 the laborers or mechanics working on the project. The contract must also provide that  
109.8 the contracting agency shall demand, and the contractor and subcontractor shall furnish  
109.9 to the contracting agency, copies of any or all payrolls not more than 14 days after the  
109.10 end of each pay period. The payrolls must contain all the data required by section 177.30.  
109.11 The contracting authority may examine all records relating to wages paid laborers or  
109.12 mechanics on work to which sections 177.41 to 177.44 apply.

109.13 **Sec. 9. [181.986] REQUIRED EQUIPMENT AND APPAREL.**

109.14 (a) Notwithstanding any other law or rule to the contrary, a public employer is  
109.15 prohibited from knowingly purchasing or acquiring, furnishing, or requiring an employee  
109.16 to purchase or acquire for wear or use while on duty, any of the following items if the item  
109.17 is not manufactured in the United States of America:

109.18 (1) any uniform or other item of wearing apparel over which an employee has no  
109.19 discretion in selecting except for selecting the proper size; or

109.20 (2) safety equipment or protective accessories.

109.21 (b) Preference must be given to purchases from manufacturers who pay an average  
109.22 annual income, including wages and benefits, equal to at least 150 percent of the federal  
109.23 poverty guideline adjusted for a family size of four. For purposes of this section, "public  
109.24 employer" means a county, home rule charter or statutory city, town, school district,  
109.25 metropolitan or regional agency, public corporation, political subdivision, special district  
109.26 as defined in section 6.465, subdivision 3, municipal fire department, independent  
109.27 nonprofit firefighting corporation, the University of Minnesota, the Minnesota State  
109.28 Colleges and Universities, and the state of Minnesota and its agencies.

109.29 (c) Notwithstanding paragraph (a), a public employer may purchase or acquire,  
109.30 furnish, or require an employee to purchase or acquire items listed in paragraph (a)  
109.31 manufactured outside of the United States if similar items are not manufactured or  
109.32 available for purchase in the United States.

109.33 **EFFECTIVE DATE.** This section is effective January 1, 2010, or upon expiration  
109.34 of valid contracts for such equipment and apparel entered into by public employers prior  
109.35 to June 1, 2009, whichever is later.

110.1 Sec. 10. Minnesota Statutes 2008, section 270.97, is amended to read:

110.2 **270.97 DEPOSIT OF REVENUES.**

110.3 The commissioner shall deposit all revenues derived from the tax, interest, and  
110.4 penalties received from the county in the contaminated site cleanup and development  
110.5 account in the general fund and is annually appropriated to the commissioner of the  
110.6 Department of Employment and Economic Development, for the purposes of section  
110.7 116J.551.

110.8 Sec. 11. **[326B.153] BUILDING PERMIT FEES.**

110.9 Subdivision 1. Building permits. (a) Fees for building permits submitted as  
110.10 required in section 326B.106 include:

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

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

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

110.15 (1) \$1 to \$500, \$29.50;

110.16 (2) \$501 to \$2,000, \$28 for the first \$500 plus \$3.70 for each additional \$100 or  
110.17 fraction thereof, to and including \$2,000;

110.18 (3) \$2,001 to \$25,000, \$83.50 for the first \$2,000 plus \$16.55 for each additional  
110.19 \$1,000 or fraction thereof, to and including \$25,000;

110.20 (4) \$25,001 to \$50,000, \$464.15 for the first \$25,000 plus \$12 for each additional  
110.21 \$1,000 or fraction thereof, to and including \$50,000;

110.22 (5) \$50,001 to \$100,000, \$764.15 for the first \$50,000 plus \$8.45 for each additional  
110.23 \$1,000 or fraction thereof, to and including \$100,000;

110.24 (6) \$100,001 to \$500,000, \$1,186.65 for the first \$100,000 plus \$6.75 for each  
110.25 additional \$1,000 or fraction thereof, to and including \$500,000;

110.26 (7) \$500,001 to \$1,000,000, \$3,886.65 for the first \$500,000 plus \$5.50 for each  
110.27 additional \$1,000 or fraction thereof, to and including \$1,000,000; and

110.28 (8) \$1,000,001 and up, \$6,636.65 for the first \$1,000,000 plus \$4.50 for each  
110.29 additional \$1,000 or fraction thereof.

110.30 (c) Other inspections and fees are:

110.31 (1) inspections outside of normal business hours (minimum charge two hours),  
110.32 \$63.25 per hour;

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

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

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

111.3 (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than  
111.4 \$63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead,  
111.5 equipment, hourly wages, and fringe benefits of the employees involved.

111.6 Subd. 2. **Plan review.** Fees for the review of building plans, specifications, and  
111.7 related documents submitted as required by section 326B.106 must be paid based on 65  
111.8 percent of the building permit fee required in subdivision 1.

111.9 Subd. 3. **Surcharge.** Surcharge fees are required for permits issued on all buildings  
111.10 including public buildings and state licensed facilities as required by section 326B.148.

111.11 Subd. 4. **Distribution.** (a) This subdivision establishes the fee distribution between  
111.12 the state and municipalities contracting for plan review and inspection of public buildings  
111.13 and state licensed facilities.

111.14 (b) If plan review and inspection services are provided by the state building official,  
111.15 all fees for those services must be remitted to the state.

111.16 (c) If plan review services are provided by the state building official and inspection  
111.17 services are provided by a contracting municipality:

111.18 (1) the state shall charge 75 percent of the plan review fee required by the state's  
111.19 fee schedule in subdivision 2; and

111.20 (2) the municipality shall charge 25 percent of the plan review fee required by the  
111.21 municipality's adopted fee schedule, for orientation to the plans, in addition to the permit  
111.22 and other customary fees charged by the municipality.

111.23 (d) If plan review and inspection services are provided by the contracting  
111.24 municipality, all fees for those services must be remitted to the municipality in accordance  
111.25 with their adopted fee schedule.

111.26 Sec. 12. Minnesota Statutes 2008, section 326B.33, subdivision 13, is amended to read:

111.27 Subd. 13. **Registration of unlicensed individuals.** Unlicensed individuals  
111.28 performing electrical work for a contractor or employer shall register with the department  
111.29 in the manner prescribed by the commissioner. Experience credit for electrical work  
111.30 performed in Minnesota after January 1, ~~2008~~ 2009, by an applicant for a license identified  
111.31 in this section shall not be granted where the applicant has not registered with or is not  
111.32 licensed by the department.

111.33 Sec. 13. Minnesota Statutes 2008, section 326B.33, subdivision 19, is amended to read:

112.1 Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless  
112.2 revoked or suspended under this chapter, all licenses issued or renewed under this section  
112.3 expire on the date specified in this subdivision. Master licenses expire March 1 of each  
112.4 odd-numbered year after issuance or renewal. Electrical contractor licenses expire March  
112.5 1 of each even-numbered year after issuance or renewal. Technology system contractor  
112.6 licenses expire August 1 of each even-numbered year after issuance or renewal. All  
112.7 other personal licenses expire two years from the date of original issuance and every two  
112.8 years thereafter. Registrations of unlicensed individuals expire one year from the date of  
112.9 original issuance and every year thereafter.

112.10 (b) Fees for application and examination, and for the original issuance and each  
112.11 subsequent renewal, are:

112.12 (1) For each personal license application and examination: \$35;

112.13 (2) For original issuance and each subsequent renewal of:

112.14 Class A Master or master special electrician, including master elevator constructor:  
112.15 \$40 per year;

112.16 Class B Master: \$25 per year;

112.17 Power Limited Technician: \$15 per year;

112.18 Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman,  
112.19 or Maintenance Electrician other than master special electrician: \$15 per year;

112.20 Contractor: \$100 per year;

112.21 Unlicensed individual registration: \$15 per year.

112.22 (c) If any new license is issued in accordance with this subdivision for less than two  
112.23 years, the fee for the license shall be prorated on an annual basis.

112.24 (d) A license fee may not be refunded after a license is issued or renewed. However,  
112.25 if the fee paid for a license was not prorated in accordance with this subdivision, the  
112.26 amount of the overpayment shall be refunded.

112.27 (e) Any contractor who seeks reissuance of a license after it has been revoked or  
112.28 suspended under this chapter shall submit a reissuance fee of \$100 before the license is  
112.29 reinstated.

112.30 (f) ~~The fee for the issuance of each duplicate license is \$15.~~

112.31 (g) An individual or contractor who fails to renew a license before 30 days after the  
112.32 expiration or registration of the license must submit a late fee equal to one year's license  
112.33 fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not  
112.34 prorated. An individual or contractor that fails to renew a license or registration by the  
112.35 expiration date is unlicensed until the license or registration is renewed.

113.1 Sec. 14. Minnesota Statutes 2008, section 326B.46, subdivision 4, is amended to read:

113.2 Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay  
113.3 the department ~~an annual~~ a bond registration fee of \$40 for one year or \$80 for two years.

113.4 (b) The commissioner shall in a manner determined by the commissioner, without  
113.5 the need for any rulemaking under chapter 14, phase in the bond registration from one year  
113.6 to two years so that the expiration of bond registration corresponds with the expiration of  
113.7 the license issued under section 326B.475 or 326B.49, subdivision 1.

113.8 Sec. 15. Minnesota Statutes 2008, section 326B.475, subdivision 4, is amended to read:

113.9 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and  
113.10 restricted journeyman plumber license must be renewed ~~annually~~ for as long as that  
113.11 licensee engages in the plumbing trade. Failure to renew a restricted master plumber and  
113.12 restricted journeyman plumber license within 12 months after the expiration date will  
113.13 result in permanent forfeiture of the restricted master plumber and restricted journeyman  
113.14 plumber license.

113.15 (b) The commissioner shall in a manner determined by the commissioner, without  
113.16 the need for any rulemaking under chapter 14, phase in the renewal of restricted master  
113.17 plumber and restricted journeyman plumber licenses from one year to two years. By  
113.18 June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses  
113.19 shall be two-year licenses.

113.20 Sec. 16. Minnesota Statutes 2008, section 326B.475, subdivision 7, is amended to read:

113.21 Subd. 7. **Fee.** The ~~annual~~ renewal fee for the restricted master plumber and  
113.22 restricted journeyman plumber licenses is the same fee as for a master or journeyman  
113.23 plumber license, respectively.

113.24 Sec. 17. Minnesota Statutes 2008, section 326B.49, subdivision 1, is amended to read:

113.25 Subdivision 1. **Application.** (a) Applications for plumber's license shall be made to  
113.26 the commissioner, with fee. Unless the applicant is entitled to a renewal, the applicant  
113.27 shall be licensed by the commissioner only after passing a satisfactory examination  
113.28 developed and administered by the commissioner, based upon rules adopted by the  
113.29 Plumbing Board, showing fitness. Examination fees for both journeyman and master  
113.30 plumbers shall be \$50 for each examination. Upon being notified of having successfully  
113.31 passed the examination for original license the applicant shall submit an application,  
113.32 with the license fee herein provided. The license fee for each initial ~~and renewal~~ master  
113.33 plumber's license shall be ~~\$120~~ \$240. The license fee for each initial ~~and renewal~~

114.1 journeyman plumber's license shall be ~~\$55~~ \$110. ~~The commissioner may by rule prescribe~~  
114.2 ~~for the expiration and renewal of licenses.~~

114.3 (b) All initial master and journeyman plumber's licenses shall be effective for more  
114.4 than one calendar year and shall expire on December 31 of the year after the year in which  
114.5 the application is made. The license fee for each renewal master plumber's license shall be  
114.6 \$120 for one year or \$240 for two years. The license fee for each renewal journeyman  
114.7 plumber's license shall be \$55 for one year or \$110 for two years. The commissioner  
114.8 shall in a manner determined by the commissioner, without the need for any rulemaking  
114.9 under chapter 14, phase in the renewal of master and journeyman plumber's licenses from  
114.10 one year to two years. By June 30, 2011, all renewed master and journeyman plumber's  
114.11 licenses shall be two-year licenses.

114.12 (c) Any licensee who does not renew a license within two years after the license  
114.13 expires is no longer eligible for renewal. Such an individual must retake and pass the  
114.14 examination before a new license will be issued. A journeyman or master plumber who  
114.15 submits a license renewal application after the time specified in rule but within two years  
114.16 after the license expired must pay all past due renewal fees plus a late fee of \$25.

114.17 Sec. 18. Minnesota Statutes 2008, section 326B.56, subdivision 4, is amended to read:

114.18 Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for  
114.19 one year or \$80 for two years from each applicant for issuance or renewal of a water  
114.20 conditioning contractor or installer license who elects to proceed under subdivisions  
114.21 1 and 2.

114.22 (b) The commissioner shall in a manner determined by the commissioner, without  
114.23 the need for any rulemaking under chapter 14, phase in the bond registration from one year  
114.24 to two years so that the expiration of bond registration corresponds with the expiration of  
114.25 the license issued under section 326B.55.

114.26 Sec. 19. Minnesota Statutes 2008, section 326B.58, is amended to read:

114.27 **326B.58 FEES.**

114.28 (a) Examination fees for both water conditioning contractors and water conditioning  
114.29 installers shall be \$50 for each examination. Each initial water conditioning contractor  
114.30 and installer license shall be effective for more than one calendar year and shall expire on  
114.31 December 31 of the year for which it was issued after the year in which the application  
114.32 is made. The license fee for each initial water conditioning contractor's license shall be  
114.33 ~~\$70~~ \$140, except that the license fee shall be ~~\$35~~ \$105 if the application is submitted  
114.34 during the last three months of the calendar year. The license fee for each renewal water

115.1 conditioning contractor's license shall be \$70 for one year or \$140 for two years. The  
115.2 license fee for each initial water conditioning installer license shall be ~~\$35~~ \$70, except  
115.3 that the license fee shall be ~~\$17.50~~ \$52.50 if the application is submitted during the last  
115.4 three months of the calendar year. The license fee for each renewal water conditioning  
115.5 installer license shall be \$35 for one year or \$70 for two years.

115.6 (b) The commissioner shall in a manner determined by the commissioner, without  
115.7 the need for any rulemaking under chapter 14, phase in the renewal of water conditioning  
115.8 contractor and installer licenses from one year to two years. By June 30, 2011, all renewed  
115.9 water conditioning contractor and installer licenses shall be two-year licenses. The  
115.10 commissioner may by rule prescribe for the expiration and renewal of licenses.

115.11 (c) Any licensee who does not renew a license within two years after the license  
115.12 expires is no longer eligible for renewal. Such an individual must retake and pass the  
115.13 examination before a new license will be issued. A water conditioning contractor or water  
115.14 conditioning installer who submits a license renewal application after the time specified  
115.15 in rule but within two years after the license expired must pay all past due renewal fees  
115.16 plus a late fee of \$25.

115.17 Sec. 20. Minnesota Statutes 2008, section 326B.815, subdivision 1, is amended to read:

115.18 Subdivision 1. **Licensing fee.** (a) The licensing fee for persons licensed pursuant  
115.19 to sections 326B.802 to 326B.885, except for manufactured home installers, is ~~\$100 per~~  
115.20 year ~~\$200 for a two-year period~~. The licensing fee for manufactured home installers under  
115.21 section 327B.041 is \$300 for a three-year period.

115.22 (b) All initial licenses, except for manufactured home installer licenses, shall be  
115.23 effective for two years and shall expire on March 31 of the year after the year in which the  
115.24 application is made. The license fee for each renewal of a residential contractor, residential  
115.25 remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.

115.26 (c) The commissioner shall in a manner determined by the commissioner, without  
115.27 the need for any rulemaking under chapter 14, phase in the renewal of residential  
115.28 contractor, residential remodeler, and residential roofer licenses from one year to two  
115.29 years. By June 30, 2011, all renewed residential contractor, residential remodeler, and  
115.30 residential roofer licenses shall be two-year licenses.

115.31 Sec. 21. Minnesota Statutes 2008, section 326B.821, subdivision 2, is amended to read:

115.32 Subd. 2. **Hours.** A qualifying person of a licensee must provide proof of completion  
115.33 of ~~seven~~ 14 hours of continuing education per ~~year~~ two-year licensure period in the  
115.34 regulated industry in which the licensee is licensed.

116.1 Credit may not be earned if the licensee has previously obtained credit for the same  
116.2 course as either a student or instructor during the same licensing period.

116.3 Sec. 22. Minnesota Statutes 2008, section 326B.86, subdivision 1, is amended to read:

116.4 Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed  
116.5 residential roofers must post a surety bond in the name of the licensee with the  
116.6 commissioner, conditioned that the applicant shall faithfully perform the duties and  
116.7 in all things comply with all laws, ordinances, and rules pertaining to the license or  
116.8 permit applied for and all contracts entered into. The ~~annual~~ bond must be continuous  
116.9 and maintained for so long as the licensee remains licensed. The aggregate liability of  
116.10 the surety on the bond to any and all persons, regardless of the number of claims made  
116.11 against the bond, may not exceed the amount of the bond. The bond may be canceled as  
116.12 to future liability by the surety upon 30 days' written notice mailed to the commissioner  
116.13 by regular mail.

116.14 (b) A licensed residential roofer must post a bond of at least \$15,000.

116.15 (c) A licensed manufactured home installer must post a bond of at least \$2,500.

116.16 Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts  
116.17 for purposes of sections 8.05 and 16C.05, subdivision 2.

116.18 Sec. 23. Minnesota Statutes 2008, section 326B.885, subdivision 2, is amended to read:

116.19 Subd. 2. ~~Annual Renewal period. Any license issued or renewed after August~~  
116.20 ~~1, 1993, must be renewed annually except for~~ (a) A residential contractor, residential  
116.21 remodeler, and residential roofer license shall have a renewal period of two years. The  
116.22 commissioner shall in a manner determined by the commissioner, without the need for any  
116.23 rulemaking under chapter 14, phase in the renewal of residential contractor, residential  
116.24 remodeler, and residential roofer licenses from one year to two years. By June 30, 2011,  
116.25 all renewed residential contractor, residential remodeler, and residential roofer licenses  
116.26 shall be two-year licenses.

116.27 (b) A manufactured home installer's license ~~which~~ shall have a renewal period of  
116.28 three years, effective for all renewals and new licenses issued after December 31, 2008.

116.29 Sec. 24. Minnesota Statutes 2008, section 326B.89, subdivision 3, is amended to read:

116.30 Subd. 3. **Fund fees.** In addition to any other fees, a person who applies for or  
116.31 renews a license under sections 326B.802 to 326B.885 shall pay a fee to the fund. The  
116.32 person shall pay, in addition to the appropriate application or renewal fee, the following  
116.33 additional fee that shall be deposited in the fund. The amount of the fee shall be based on

117.1 the person's gross annual receipts for the person's most recent fiscal year preceding the  
 117.2 application or renewal, on the following scale:

117.3	Fee	Gross Annual Receipts
117.4	<del>\$160</del> <u>\$320</u>	under \$1,000,000
117.5	<del>\$210</del> <u>\$420</u>	\$1,000,000 to \$5,000,000
117.6	<del>\$260</del> <u>\$520</u>	over \$5,000,000

117.7 Sec. 25. Minnesota Statutes 2008, section 326B.89, subdivision 16, is amended to read:

117.8 Subd. 16. **Additional assessment.** If the balance in the fund is at any time less  
 117.9 than the commissioner determines is necessary to carry out the purposes of this section,  
 117.10 every licensee, when renewing a license, shall pay, in addition to the annual renewal  
 117.11 fee and the fee set forth in subdivision 3, an assessment not to exceed ~~\$100~~ \$200. The  
 117.12 commissioner shall set the amount of assessment based on a reasonable determination  
 117.13 of the amount that is necessary to restore a balance in the fund adequate to carry out the  
 117.14 purposes of this section.

117.15 Sec. 26. Minnesota Statutes 2008, section 326B.94, subdivision 4, is amended to read:

117.16 Subd. 4. **Examinations, licensing.** The commissioner shall develop and administer  
 117.17 an examination for all masters of boats carrying passengers for hire on the inland waters of  
 117.18 the state as to their qualifications and fitness. If found qualified and competent to perform  
 117.19 their duties as a master of a boat carrying passengers for hire, they shall be issued a license  
 117.20 authorizing them to act as such on the inland waters of the state. ~~The license shall be~~  
 117.21 ~~renewed annually.~~ All initial master's licenses shall be for two years. The commissioner  
 117.22 shall in a manner determined by the commissioner, without the need for any rulemaking  
 117.23 under chapter 14, phase in the renewal of master's licenses from one year to two years.  
 117.24 By June 30, 2011, all renewed master's licenses shall be two-year licenses. Fees for the  
 117.25 original issue and renewal of the license authorized under this section shall be pursuant to  
 117.26 section 326B.986, subdivision 2.

117.27 Sec. 27. Minnesota Statutes 2008, section 326B.972, is amended to read:

117.28 **326B.972 LICENSE REQUIREMENT.**

117.29 (a) To operate a boiler, steam engine, or turbine an individual must have received a  
 117.30 license for the grade covering that boiler, steam engine, or turbine. ~~The license must be~~  
 117.31 ~~renewed annually, except as provided~~ Except for licenses described in section 326B.956  
 117.32 and except for provisional licenses described in paragraphs (d) to (g);

118.1 (1) all initial licenses shall be for two years;

118.2 (2) the commissioner shall in a manner determined by the commissioner, without  
118.3 the need for any rulemaking under chapter 14, phase in the renewal of licenses from  
118.4 one year to two years; and

118.5 (3) by June 30, 2011, all licenses shall be two-year licenses.

118.6 (b) For purposes of sections 326B.952 to 326B.998, "operation" does not include  
118.7 monitoring of an automatic boiler, either through on premises inspection of the boiler or  
118.8 by remote electronic surveillance, provided that no operations are performed upon the  
118.9 boiler other than emergency shut down in alarm situations.

118.10 (c) No individual under the influence of illegal drugs or alcohol may operate a boiler,  
118.11 steam engine, or turbine or monitor an automatic boiler.

118.12 (d) The commissioner may issue a provisional license to allow an employee of a  
118.13 high pressure boiler plant to operate boilers greater than 500 horsepower at only that  
118.14 boiler plant if:

118.15 (1) the boiler plant has a designated chief engineer in accordance with Minnesota  
118.16 Rules, part 5225.0410;

118.17 (2) the boiler plant employee holds a valid license as a second-class engineer,  
118.18 Grade A or B;

118.19 (3) the chief engineer in charge of the boiler plant submits an application to the  
118.20 commissioner on a form prescribed by the commissioner to elicit information on whether  
118.21 the requirements of this paragraph have been met;

118.22 (4) the chief engineer in charge of the boiler plant and an authorized representative  
118.23 of the owner of the boiler plant both sign the application for the provisional license;

118.24 (5) the owner of the boiler plant has a documented training program with examination  
118.25 for boilers and equipment at the boiler plant to train and test the boiler plant employee; and

118.26 (6) if the application were to be granted, the total number of provisional licenses  
118.27 for employees of the boiler plant would not exceed the total number of properly licensed  
118.28 first-class engineers and chief engineers responsible for the safe operation of the boilers  
118.29 at the boiler plant.

118.30 (e) A public utility, cooperative electric association, generation and transmission  
118.31 cooperative electric association, municipal power agency, or municipal electric utility  
118.32 that employs licensed boiler operators who are subject to an existing labor contract may  
118.33 use a provisional licensee as an operator only if using the provisional licensee does not  
118.34 violate the labor contract.

119.1 (f) Each provisional license expires 36 months after the date of issuance unless  
119.2 revoked less than 36 months after the date of issuance. A provisional license may not be  
119.3 renewed.

119.4 (g) The commissioner may issue no more than two provisional licenses to any  
119.5 individual within a four-year period.

119.6 Sec. 28. Minnesota Statutes 2008, section 326B.986, subdivision 2, is amended to read:

119.7 Subd. 2. **Fee amounts; master's.** The license and application fee for ~~a~~ an initial  
119.8 master's license is ~~\$50~~ \$70, or ~~\$20~~ \$40 if the applicant possesses a valid, unlimited, current  
119.9 United States Coast Guard master's license. ~~The annual renewal of fee for a master's~~  
119.10 license is ~~\$20~~ for one year or \$40 for two years. ~~The annual renewal~~ If the renewal fee is  
119.11 paid later than 30 days after expiration is \$35. The fee for replacement of a current, valid  
119.12 license is \$20, then a late fee of \$15 will be added to the renewal fee.

119.13 Sec. 29. Minnesota Statutes 2008, section 326B.986, subdivision 5, is amended to read:

119.14 Subd. 5. **Boiler engineer license fees.** (a) For the following licenses, the  
119.15 nonrefundable license and application fee is:

- 119.16 (1) chief engineer's license, ~~\$50~~ \$70;
- 119.17 (2) first class engineer's license, ~~\$50~~ \$70;
- 119.18 (3) second class engineer's license, ~~\$50~~ \$70;
- 119.19 (4) special engineer's license, ~~\$20~~ \$40;
- 119.20 (5) traction or hobby boiler engineer's license, \$50; and
- 119.21 (6) provisional license, \$50.

119.22 (b) An engineer's license, except a provisional license, may be renewed upon  
119.23 application and payment of ~~an annual~~ a renewal fee of \$20 for one year or \$40 for two  
119.24 years. ~~The annual renewal~~ If the renewal fee is paid later than 30 days after expiration,  
119.25 is \$35. The fee for replacement of a current, valid license is \$20 then a late fee of \$15  
119.26 will be added to the renewal fee.

119.27 Sec. 30. Minnesota Statutes 2008, section 326B.986, subdivision 8, is amended to read:

119.28 Subd. 8. **Certificate of competency.** The fee for issuance of the original state  
119.29 of Minnesota certificate of competency for inspectors is ~~\$50. This fee is waived~~ \$85  
119.30 for inspectors who did not pay the examination fee or \$35 for inspectors who paid  
119.31 the examination fee. All initial certificates of competency shall be effective for more  
119.32 than one calendar year and shall expire on December 31 of the year after the year in  
119.33 which the application is made. The commissioner shall in a manner determined by the

120.1 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal  
120.2 of certificates of competency from one calendar year to two calendar years. By June 30,  
120.3 2011, all renewed certificates of competency shall be valid for two calendar years. The fee  
120.4 for an annual renewal of the state of Minnesota certificate of competency is \$35 for one  
120.5 year or \$70 for two years, and is due January 1 of each year. The fee for replacement of a  
120.6 current, valid license is \$35 the day after the certificate expires.

120.7 Sec. 31. Minnesota Statutes 2008, section 327B.04, subdivision 7, is amended to read:

120.8 Subd. 7. **Fees; Licenses; when granted.** Each application for a license or license  
120.9 renewal must be accompanied by a fee in an amount established by ~~the commissioner by~~  
120.10 ~~rule pursuant to section 327B.10~~ subdivision 7a. The fees shall be set in an amount which  
120.11 over the fiscal biennium will produce revenues approximately equal to the expenses which  
120.12 the commissioner expects to incur during that fiscal biennium while administering and  
120.13 enforcing sections 327B.01 to 327B.12. The commissioner shall grant or deny a license  
120.14 application or a renewal application within 60 days of its filing. If the license is granted,  
120.15 the commissioner shall license the applicant as a dealer or manufacturer for the remainder  
120.16 of the ~~calendar year~~ licensure period. Upon application by the licensee, the commissioner  
120.17 shall renew the license for a two year period, if:

- 120.18 ~~(a)~~ (1) the renewal application satisfies the requirements of subdivisions 3 and 4;  
120.19 ~~(b)~~ (2) the renewal applicant has made all listings, registrations, notices and reports  
120.20 required by the commissioner during the preceding ~~year~~ licensure period; and  
120.21 ~~(c)~~ (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to  
120.22 327B.12 and all taxes, arrearages, and penalties owed to the state.

120.23 Sec. 32. Minnesota Statutes 2008, section 327B.04, is amended by adding a  
120.24 subdivision to read:

- 120.25 Subd. 7a. Fees. (a) Fees for licenses issued pursuant to this section are as follows:  
120.26 (1) initial dealer license for principal location, \$400. Fee is not refundable;  
120.27 (2) initial dealer license for subagency location, \$80;  
120.28 (3) dealer license biennial renewal, principal location, \$400; dealer subagency  
120.29 location biennial renewal, \$160. Subagency license renewal must coincide with the  
120.30 principal license date;  
120.31 (4) initial limited dealer license, \$200;  
120.32 (5) change of bonding company, \$10;  
120.33 (6) reinstatement of bond after cancellation notice has been received, \$10;  
120.34 (7) checks returned without payment, \$15; and

121.1 (8) change of address, \$10.

121.2 (b) All initial limited dealer licenses shall be effective for more than one calendar  
121.3 year and shall expire on December 31 of the year after the year in which the application  
121.4 is made.

121.5 (c) The license fee for each renewed limited dealer license shall be \$100 for one  
121.6 year and \$200 for two years. The commissioner shall in a manner determined by the  
121.7 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal  
121.8 of limited dealer licenses from one year to two years. By June 30, 2011, all renewed  
121.9 limited dealer licenses shall be two-year licenses.

121.10 (d) All fees are not refundable.

121.11 Sec. 33. Minnesota Statutes 2008, section 327B.04, subdivision 8, is amended to read:

121.12 Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's  
121.13 license to an owner of a manufactured home park authorizing the licensee as principal  
121.14 only to engage in the sale, offering for sale, soliciting, or advertising the sale of used  
121.15 manufactured homes located in the owned manufactured home park. The licensee must  
121.16 be the title holder of the homes and may engage in no more than ten sales ~~annually~~  
121.17 during each year of the two-year licensure period. An owner may, upon payment of the  
121.18 applicable fee and compliance with this subdivision, obtain a separate license for each  
121.19 owned manufactured home park and is entitled to sell up to ~~ten~~ 20 homes per license  
121.20 period provided that only one limited dealer license may be issued for each park. The  
121.21 license shall be issued after:

121.22 (1) receipt of an application on forms provided by the commissioner containing  
121.23 the following information:

121.24 (i) the identity of the applicant;

121.25 (ii) the name under which the applicant will be licensed and do business in this state;

121.26 (iii) the name and address of the owned manufactured home park, including a copy  
121.27 of the park license, serving as the basis for the issuance of the license;

121.28 (iv) the name, home, and business address of the applicant;

121.29 (v) the name, address, and telephone number of one individual that is designated  
121.30 by the applicant to receive all communications and cooperate with all inspections and  
121.31 investigations of the commissioner pertaining to the sale of manufactured homes in the  
121.32 manufactured home park owned by the applicant;

121.33 (vi) whether the applicant or its designated individual has been convicted of a crime  
121.34 within the previous ten years that is either related directly to the business for which the  
121.35 license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a

122.1 judgment in a civil action involving fraud, misrepresentation, or conversion within the  
122.2 previous five years or has had any government license or permit suspended or revoked  
122.3 as a result of an action brought by a federal or state governmental agency in this or any  
122.4 other state within the last five years; and

122.5 (vii) the applicant's qualifications and business history, including whether the  
122.6 applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has  
122.7 any unsatisfied court judgments outstanding against it or them;

122.8 (2) payment of a ~~\$100 annual~~ the license fee established by subdivision 7a; and

122.9 (3) provision of a surety bond in the amount of \$5,000. A separate surety bond  
122.10 must be provided for each limited license.

122.11 The applicant need not comply with section 327B.04, subdivision 4, paragraph (e).  
122.12 The holding of a limited dealer's license does not satisfy the requirement contained in  
122.13 section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect  
122.14 to obtaining a dealer license. The commissioner may, upon application for a renewal of  
122.15 a license, require only a verification that copies of sales documents have been retained  
122.16 and payment of a ~~\$100~~ the renewal fee established by subdivision 7a. "Sales documents"  
122.17 mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a,  
122.18 title of the home, financing agreements, and purchase agreements.

122.19 The license holder shall, upon request of the commissioner, make available for  
122.20 inspection during business hours sales documents required to be retained under this  
122.21 subdivision.

122.22 Sec. 34. **REPEALER.**

122.23 Minnesota Rules, part 1350.8300, is repealed.

122.24 **ARTICLE 6**  
122.25 **MISCELLANEOUS PROVISIONS**

122.26 Section 1. **[1.1499] STATE SPORT.**

122.27 Ice hockey is adopted as the official sport of the state of Minnesota.

122.28 Sec. 2. Minnesota Statutes 2008, section 41A.02, subdivision 17, is amended to read:

122.29 Subd. 17. **Small business development loan.** "Small business development loan"  
122.30 means a loan to a business that is an "eligible small business" to finance:

122.31 (1) capital expenditures on an interim or long-term basis to acquire or improve land,  
122.32 acquire, construct, rehabilitate, remove, or improve buildings, or to acquire and install  
122.33 fixtures and equipment useful to conduct a small business, including facilities of a capital  
122.34 nature useful or suitable for a business engaged in an enterprise promoting employment

123.1 including, without limitation, facilities included within the meaning of the term "project"  
123.2 as defined in sections 469.153, subdivision 2, and 469.155, subdivision 4;

123.3 (2) working capital; and

123.4 (3) intangible property, such as any patent, copyright, formula, process, design,  
123.5 pattern, know-how, format, or other similar item.

123.6 Sec. 3. Minnesota Statutes 2008, section 41A.036, subdivision 4, is amended to read:

123.7 Subd. 4. **Exemption from limitation.** If the board determines that a  
123.8 ~~revenue-producing enterprise~~ an eligible small business is eligible for special assistance,  
123.9 the \$1,000,000 limitation established in subdivision 1 does not apply.

123.10 Sec. 4. Minnesota Statutes 2008, section 41A.036, subdivision 5, is amended to read:

123.11 Subd. 5. **Designation; criteria.** ~~A revenue-producing enterprise~~ An eligible  
123.12 small business is not eligible to receive special assistance unless the board has passed a  
123.13 resolution designating the ~~revenue-producing enterprise~~ eligible small business as being in  
123.14 need of special assistance. The resolution must include findings that the designation and  
123.15 receipt of the special assistance will be of exceptional benefit to the state of Minnesota in  
123.16 that at least three of the following criteria are met:

123.17 (1) to expand or remain in Minnesota, the ~~revenue-producing enterprise~~ eligible  
123.18 small business has demonstrated that it cannot obtain suitable financing from other sources;

123.19 (2) special assistance will enable a ~~revenue-producing enterprise~~ an eligible small  
123.20 business not currently located in Minnesota to locate a facility in Minnesota that directly  
123.21 increases the number of jobs in the state;

123.22 (3) the ~~revenue-producing enterprise~~ eligible small business will create or retain  
123.23 significant numbers of jobs in a Minnesota community;

123.24 (4) the ~~revenue-producing enterprise~~ eligible small business has a significant  
123.25 potential for growth in jobs or economic activities in Minnesota during the ensuing  
123.26 five-year period; and

123.27 (5) the ~~revenue-producing enterprise~~ eligible small business will maintain a  
123.28 significant level of productivity in Minnesota during the ensuing five-year period.

123.29 Sec. 5. Minnesota Statutes 2008, section 85.0146, subdivision 1, is amended to read:

123.30 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation  
123.31 Area Citizens Advisory Council is established. Notwithstanding section 15.059, the  
123.32 council does not expire. Membership on the advisory council shall include:

- 124.1 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers  
124.2 Board;
- 124.3 (2) a representative of the Croft Mine Historical Park Joint Powers Board;
- 124.4 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has  
124.5 worked as a miner in the local area;
- 124.6 (4) a representative of the Crow Wing County Board;
- 124.7 (5) an elected state official;
- 124.8 (6) a representative of the Grand Rapids regional office of the Department of Natural  
124.9 Resources;
- 124.10 (7) a designee of the Iron Range Resources and Rehabilitation Board;
- 124.11 (8) a designee of the local business community selected by the area chambers of  
124.12 commerce;
- 124.13 (9) a designee of the local environmental community selected by the Crow Wing  
124.14 County District 5 commissioner;
- 124.15 (10) a designee of a local education organization selected by the Crosby-Ironton  
124.16 School Board;
- 124.17 (11) a designee of one of the recreation area user groups selected by the Cuyuna  
124.18 Range Chamber of Commerce; and
- 124.19 (12) a member of the Cuyuna Country Heritage Preservation Society.

124.20 Sec. 6. Minnesota Statutes 2008, section 89A.08, subdivision 1, is amended to read:

124.21 Subdivision 1. **Establishment.** The council shall appoint a Forest Resources  
124.22 Research Advisory Committee. Notwithstanding section 15.059, the council does not  
124.23 expire. The committee must consist of representatives of:

- 124.24 (1) the College of Natural Resources, University of Minnesota;
- 124.25 (2) the Natural Resources Research Institute, University of Minnesota;
- 124.26 (3) the department;
- 124.27 (4) the North Central Forest Experiment Station, United States Forest Service; and
- 124.28 (5) other organizations as deemed appropriate by the council.

124.29 Sec. 7. Minnesota Statutes 2008, section 115C.08, subdivision 4, is amended to read:

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

- 124.31 (1) to administer the petroleum tank release cleanup program established in this  
124.32 chapter;

- 125.1 (2) for agency administrative costs under sections 116.46 to 116.50, sections  
125.2 115C.03 to 115C.06, and costs of corrective action taken by the agency under section  
125.3 115C.03, including investigations;
- 125.4 (3) for costs of recovering expenses of corrective actions under section 115C.04;
- 125.5 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
- 125.6 (5) for agency administrative costs of enforcing rules governing the construction,  
125.7 installation, operation, and closure of aboveground and underground petroleum storage  
125.8 tanks;
- 125.9 (6) for reimbursement of the environmental response, compensation, and compliance  
125.10 account under subdivision 5 and section 115B.26, subdivision 4;
- 125.11 (7) for administrative and staff costs as set by the board to administer the petroleum  
125.12 tank release program established in this chapter;
- 125.13 (8) for corrective action performance audits under section 115C.093;
- 125.14 (9) for contamination cleanup grants, as provided in paragraph (c); and
- 125.15 (10) to assess and remove abandoned underground storage tanks under section  
125.16 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor  
125.17 services costs necessary to complete the tank removal project, including, but not limited  
125.18 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an  
125.19 excavation report.
- 125.20 (b) Except as provided in paragraph (c), money in the fund is appropriated to the  
125.21 board to make reimbursements or payments under this section.
- 125.22 (c) \$6,200,000 is annually appropriated from the fund to the commissioner of  
125.23 employment and economic development for contamination cleanup grants under section  
125.24 116J.554. Of this amount, the commissioner may spend up to \$180,000 annually for  
125.25 administration of the contamination cleanup grant program. The appropriation does not  
125.26 cancel and is available until expended. The appropriation shall not be withdrawn from  
125.27 the fund nor the fund balance reduced until the funds are requested by the commissioner  
125.28 of employment and economic development. The commissioner shall schedule requests  
125.29 for withdrawals from the fund to minimize the necessity to impose the fee authorized by  
125.30 subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be  
125.31 used for:
- 125.32 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable  
125.33 to petroleum contamination or new and used tar and tar-like substances, including but not  
125.34 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist  
125.35 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,

126.1 fractions, or residues from the processing of petroleum crude or petroleum products as  
126.2 defined in section 296A.01; and

126.3 (2) the costs of performing contamination investigation if there is a reasonable basis  
126.4 to suspect the contamination is attributable to petroleum or new and used tar and tar-like  
126.5 substances, including but not limited to bitumen and asphalt, but excluding bituminous or  
126.6 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits  
126.7 in the earth or are distillates, fractions, or residues from the processing of petroleum crude  
126.8 or petroleum products as defined in section 296A.01.

126.9 Sec. 8. **[137.701] UNIVERSITY NEIGHBORHOOD DEVELOPMENT.**

126.10 Subdivision 1. Purpose. In order to support and create an environment surrounding  
126.11 the campuses of the University of Minnesota in Minneapolis and Duluth, that is conducive  
126.12 to the purposes of higher education and a vital community, the Board of Regents and  
126.13 the cities of Minneapolis and Duluth shall create with the Marcy Holmes, Southeast  
126.14 Como, Prospect Park, and Cedar-Riverside neighborhood and business associations, an  
126.15 appropriate organization so that they cooperate in the development of those neighborhoods.  
126.16 The organization shall include representatives from the Marcy Holmes, Southeast Como,  
126.17 Prospect Park, and Cedar-Riverside neighborhood and business associations. The purpose  
126.18 of the organization is to improve the university's Minneapolis and Duluth campus area  
126.19 neighborhoods including, but not limited to, the following:

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

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

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

126.27 (4) cooperating and coordinating planning and development in all matters affecting  
126.28 the neighborhood with local government, businesses, residents, and other stakeholders in  
126.29 the neighborhood.

126.30 Subd. 2. Membership. The organization created by the Board of Regents and  
126.31 the city of Minneapolis shall include representatives from the organizations currently  
126.32 represented on the University District Alliance Steering Committee. The Board of  
126.33 Regents and the city of Duluth may establish the membership of an organization for the  
126.34 purposes of subdivision 1.

127.1 Subd. 3. **Report.** The Board of Regents and the cities of Minneapolis and Duluth  
127.2 shall report by January 15, 2010, to the chairs and ranking minority members of the  
127.3 legislative committees with primary jurisdiction over higher education policy and  
127.4 finance and economic development and housing finance on the status and activities of  
127.5 the organization that is created.

127.6 Sec. 9. Minnesota Statutes 2008, section 154.001, is amended to read:

127.7 **154.001 BOARD OF BARBER ~~AND COSMETOLOGIST~~ EXAMINERS**  
127.8 **CREATED; TERMS.**

127.9 Subdivision 1. **Definition.** For the purposes of this chapter, "board" means the  
127.10 Board of Barber Examiners.

127.11 Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber ~~and Cosmetologist~~  
127.12 Examiners is established to consist of three barber members, ~~three cosmetologist members,~~  
127.13 and one public member, as defined in section 214.02, appointed by the governor.

127.14 (b) The barber members shall be persons who have practiced as registered barbers in  
127.15 this state for at least five years immediately prior to their appointment; shall be graduates  
127.16 from the 12th grade of a high school or have equivalent education, and shall have  
127.17 knowledge of the matters to be taught in registered barber schools, as set forth in section  
127.18 154.07. One of the barber members shall be a member of, or recommended by, a union of  
127.19 journeymen barbers that has existed at least two years, and one barber member shall be a  
127.20 member of, or recommended by, a professional organization of barbers.

127.21 ~~(c) All cosmetologist members must be currently licensed in the field of cosmetology~~  
127.22 ~~in Minnesota, have practiced in the licensed occupation for at least five years immediately~~  
127.23 ~~prior to their appointment, be graduates from the 12th grade of high school or have~~  
127.24 ~~equivalent education, and have knowledge of sections 154.40 to 154.54 and Minnesota~~  
127.25 ~~Rules, chapters 2642 and 2644. The cosmetologist members shall be members of,~~  
127.26 ~~or recommended by, a professional organization of cosmetologists, manicurists, or~~  
127.27 ~~estheticians.~~

127.28 ~~(d)~~ Subd. 3. **Membership terms.** (a) Membership terms, compensation of  
127.29 members, removal of members, the filling of membership vacancies, and fiscal year and  
127.30 reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of  
127.31 staff, administrative services and office space; the review and processing of complaints;  
127.32 the setting of board fees; and other provisions relating to board operations shall be as  
127.33 provided in chapter 214.

128.1 ~~(e)~~ (b) Members appointed to fill vacancies caused by death, resignation, or removal  
128.2 shall serve during the unexpired term of their predecessors.

128.3 ~~(f) The barber members of the board shall separately oversee administration,~~  
128.4 ~~enforcement, and regulation of, and adoption of rules under, sections 154.001, 154.002,~~  
128.5 ~~154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26. The cosmetologist~~  
128.6 ~~members of the board shall separately oversee administration, enforcement, and regulation~~  
128.7 ~~of, and adoption of rules under, sections 154.40 to 154.54. Staff hired by the board,~~  
128.8 ~~including inspectors, shall serve both professions.~~

128.9 Sec. 10. Minnesota Statutes 2008, section 154.003, is amended to read:

128.10 **154.003 FEES.**

128.11 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the  
128.12 board, shall be paid to the executive secretary of the board. The executive secretary shall  
128.13 deposit the fees in the general fund in the state treasury.

128.14 (b) The board shall charge the following fees:

128.15 (1) examination and certificate, registered barber, \$65;

128.16 (2) examination and certificate, apprentice, \$60;

128.17 (3) examination, instructor, \$160;

128.18 (4) certificate, instructor, \$45;

128.19 (5) temporary teacher or apprentice permit, ~~\$50~~ \$60;

128.20 (6) renewal of license, registered barber, ~~\$50~~ \$60;

128.21 (7) renewal of license, apprentice, ~~\$45~~ \$50;

128.22 (8) renewal of license, instructor, \$60;

128.23 (9) renewal of temporary teacher permit, ~~\$35~~ \$45;

128.24 (10) student permit, \$25;

128.25 (11) initial shop registration, ~~\$60~~ \$65;

128.26 (12) initial school registration, \$1,010;

128.27 (13) renewal shop registration, ~~\$60~~ \$65;

128.28 (14) renewal school registration, \$260;

128.29 (15) restoration of registered barber license, \$75;

128.30 (16) restoration of apprentice license, \$70;

128.31 (17) restoration of shop registration, \$85;

128.32 (18) change of ownership or location, \$35;

128.33 (19) duplicate license, \$20;

128.34 (20) home study course, \$75; and

128.35 (21) registration of hair braiders, \$20 per year.

129.1 Sec. 11. Minnesota Statutes 2008, section 154.19, is amended to read:

129.2 **154.19 VIOLATIONS.**

129.3 Each of the following constitutes a misdemeanor:

129.4 (1) The violation of any of the provisions of section 154.01;

129.5 (2) Permitting any person in one's employ, supervision, or control to practice as a  
129.6 registered barber or registered apprentice unless that person has a certificate of registration  
129.7 as a registered barber or registered apprentice;

129.8 (3) Obtaining or attempting to obtain a certificate of registration for money other  
129.9 than the required fee, or any other thing of value, or by fraudulent misrepresentation;

129.10 (4) Practicing or attempting to practice by fraudulent misrepresentation;

129.11 (5) The willful failure to display a certificate of registration as required by section  
129.12 154.14;

129.13 (6) The use of any room or place for barbering which is also used for residential or  
129.14 business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles,  
129.15 cigars, tobacco, candies in original package, and such commodities as are used and sold in  
129.16 barber shops, and except that shoeshining and an agency for the reception and delivery of  
129.17 laundry, or either, may be conducted in a barber shop without the same being construed  
129.18 as a violation of this section, unless a substantial partition of ceiling height separates the  
129.19 portion used for residential or business purposes, and where a barber shop is situated in a  
129.20 residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store,  
129.21 hardware store, or soft drink parlor, there must be an outside entrance leading into the  
129.22 barber shop independent of any entrance leading into such business establishment, except  
129.23 that this provision as to an outside entrance shall not apply to barber shops in operation at  
129.24 the time of the passage of this section and except that a barber shop and beauty parlor may  
129.25 be operated in conjunction, without the same being separated by partition of ceiling height;

129.26 (7) The failure or refusal of any barber or other person in charge of any barber shop,  
129.27 or any person in barber schools or colleges doing barber service work, to use separate  
129.28 and clean towels for each customer or patron, or to discard and launder each towel after  
129.29 once being used;

129.30 (8) The failure or refusal by any barber or other person in charge of any barber shop  
129.31 or barber school or barber college to supply clean hot and cold water in such quantities as  
129.32 may be necessary to conduct such shop, or the barbering service of such school or college,  
129.33 in a sanitary manner, or the failure or refusal of any such person to have water and sewer  
129.34 connections from such shop, or barber school or college, with municipal water and sewer  
129.35 systems where the latter are available for use, or the failure or refusal of any such person  
129.36 to maintain a receptacle for hot water of a capacity of not less than five gallons;

130.1 (9) For the purposes of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.161,~~  
130.2 ~~154.19 to 154.21, and 154.24 to 154.26~~ this section, barbers, students, apprentices, or  
130.3 the proprietor or manager of a barber shop, or barber school or barber college, shall be  
130.4 responsible for all violations of the sanitary provisions of ~~sections 154.001, 154.002,~~  
130.5 ~~154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26~~ this section, and if  
130.6 any barber shop, or barber school or barber college, upon inspection, shall be found to be  
130.7 in an unsanitary condition, the person making such inspection shall immediately issue an  
130.8 order to place the barber shop, or barber school, or barber college, in a sanitary condition,  
130.9 in a manner and within a time satisfactory to the Board of Barber and Cosmetologist  
130.10 Examiners, and for the failure to comply with such order the board shall immediately  
130.11 file a complaint for the arrest of the persons upon whom the order was issued, and any  
130.12 registered barber who shall fail to comply with the rules adopted by the Board of Barber  
130.13 and Cosmetologist Examiners, with the approval of the state commissioner of health, or  
130.14 the violation or commission of any of the offenses described in this section and section  
130.15 ~~154.16~~ 154.161, subdivision 4, paragraph (a), clauses (1), ~~(2)~~, (3), and (4), ~~(5), (6), (7),~~  
130.16 ~~(8), (9) to (12), and of clauses (1), (2), (3), (4), (5), (6), (7), (8), and (9) of this section,~~  
130.17 shall be fined not less than \$10 or imprisoned for ten days and not more than \$100 or  
130.18 imprisoned for 90 days.

130.19 Sec. 12. Minnesota Statutes 2008, section 154.44, subdivision 1, is amended to read:

130.20 Subdivision 1. **Schedule.** The fee schedule for licensees is as follows:

130.21 (a) Three-year license fees:

130.22 (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for  
130.23 each renewal;

130.24 (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;

130.25 (3) salon, \$130 for each initial license, and \$100 for each renewal; and

130.26 (4) school, \$1,500.

130.27 (b) Penalties:

130.28 (1) reinspection fee, variable; ~~and~~

130.29 (2) manager and owner with lapsed practitioner, ~~\$25~~ \$150 each;

130.30 (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and  
130.31 instructor license, \$45; and

130.32 (4) expired salon or school license, \$50.

130.33 (c) Administrative fees:

130.34 (1) certificate of identification, \$20; ~~and~~

130.35 (2) school original application, \$150;

- 131.1 (3) name change, \$20;
- 131.2 (4) letter of license verification, \$30;
- 131.3 (5) duplicate license, \$20;
- 131.4 (6) processing fee, \$10; and
- 131.5 (7) special event permit, \$75 per year.

131.6 (d) All fees established in this subdivision must be paid to the executive secretary  
131.7 of the board. The executive secretary of the board shall deposit the fees in the general  
131.8 fund in the state treasury.

131.9 Sec. 13. Minnesota Statutes 2008, section 154.51, is amended to read:

131.10 **154.51 ENFORCEMENT.**

131.11 Subdivision 1. **Proceedings.** ~~The provisions of section 154.161 apply to the~~  
131.12 ~~administration of sections 154.40 to 154.54.~~ If the board, or a complaint committee if  
131.13 authorized by the board, has a reasonable basis for believing that a person has engaged in  
131.14 or is about to engage in a violation of a statute, rule, or order that the board has adopted  
131.15 or issued or is empowered to enforce, the board or complaint committee may proceed as  
131.16 provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings  
131.17 must be conducted in accordance with the Administrative Procedure Act.

131.18 Subd. 2. **Legal actions.** (a) When necessary to prevent an imminent violation of a  
131.19 statute, rule, or order that the board has adopted or issued or is empowered to enforce, the  
131.20 board, or a complaint committee if authorized by the board, may bring an action in the  
131.21 name of the state in the District Court of Ramsey County in which jurisdiction is proper to  
131.22 enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a  
131.23 showing that a person has engaged in or is about to engage in an act or practice that  
131.24 constitutes a violation of a statute, rule, or order that the board has adopted or issued  
131.25 or is empowered to enforce, the court shall grant a permanent or temporary injunction,  
131.26 restraining order, or other appropriate relief.

131.27 (b) For purposes of injunctive relief under this subdivision, irreparable harm exists  
131.28 when the board shows that a person has engaged in or is about to engage in an act or  
131.29 practice that constitutes violation of a statute, rule, or order that the board has adopted or  
131.30 issued or is empowered to enforce.

131.31 (c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person  
131.32 from criminal prosecution by a competent authority, or from action by the board under  
131.33 subdivision 3, 4, 5, or 6 with respect to the person's license or registration, or application  
131.34 for examination, license, registration, or renewal.

132.1           Subd. 3. Cease and desist orders. (a) The board, or complaint committee if  
132.2 authorized by the board, may issue and have served upon an unlicensed or unregistered  
132.3 person, or a holder of a license or registration, an order requiring the person to cease and  
132.4 desist from an act or practice that constitutes a violation of a statute, rule, or order that  
132.5 the board has adopted or issued or is empowered to enforce. The order must (1) give  
132.6 reasonable notice of the rights of the person named in the order to request a hearing,  
132.7 and (2) state the reasons for the entry of the order. No order may be issued under this  
132.8 subdivision until an investigation of the facts has been conducted under section 214.10.

132.9           (b) Service of the order under this subdivision is effective when the order is  
132.10 personally served on the person or counsel of record, or served by certified mail to the  
132.11 most recent address provided to the board for the person or counsel of record.

132.12           (c) The board must hold a hearing under this subdivision not later than 30 days after  
132.13 the board receives the request for the hearing, unless otherwise agreed between the board,  
132.14 or complaint committee if authorized by the board, and the person requesting the hearing.

132.15           (d) Notwithstanding any rule to the contrary, the administrative law judge must issue  
132.16 a report within 30 days of the close of the contested case hearing. Within 30 days after  
132.17 receiving the report and subsequent exceptions and argument, the board shall issue a  
132.18 further order vacating, modifying, or making permanent the cease and desist order. If no  
132.19 hearing is requested within 30 days of service of the order, the order becomes final and  
132.20 remains in effect until modified or vacated by the board.

132.21           Subd. 4. Licensing and registration actions. (a) With respect to a person who is a  
132.22 holder of or applicant for a license or registration under this chapter, the board may by  
132.23 order deny, refuse to renew, suspend, temporarily suspend, or revoke the application,  
132.24 license, or registration, censure or reprimand the person, refuse to permit the person to  
132.25 sit for examination, or refuse to release the person's examination grades, if the board  
132.26 finds that such an order is in the public interest and that, based on a preponderance of the  
132.27 evidence presented, the person has:

132.28           (1) violated a statute, rule, or order that the board has adopted or issued or is  
132.29 empowered to enforce;

132.30           (2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether  
132.31 or not the conduct or acts relate to the practice of a profession regulated by this chapter, if  
132.32 the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's  
132.33 ability or fitness to engage in the practice of the profession;

132.34           (3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate  
132.35 incompetence, or are otherwise in violation of the standards in the rules of the board,  
132.36 where the conduct or acts relate to the practice of a profession regulated by this chapter;

- 133.1           (4) employed fraud or deception in obtaining a license, registration, renewal, or  
133.2 reinstatement, or in passing all or a portion of the examination;
- 133.3           (5) had a license, registration, right to examine, or other similar authority revoked in  
133.4 another jurisdiction;
- 133.5           (6) failed to meet any requirement for issuance or renewal of the person's license  
133.6 or registration;
- 133.7           (7) practiced in a profession regulated by this chapter while having an infectious or  
133.8 contagious disease;
- 133.9           (8) advertised by means of false or deceptive statements;
- 133.10          (9) demonstrated intoxication or indulgence in the use of drugs, including but not  
133.11 limited to narcotics as defined in section 152.01 or in United States Code, title 26, section  
133.12 4731, barbiturates, amphetamines, Benzedrine, Dexedrine, or other sedatives, depressants,  
133.13 stimulants, or tranquilizers;
- 133.14          (10) demonstrated unprofessional conduct or practice;
- 133.15          (11) permitted an employee or other person under the person's supervision or control  
133.16 to practice as a licensee, registrant, or instructor of a profession regulated by this chapter  
133.17 unless that person has (i) a current license or registration issued by the board, (ii) a  
133.18 temporary apprentice permit, or (iii) a temporary permit as an instructor of a profession  
133.19 regulated by the board;
- 133.20          (12) practices, offered to practice, or attempted to practice by misrepresentation;
- 133.21          (13) failed to display a license or registration as required by rules adopted by the  
133.22 board;
- 133.23          (14) used any room or place of practice of a profession regulated by the board that  
133.24 is also used for any other purpose, or used any room or place of practice of a profession  
133.25 regulated by the board that violates the board's rules governing sanitation;
- 133.26          (15) failed to use separate and clean towels for each customer or patron, or to discard  
133.27 and launder each towel after being used once;
- 133.28          (16) in the case of a licensee, registrant, or other person in charge of any school or  
133.29 place of practice of a profession regulated by the board, (i) failed to supply in a sanitary  
133.30 manner clean hot and cold water in quantities necessary to conduct the service or practice  
133.31 of the profession regulated by the board, (ii) failed to have water and sewer connections  
133.32 from the place of practice or school with municipal water and sewer systems where they  
133.33 are available for use, or (iii) failed or refused to maintain a receptacle for hot water of a  
133.34 capacity of at least five gallons;

134.1 (17) refused to permit the board to make an inspection permitted or required by this  
134.2 chapter, or failed to provide the board or the attorney general on behalf of the board  
134.3 with any documents or records they request;

134.4 (18) failed promptly to renew a license or registration when remaining in practice,  
134.5 pay the required fee, or issue a worthless check;

134.6 (19) failed to supervise an apprentice, or permitted the practice of a profession  
134.7 regulated by the board by a person not registered or licensed with the board or not holding  
134.8 a temporary permit;

134.9 (20) refused to serve a customer because of race, color, creed, religion, disability,  
134.10 national origin, or sex;

134.11 (21) failed to comply with a provision of chapter 141 or a provision of another  
134.12 chapter that relates to schools; or

134.13 (22) with respect to temporary suspension orders, has committed an act, engaged  
134.14 in conduct, or committed practices that the board, or complaint committee if authorized  
134.15 by the board, has determined may result or may have resulted in an immediate threat  
134.16 to the public.

134.17 (b) In lieu of or in addition to any remedy under paragraph (a), the board may, as a  
134.18 condition of continued licensure or registration, termination of suspension, reinstatement  
134.19 of licensure or registration, examination, or release of examination results, require that  
134.20 the person:

134.21 (1) submit to a quality review of the person's ability, skills, or quality of work,  
134.22 conducted in a manner and by a person or entity that the board determines; or

134.23 (2) completes to the board's satisfaction continuing education as the board requires.

134.24 (c) Service of an order under this subdivision is effective if the order is served in  
134.25 person, or is served by certified mail to the most recent address provided to the board by  
134.26 the licensee, registrant, applicant, or counsel of record. The order must state the reason  
134.27 for the entry of the order.

134.28 (d) Except as provided in subdivision 5, paragraph (c), all hearings under this  
134.29 subdivision must be conducted in accordance with the Administrative Procedure Act.

134.30 Subd. 5. **Temporary suspension.** (a) When the board, or complaint committee if  
134.31 authorized by the board, issues a temporary suspension order, the suspension provided for  
134.32 in the order is effective on service of a written copy of the order on the licensee, registrant,  
134.33 or counsel of record. The order must specify the statute, rule, or order violated by the  
134.34 licensee or registrant. The order remains in effect until the board issues a final order in the  
134.35 matter after a hearing, or on agreement between the board and the licensee or registrant.

135.1 (b) An order under this subdivision may (1) prohibit the licensee or registrant from  
135.2 engaging in the practice of a profession regulated by the board in whole or in part, as the  
135.3 facts require, and (2) condition the termination of the suspension on compliance with a  
135.4 statute, rule, or order that the board has adopted or issued or is empowered to enforce.  
135.5 The order must state the reasons for entering the order and must set forth the right to  
135.6 a hearing as provided in this subdivision.

135.7 (c) Within ten days after service of an order under this subdivision, the licensee or  
135.8 registrant may request a hearing in writing. The board must hold a hearing before its own  
135.9 members within five working days of the request for a hearing. The sole issue at the  
135.10 hearing must be whether there is a reasonable basis to continue, modify, or terminate the  
135.11 temporary suspension. The hearing is not subject to the Administrative Procedure Act.  
135.12 Evidence presented to the board or the licensee or registrant may be in affidavit form only.  
135.13 The licensee, registrant, or counsel of record may appear for oral argument.

135.14 (d) Within five working days after the hearing, the board shall issue its order and, if  
135.15 the order continues the suspension, shall schedule a contested case hearing within 30 days  
135.16 of the issuance of the order. Notwithstanding any rule to the contrary, the administrative  
135.17 law judge shall issue a report within 30 days after the closing of the contested case hearing  
135.18 record. The board shall issue a final order within 30 days of receiving the report.

135.19 Subd. 6. **Violations; penalties; costs.** (a) The board may impose a civil penalty of  
135.20 up to \$2,000 per violation on a person who violates a statute, rule, or order that the board  
135.21 has adopted or issued or is empowered to enforce.

135.22 (b) In addition to any penalty under paragraph (a), the board may impose a fee  
135.23 to reimburse the board for all or part of the cost of (1) the proceedings resulting in  
135.24 disciplinary action authorized under this section, (2) the imposition of a civil penalty under  
135.25 paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a  
135.26 fee under this paragraph when the board shows that the position of the person who has  
135.27 violated a statute, rule, or order that the board has adopted or issued or is empowered to  
135.28 enforce is not substantially justified unless special circumstances make such a fee unjust,  
135.29 notwithstanding any rule to the contrary. Costs under this paragraph include, but are not  
135.30 limited to, the amount paid by the board for services from the Office of Administrative  
135.31 Hearings, attorney fees, court reporter costs, witness costs, reproduction of records, board  
135.32 members' compensation, board staff time, and expenses incurred by board members and  
135.33 staff.

135.34 (c) All hearings under this subdivision must be conducted in accordance with the  
135.35 Administrative Procedure Act.

136.1            Subd. 7. **Reinstatement.** Upon petition of the former or suspended licensee or  
136.2 registrant, the board may reinstate a suspended, revoked, or surrendered license or  
136.3 registration. The board may in its sole discretion place any conditions on reinstatement of  
136.4 a suspended, revoked, or surrendered license or registration that it finds appropriate and  
136.5 necessary to ensure that the purposes of this chapter are met. No license or registration  
136.6 may be reinstated until the former licensee or registrant has completed at least one-half  
136.7 of the suspension period.

136.8            Sec. 14. **[155A.20] BOARD OF COSMETOLOGIST EXAMINERS CREATED;**  
136.9 **TERMS.**

136.10           (a) A Board of Cosmetologist Examiners is established to consist of three  
136.11 cosmetologist members and one public member, as defined in section 214.02, appointed  
136.12 by the governor.

136.13           (b) All cosmetologist members must be currently licensed in the field of cosmetology,  
136.14 manicuring, or esthetology, in Minnesota, have practiced in the licensed occupation for  
136.15 at least five years immediately prior to their appointment, be graduates from grade 12  
136.16 of high school or have equivalent education, and have knowledge of sections 154.40  
136.17 to 154.54 and Minnesota Rules, chapters 2105 and 2110. The cosmetologist members  
136.18 shall be members of, or recommended by, a professional organization of cosmetologists,  
136.19 manicurists, or estheticians.

136.20           (c) Membership terms, compensation of members, removal of members, the filling  
136.21 of membership vacancies, and fiscal year and reporting requirements shall be as provided  
136.22 in sections 214.07 to 214.09. The provision of staff, administrative services, and office  
136.23 space; the review and processing of complaints; the setting of board fees; and other  
136.24 provisions relating to board operations shall be as provided in chapter 214.

136.25           (d) Members appointed to fill vacancies caused by death, resignation, or removal  
136.26 shall serve during the unexpired term of their predecessors.

136.27           Sec. 15. **[155A.21] SPECIAL EVENTS.**

136.28           Subdivision 1. **Special event services.** For purposes of this section, "special event  
136.29 services" means services rendered for compensation and performed at a location other  
136.30 than a licensed salon. These services include, but are not limited to, the practice of  
136.31 nonpermanent manipulation of the hair, such as styling, setting, reinforcing, or extending  
136.32 the hair; the application of nail polish to the nails; and the application of makeup to the  
136.33 skin.

137.1 Subd. 2. **Special event services permit.** (a) No person shall perform special event  
137.2 services without first obtaining a special event services permit from the board. To be  
137.3 eligible for a special event services permit, a person must have a valid manager's license  
137.4 issued by the board under the authority of section 154.46.

137.5 (b) An individual applying for a special event services permit must submit to the  
137.6 board, on a form approved by the board, an application for a special event services permit.

137.7 (c) An individual providing services under a special event services permit may only  
137.8 perform services within the individual's specific field of licensure and as defined by the  
137.9 permit. The services provided pursuant to the special event services permit must comply  
137.10 with the requirements of this chapter and all federal, state, and local laws.

137.11 Sec. 16. Minnesota Statutes 2008, section 160.16, is amended by adding a subdivision  
137.12 to read:

137.13 Subd. 4. **Business signs.** A road or transit authority, before entering into a contract  
137.14 for construction, reconstruction, or improvement of a street or highway, shall identify any  
137.15 business that will experience access, parking, or visibility impacts during construction.  
137.16 The road or transit authority shall consult with affected businesses before and during  
137.17 construction to plan signage that will mitigate adverse effects on businesses during  
137.18 project construction.

137.19 Sec. 17. [161.2415] MITIGATION OF TRANSPORTATION CONSTRUCTION  
137.20 IMPACTS ON BUSINESS.

137.21 Subdivision 1. **Definition.** For the purposes of this section, "project" means road  
137.22 work to maintain, construct, or improve a street or highway, or for a transit improvement,  
137.23 if the work is anticipated by the road or transit authority to impair road access to one or  
137.24 more business establishments for a minimum period of one month.

137.25 Subd. 2. **Business liaison.** (a) Before the beginning of project construction work,  
137.26 the road or transit authority shall identify businesses that are adjacent to the construction  
137.27 area or whose access to the business premises or parking will be impaired by the project  
137.28 and designate an individual to serve as business liaison between the road or transit  
137.29 authority and the affected businesses.

137.30 (b) The business liaison shall provide information to the identified businesses,  
137.31 before and during construction, concerning project duration and timetables, lane and  
137.32 road closures, detours, access impacts, customer parking impacts, visibility, noise, dust,  
137.33 vibration, and public participation opportunities.

138.1 Sec. 18. Minnesota Statutes 2008, section 178.02, subdivision 2, is amended to read:

138.2 Subd. 2. **Terms.** The board shall not expire. ~~and~~ The terms, compensation, and  
138.3 removal of appointed members shall be as provided in section 15.059.

138.4 Sec. 19. Minnesota Statutes 2008, section 181.723, is amended by adding a subdivision  
138.5 to read:

138.6 Subd. 17. **Advisory task force on employee misclassification.** (a) The  
138.7 commissioner of the Department of Labor and Industry shall appoint an advisory task  
138.8 force on employee misclassification and "off-the-books" payment of workers in the  
138.9 construction industry. The advisory task force shall consist of the following members:

138.10 (1) the commissioner of the Department of Labor and Industry or designee;

138.11 (2) the commissioner of the Department of Employment and Economic Development  
138.12 or designee;

138.13 (3) the commissioner of the Department of Revenue or designee;

138.14 (4) the attorney general or designee;

138.15 (5) a representative appointed by the Minnesota County Attorneys Association;

138.16 (6) two members who are members of a labor organization that represents members  
138.17 who perform public or private sector commercial or residential building construction  
138.18 or improvement services;

138.19 (7) one member who is a general contractor or a representative of general contractors  
138.20 that performs public or private sector commercial building construction or improvement  
138.21 services;

138.22 (8) one member who is a general contractor or a representative of general contractors  
138.23 that performs public or private sector residential building construction or improvement  
138.24 services;

138.25 (9) one member who is a subcontractor or a representative of subcontractors that  
138.26 performs public or private sector commercial building construction or improvement  
138.27 services;

138.28 (10) one member who is a subcontractor or a representative of subcontractors  
138.29 that performs public or private sector residential building construction or improvement  
138.30 services; and

138.31 (11) up to three additional members who perform public or private sector commercial  
138.32 or residential building and construction or improvement services including one member  
138.33 who is an independent contractor with a current independent contractor certificate; one  
138.34 member who is a limited liability corporation; and one member who is an employee.

139.1 The commissioner of the Department of Labor and Industry or designee shall serve  
139.2 as the advisory task force chair. The advisory task force shall meet on a regular basis.

139.3 (b) The advisory task force shall have the following duties:

139.4 (1) advise the commissioner on the development, implementation, and coordination  
139.5 of enforcement activities, including information sharing and joint investigation and  
139.6 prosecution of persons who violate laws under the jurisdiction of the Department of  
139.7 Labor and Industry, Department of Employment and Economic Development, and the  
139.8 Department of Revenue; and

139.9 (2) advise the commissioner on the development and adoption of necessary  
139.10 legislation, regulations, policies, and procedures.

139.11 (c) The advisory task force shall expire and the terms, compensation, and removal of  
139.12 members shall be as provided in section 15.059, subdivision 6.

139.13 (d) The advisory task force shall, prior to its expiration, report to the legislature a  
139.14 summary of the advice it provided to the commissioner.

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

139.16 Sec. 20. Minnesota Statutes 2008, section 182.656, subdivision 3, is amended to read:

139.17 Subd. 3. ~~Meetings; expiration of council.~~ A majority of the council members  
139.18 constitutes a quorum. The council shall meet at the call of its chair, or upon request of any  
139.19 six members. A tape recording of the meeting with the tape being retained for a one-year  
139.20 period will be available upon the request and payment of costs to any interested party. The  
139.21 council shall expire and the terms, compensation, and removal of members shall be as  
139.22 provided in section 15.059, except that the council shall not expire ~~before June 30, 2003.~~

139.23 Sec. 21. Minnesota Statutes 2008, section 214.01, subdivision 3, is amended to read:

139.24 Subd. 3. ~~Non-health-related licensing board.~~ "Non-health-related licensing  
139.25 board" means the Board of Teaching established pursuant to section 122A.07, the Board  
139.26 of Barber Examiners established pursuant to section 154.001, the Board of Cosmetologist  
139.27 Examiners established pursuant to section 155A.20, the Board of Assessors established  
139.28 pursuant to section 270.41, the Board of Architecture, Engineering, Land Surveying,  
139.29 Landscape Architecture, Geoscience, and Interior Design established pursuant to section  
139.30 326.04, the Private Detective and Protective Agent Licensing Board established pursuant  
139.31 to section 326.33, the Board of Accountancy established pursuant to section 326A.02, and  
139.32 the Peace Officer Standards and Training Board established pursuant to section 626.841.

139.33 Sec. 22. Minnesota Statutes 2008, section 214.04, subdivision 3, is amended to read:

140.1 Subd. 3. **Officers; staff.** The executive director of each health-related board and  
 140.2 the executive secretary of each non-health-related board shall be the chief administrative  
 140.3 officer for the board but shall not be a member of the board. The executive director or  
 140.4 executive secretary shall maintain the records of the board, account for all fees received  
 140.5 by it, supervise and direct employees servicing the board, and perform other services as  
 140.6 directed by the board. The executive directors, executive secretaries, and other employees  
 140.7 of the following boards shall be hired by the board, and the executive directors or executive  
 140.8 secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- 140.9 (1) Dentistry;
- 140.10 (2) Medical Practice;
- 140.11 (3) Nursing;
- 140.12 (4) Pharmacy;
- 140.13 (5) Accountancy;
- 140.14 (6) Architecture, Engineering, Land Surveying, Landscape Architecture,  
 140.15 Geoscience, and Interior Design;
- 140.16 (7) Barber Examiners;
- 140.17 (8) ~~Cosmetology~~ Cosmetologist Examiners;
- 140.18 (9) Teaching;
- 140.19 (10) Peace Officer Standards and Training;
- 140.20 (11) Social Work;
- 140.21 (12) Marriage and Family Therapy;
- 140.22 (13) Dietetics and Nutrition Practice;
- 140.23 (14) Licensed Professional Counseling; and
- 140.24 (15) Combative Sports Commission.

140.25 The executive directors or executive secretaries serving the boards are hired by those  
 140.26 boards and are in the unclassified civil service, except for part-time executive directors  
 140.27 or executive secretaries, who are not required to be in the unclassified service. Boards  
 140.28 not requiring full-time executive directors or executive secretaries may employ them on  
 140.29 a part-time basis. To the extent practicable, the sharing of part-time executive directors  
 140.30 or executive secretaries by boards being serviced by the same department is encouraged.  
 140.31 Persons providing services to those boards not listed in this subdivision, except executive  
 140.32 directors or executive secretaries of the boards and employees of the attorney general, are  
 140.33 classified civil service employees of the department servicing the board. To the extent  
 140.34 practicable, the commissioner shall ensure that staff services are shared by the boards  
 140.35 being serviced by the department. If necessary, a board may hire part-time, temporary  
 140.36 employees to administer and grade examinations.

141.1 Sec. 23. Minnesota Statutes 2008, section 216B.1612, subdivision 2, is amended to  
141.2 read:

141.3 Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given  
141.4 them in this subdivision.

141.5 (b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

141.6 (c) "Qualifying owner" means:

141.7 (1) a Minnesota resident;

141.8 (2) a limited liability company that is organized under chapter 322B and that is made  
141.9 up of members who are Minnesota residents;

141.10 (3) a Minnesota nonprofit organization organized under chapter 317A;

141.11 (4) a Minnesota cooperative association organized under chapter 308A or 308B,  
141.12 including a rural electric cooperative association or a generation and transmission  
141.13 cooperative on behalf of and at the request of a member distribution utility;

141.14 (5) a Minnesota political subdivision or local government including, but not limited  
141.15 to, a municipal electric utility, or a municipal power agency on behalf of and at the request  
141.16 of a member distribution utility, the office of the commissioner of Iron Range resources  
141.17 and rehabilitation, a county, statutory or home rule charter city, town, school district, or  
141.18 public or private higher education institution or any other local or regional governmental  
141.19 organization such as a board, commission, or association; or

141.20 (6) a tribal council.

141.21 (d) "Net present value rate" means a rate equal to the net present value of the  
141.22 nominal payments to a project divided by the total expected energy production of the  
141.23 project over the life of its power purchase agreement.

141.24 (e) "Standard reliability criteria" means:

141.25 (1) can be safely integrated into and operated within the utility's grid without causing  
141.26 any adverse or unsafe consequences; and

141.27 (2) is consistent with the utility's resource needs as identified in its most recent  
141.28 resource plan submitted under section 216B.2422.

141.29 (f) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1,  
141.30 paragraph (a).

141.31 (g) "Community-based energy development project" or "C-BED project" means a  
141.32 new renewable energy project that either as a stand-alone project or part of a partnership  
141.33 under subdivision 8:

141.34 (1) has no single qualifying owner owning more than 15 percent of a C-BED wind  
141.35 energy project unless: (i) the C-BED wind energy project consists of only one or two

142.1 turbines; or (ii) the qualifying owner is a public entity listed under paragraph (c), clause  
142.2 (5), that is not a municipal utility;

142.3 (2) demonstrates that at least 51 percent of the gross revenues from a power  
142.4 purchase agreement over the life of the project will flow to qualifying owners and other  
142.5 local entities; and

142.6 (3) has a resolution of support adopted by the county board of each county in which  
142.7 the project is to be located, or in the case of a project located within the boundaries of a  
142.8 reservation, the tribal council for that reservation.

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

142.10 Sec. 24. Minnesota Statutes 2008, section 298.2213, subdivision 5, is amended to read:

142.11 Subd. 5. **Advisory committees.** Before submission to the board of a proposal for a  
142.12 project for expenditure of money appropriated under this section, the commissioner of Iron  
142.13 Range resources and rehabilitation shall appoint a technical advisory committee consisting  
142.14 of at least seven persons who are knowledgeable in areas related to the objectives of  
142.15 the proposal. If the project involves investment in a scientific research proposal, at  
142.16 least four of the committee members must be knowledgeable in the specific scientific  
142.17 research area relating to the project. Members of the committees must be compensated as  
142.18 provided in section 15.059, subdivision 3. The board shall not act on a proposal until it  
142.19 has received the evaluation and recommendations of the technical advisory committee.  
142.20 Notwithstanding section 15.059, the committees do not expire.

142.21 Sec. 25. Minnesota Statutes 2008, section 298.2214, subdivision 1, is amended to read:

142.22 Subdivision 1. **Creation of committee; purpose.** A committee is created to  
142.23 advise the commissioner of Iron Range resources and rehabilitation on providing higher  
142.24 education programs in the taconite assistance area defined in section 273.1341. The  
142.25 committee is subject to section 15.059 but does not expire.

142.26 Sec. 26. Minnesota Statutes 2008, section 298.297, is amended to read:

142.27 **298.297 ADVISORY COMMITTEES.**

142.28 Before submission of a project to the board, the commissioner of Iron Range  
142.29 resources and rehabilitation shall appoint a technical advisory committee consisting of  
142.30 one or more persons who are knowledgeable in areas related to the objectives of the  
142.31 proposal. Members of the committees shall be compensated as provided in section 15.059,  
142.32 subdivision 3. The board shall not act on a proposal until it has received the evaluation  
142.33 and recommendations of the technical advisory committee or until 15 days have elapsed

143.1 since the proposal was transmitted to the advisory committee, whichever occurs first.

143.2 Notwithstanding section 15.059, the committees do not expire.

143.3 Sec. 27. Laws 1998, chapter 404, section 23, subdivision 6, as amended by Laws 2002,  
143.4 chapter 220, article 10, section 35, subdivision 6, is amended to read:

143.5 Subd. 6. **St. Paul RiverCentre Arena** 65,000,000

143.6 This appropriation is from the general fund  
143.7 to the commissioner of finance for a loan to  
143.8 the city of St. Paul to demolish the existing  
143.9 St. Paul RiverCentre Arena and to design,  
143.10 construct, furnish, and equip a new arena.

143.11 This appropriation is not available until the  
143.12 lessee to whom the city has leased the arena  
143.13 has agreed to make rental or other payments  
143.14 to the city under the terms set forth in this  
143.15 subdivision. The loan is repayable solely  
143.16 from and secured by the payments made  
143.17 to the city by the lessee. The loan is not a  
143.18 public debt and the full faith, credit, and  
143.19 taxing powers of the city are not pledged for  
143.20 its repayment.

143.21 (a) ~~\$48,000,000~~ \$15,250,000 of the loan  
143.22 must be repaid to the commissioner, without  
143.23 interest, within ~~20~~ 12 years from the date  
143.24 of substantial completion of the arena in  
143.25 accordance with the following schedule:

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

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

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

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

144.1 ~~(5) in year 14, the lessee must pay~~  
144.2 ~~\$3,000,000;~~

144.3 ~~(6) in year 15, the lessee must pay~~  
144.4 ~~\$4,000,000; and~~

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

144.7 (b) The commissioner must deposit the  
144.8 repayments in the state treasury and credit  
144.9 them to the general fund.

144.10 (c) The loan may not be made until the  
144.11 commissioner has entered into an agreement  
144.12 with the city of St. Paul identifying the rental  
144.13 or other payments that will be made and  
144.14 establishing the dates on and the amounts  
144.15 in which the payments will be made to the  
144.16 city and by the city to the commissioner. The  
144.17 payments may include operating revenues  
144.18 and additional payments to be made by the  
144.19 lessee under agreements to be negotiated  
144.20 between the commissioner, the city, and the  
144.21 lessee. Those agreements may include, but  
144.22 are not limited to, an agreement whereby the  
144.23 lessee pledges to provide each year a letter  
144.24 of credit sufficient to guarantee the payment  
144.25 of the amount due for the next succeeding  
144.26 year; an agreement whereby the lessee  
144.27 agrees to maintain a net worth, certified each  
144.28 year by a financial institution or accounting  
144.29 firm satisfactory to the commissioner, that  
144.30 is greater than the balance due under the  
144.31 payment schedule in paragraph (a); and any  
144.32 other agreements the commissioner may  
144.33 deem necessary to ensure that the payments  
144.34 are made as scheduled. Payments made by  
144.35 the lessee under the lease in amounts equal to

145.1 the amount of the loan forgiven after year 12  
145.2 must be used solely by the city to pay for or  
145.3 finance the design, acquisition, construction,  
145.4 and equipping of a public facility to be  
145.5 located within the block 39/arena tax  
145.6 increment district.

145.7 (d) The agreements must provide that the  
145.8 failure of the lessee to make a payment due  
145.9 to the city under the agreement is an event  
145.10 of default under the lease between the city  
145.11 and the lessee and that the state is entitled to  
145.12 enforce the remedies of the lessor under the  
145.13 lease in the event of default. Those remedies  
145.14 must include, but need not be limited to, the  
145.15 obligation of the lessee to pay the balance due  
145.16 for the remainder of the payment schedule  
145.17 in the event the lessee ceases to operate a  
145.18 National Hockey League team in the arena.

145.19 (e) By January 1, 1999, the commissioner  
145.20 shall report to the chair of the senate  
145.21 committee on state government finance  
145.22 and the chair of the house committee on  
145.23 ways and means the terms of an agreement  
145.24 between the lessee and the amateur sports  
145.25 commission whereby the lessee agrees to  
145.26 make the facilities of the arena available to  
145.27 the commission on terms satisfactory to the  
145.28 commission for amateur sports activities  
145.29 consistent with the purposes of Minnesota  
145.30 Statutes, chapter 240A, each year during the  
145.31 time the loan is outstanding. The amateur  
145.32 sports commission must negotiate in good  
145.33 faith and may be required to pay no more  
145.34 than actual out-of-pocket expenses for the  
145.35 time it uses the arena. The agreement may  
145.36 not become effective before February 1,

146.1 1999. During any calendar year after 1999  
146.2 that an agreement under this paragraph is  
146.3 not in effect and a payment is due under  
146.4 the schedule, the lessee must pay to the  
146.5 commissioner a penalty of \$750,000 for that  
146.6 year. If the amateur sports commission has  
146.7 not negotiated in good faith, no penalty is  
146.8 due.

146.9 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after  
146.10 the Saint Paul city council and its chief clerical officer comply with Minnesota Statutes,  
146.11 section 645.021, subdivisions 2 and 3.

146.12 Sec. 28. **TRANSFER OF AUTHORITY AND STAFF.**

146.13 Subdivision 1. **Transfer of authority.** (a) The responsibilities of the Board of  
146.14 Barber and Cosmetologist Examiners covered in Minnesota Statutes 2008, sections  
146.15 154.001 to 154.26, are transferred under Minnesota Statutes, section 15.039, to the Board  
146.16 of Barber Examiners.

146.17 (b) The responsibilities of the Board of Barber and Cosmetologist Examiners  
146.18 covered in Minnesota Statutes 2008, sections 154.40 to 154.54, are transferred under  
146.19 Minnesota Statutes, section 15.039, to the Board of Cosmetologist Examiners.

146.20 Subd. 2. **Rulemaking.** Rulemaking authority pursuant to Minnesota Statutes  
146.21 2008, sections 154.001 to 154.26, of the Board of Barber and Cosmetologist Examiners  
146.22 is transferred to the Board of Barber Examiners. Rulemaking authority pursuant to  
146.23 Minnesota Statutes 2008, sections 154.40 to 154.54, of the Board of Barber and  
146.24 Cosmetologist Examiners is transferred to the Board of Cosmetologist Examiners. All  
146.25 rules adopted by the Board of Barber and Cosmetologist Examiners in Minnesota Rules,  
146.26 chapter 2100, remain in effect and shall be enforced until amended or repealed according  
146.27 to law by the Board of Barber Examiners. All rules adopted by the Board of Barber  
146.28 and Cosmetologist Examiners in Minnesota Rules, chapters 2105 and 2110, remain in  
146.29 effect and shall be enforced until amended or repealed according to law by the Board of  
146.30 Cosmetologist Examiners.

146.31 Subd. 3. **Transfer of board members.** The board members serving in unexpired  
146.32 terms appointed to the Board of Barber and Cosmetologist Examiners pursuant to  
146.33 Minnesota Statutes 2008, section 154.001, paragraph (b), shall be appointed to serve the  
146.34 remainder of their terms as members of the Board of Barber Examiners, notwithstanding

147.1 the requirements of Minnesota Statutes, section 154.001, subdivision 2. The board  
147.2 members serving in unexpired terms appointed to the Board of Barber and Cosmetologist  
147.3 Examiners pursuant to Minnesota Statutes 2008, section 154.001, paragraph (c), shall be  
147.4 appointed to serve the remainder of their terms as members of the Board of Cosmetologist  
147.5 Examiners, notwithstanding the requirements of Minnesota Statutes, section 155A.20.

147.6 Subd. 4. **Transfer of staff.** (a) The staff of the Board of Barber and Cosmetologist  
147.7 Examiners is transferred to the Board of Barber Examiners and the Board of Cosmetologist  
147.8 Examiners under Minnesota Statutes, section 15.039, according to the requirements of  
147.9 paragraph (b). In addition to any other protection, no employee shall suffer job loss,  
147.10 have a salary reduced, or have employment benefits reduced as a result of the transfer  
147.11 of authority from the Board of Barber and Cosmetologist Examiners recommended or  
147.12 mandated by this section. No action taken after January 1, 2010, shall be considered a  
147.13 result of the transfer of authority for the purposes of this section.

147.14 (b) On or before June 1, 2009, the Board of Barber and Cosmetologist Examiners  
147.15 must designate to which board each employee will transfer to under paragraph (a), and the  
147.16 board must notify each affected employee of the designation in writing.

147.17 Subd. 5. **Exemption from hiring freeze.** Notwithstanding any law, policy, or  
147.18 executive order that restricts the hiring of new employees or institutes a hiring freeze, the  
147.19 Board of Barber Examiners and the Board of Cosmetologist Examiners may hire staff  
147.20 necessary to accomplish their statutory duties. This exemption expires on December  
147.21 31, 2009.

147.22 **EFFECTIVE DATE.** This section is effective July 1, 2009, except that the  
147.23 requirements of subdivision 4, paragraph (b), are effective the day following final  
147.24 enactment.

147.25 **Sec. 29. REVISOR'S INSTRUCTION.**

147.26 (a) The revisor of statutes shall delete "Board of Barber and Cosmetologist  
147.27 Examiners" and substitute "board" or "Board of Barber Examiners," as appropriate,  
147.28 wherever it appears in Minnesota Statutes, sections 154.001 to 154.26, and Minnesota  
147.29 Rules, chapter 2100.

147.30 (b) The revisor of statutes shall delete "Board of Barber and Cosmetologist  
147.31 Examiners" and substitute "board" or "Board of Cosmetologist Examiners," as appropriate,  
147.32 wherever it appears in Minnesota Statutes, sections 154.40 to 154.54, and Minnesota  
147.33 Rules, chapters 2105 and 2110.

147.34 (c) The revisor of statutes shall renumber each section of Minnesota Statutes listed  
147.35 in column A with the number listed in column B. The revisor shall also make necessary

148.1 cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the  
148.2 renumbering.

148.3	<u>Column A</u>	<u>Column B</u>
148.4	<u>154.40</u>	<u>155A.21</u>
148.5	<u>154.41</u>	<u>155A.22</u>
148.6	<u>154.42</u>	<u>155A.23</u>
148.7	<u>154.43</u>	<u>155A.24</u>
148.8	<u>154.44</u>	<u>155A.25</u>
148.9	<u>154.45</u>	<u>155A.26</u>
148.10	<u>154.46</u>	<u>155A.27</u>
148.11	<u>154.465</u>	<u>155A.28</u>
148.12	<u>154.47</u>	<u>155A.29</u>
148.13	<u>154.48</u>	<u>155A.30</u>
148.14	<u>154.49</u>	<u>155A.31</u>
148.15	<u>154.50</u>	<u>155A.32</u>
148.16	<u>154.51</u>	<u>155A.33</u>
148.17	<u>154.52</u>	<u>155A.34</u>
148.18	<u>154.53</u>	<u>155A.35</u>
148.19	<u>154.54</u>	<u>155A.36</u>

148.20 Sec. 30. **REPEALER.**

148.21 Minnesota Statutes 2008, section 176.135, subdivision 1b, is repealed.

148.22 **ARTICLE 7**  
148.23 **IRON RANGE RESOURCES**

148.24 Section 1. Minnesota Statutes 2008, section 116J.424, is amended to read:

148.25 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**  
148.26 **CONTRIBUTION.**

148.27 The commissioner of the Iron Range Resources and Rehabilitation Board with  
148.28 approval ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board  
148.29 members, shall provide an equal match for any loan or equity investment made for a  
148.30 facility located in the tax relief area defined in section 273.134, paragraph (b), by the

149.1 Minnesota minerals 21st century fund created by section 116J.423. The match may be  
149.2 in the form of a loan or equity investment, notwithstanding whether the fund makes a  
149.3 loan or equity investment. The state shall not acquire an equity interest because of an  
149.4 equity investment or loan by the board and the board at its sole discretion shall decide  
149.5 what interest it acquires in a project. The commissioner of employment and economic  
149.6 development may require a commitment from the board to make the match prior to  
149.7 disbursing money from the fund.

149.8       Sec. 2. **[298.217] IRON RANGE RESOURCES AND REHABILITATION;**  
149.9 **EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

149.10       (a) Notwithstanding any law to the contrary, the commissioner of Iron Range  
149.11 resources and rehabilitation, in consultation with the commissioner of management and  
149.12 budget, may offer a targeted early separation incentive program for employees of the  
149.13 commissioner who have attained the age of 60 years or who have received credit for at  
149.14 least 30 years of allowable service under the provisions of chapter 352.

149.15       (b) The early separation incentive program may include one or more of the following:

149.16       (1) employer-paid postseparation health, medical, and dental insurance until age  
149.17 65; and

149.18       (2) cash incentives that may, but are not required to be, used to purchase additional  
149.19 years of service credit through the Minnesota State Retirement System, to the extent that  
149.20 the purchases are otherwise authorized by law.

149.21       (c) The commissioner of Iron Range resources and rehabilitation shall establish  
149.22 eligibility requirements for employees to receive an incentive.

149.23       (d) The commissioner of Iron Range resources and rehabilitation, consistent with the  
149.24 established program provisions under paragraph (b), and with the eligibility requirements  
149.25 under paragraph (c), may designate specific programs or employees as eligible to be  
149.26 offered the incentive program.

149.27       (e) Acceptance of the offered incentive must be voluntary on the part of the  
149.28 employee and must be in writing. The incentive may only be offered at the sole discretion  
149.29 of the commissioner of Iron Range resources and rehabilitation.

149.30       (f) The cost of the incentive is payable solely by funds made available to the  
149.31 commissioner of Iron Range resources and rehabilitation by law, but only on prior approval  
149.32 of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

149.33       (g) This section and section 298.218 are repealed June 30, 2011.

149.34       Sec. 3. **[298.218] APPLICATION OF OTHER LAWS.**

150.1 Unilateral implementation of section 298.217 by the commissioner of Iron Range  
150.2 resources and rehabilitation is not an unfair labor practice under chapter 179A.

150.3 Sec. 4. Minnesota Statutes 2008, section 298.22, subdivision 2, is amended to read:

150.4 Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby  
150.5 created the Iron Range Resources and Rehabilitation Board, consisting of 13 members,  
150.6 five of whom are state senators appointed by the Subcommittee on Committees of the  
150.7 Rules Committee of the senate, and five of whom are representatives, appointed by the  
150.8 speaker of the house. The remaining members shall be appointed one each by the senate  
150.9 majority leader, the speaker of the house, and the governor and must be nonlegislators  
150.10 who reside in a taconite assistance area as defined in section 273.1341. The members shall  
150.11 be appointed in January of every odd-numbered year, except that the initial nonlegislator  
150.12 members shall be appointed by July 1, 1999, and shall serve until January of the next  
150.13 odd-numbered year. Vacancies on the board shall be filled in the same manner as the  
150.14 original members were chosen. At least a majority of the legislative members of the board  
150.15 shall be elected from state senatorial or legislative districts in which over 50 percent  
150.16 of the residents reside within a taconite assistance area as defined in section 273.1341.  
150.17 All expenditures and projects made by the commissioner of Iron Range resources and  
150.18 rehabilitation shall be consistent with the priorities established in subdivision 8 and shall  
150.19 first be submitted to the Iron Range Resources and Rehabilitation Board for approval of  
150.20 expenditures and projects for rehabilitation purposes as provided by this section, and  
150.21 the method, manner, and time of payment of all funds proposed to be disbursed, by a  
150.22 ~~majority of the board of expenditures and projects for rehabilitation purposes as provided~~  
150.23 ~~by this section, and the method, manner, and time of payment of all funds proposed to be~~  
150.24 ~~disbursed shall be first approved or disapproved by the board~~ at least seven Iron Range  
150.25 Resources and Rehabilitation Board members. The board shall biennially make its report  
150.26 to the governor and the legislature on or before November 15 of each even-numbered  
150.27 year. The expenses of the board shall be paid by the state from the funds raised pursuant to  
150.28 this section. Members of the board who are legislators may be reimbursed for expenses  
150.29 in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per  
150.30 diem payments during the interims between legislative sessions in the manner provided  
150.31 in section 3.099, subdivision 1. Members of the board who are not legislators may  
150.32 receive per diem payments and be reimbursed for expenses at the lowest rate provided  
150.33 for legislative members.

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

151.1 Sec. 5. Minnesota Statutes 2008, section 298.22, subdivision 5a, is amended to read:

151.2 Subd. 5a. **Forest trust.** The commissioner, upon the affirmative vote ~~of a majority~~  
151.3 ~~of the members of the board,~~ of at least seven Iron Range Resources and Rehabilitation  
151.4 Board members, may purchase forest lands in the taconite assistance area defined in under  
151.5 section 273.1341 with funds specifically authorized for the purchase. The acquired forest  
151.6 lands must be held in trust for the benefit of the citizens of the taconite assistance area  
151.7 as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and  
151.8 developed for recreation and economic development purposes. The commissioner, upon  
151.9 the affirmative vote ~~of a majority of the members of the board,~~ of at least seven Iron Range  
151.10 Resources and Rehabilitation Board members, may sell forest lands purchased under this  
151.11 subdivision if the board finds that the sale advances the purposes of the trust. Proceeds  
151.12 derived from the management or sale of the lands and from the sale of timber or removal  
151.13 of gravel or other minerals from these forest lands shall be deposited into an Iron Range  
151.14 Miners' Memorial Forest account that is established within the state financial accounts.  
151.15 Funds may be expended from the account upon approval ~~of a majority of the members~~  
151.16 ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board members,  
151.17 to purchase, manage, administer, convey interests in, and improve the forest lands. By  
151.18 ~~majority~~ an affirmative vote of the members of the board, of at least seven Iron Range  
151.19 Resources and Rehabilitation Board members, money in the Iron Range Miners' Memorial  
151.20 Forest account may be transferred into the corpus of the Douglas J. Johnson economic  
151.21 protection trust fund established under sections 298.291 to 298.294. The property acquired  
151.22 under the authority granted by this subdivision and income derived from the property or  
151.23 the operation or management of the property are exempt from taxation by the state or its  
151.24 political subdivisions while held by the forest trust.

151.25 Sec. 6. Minnesota Statutes 2008, section 298.22, subdivision 6, is amended to read:

151.26 Subd. 6. **Private entity participation.** The board may acquire an equity interest in  
151.27 any project for which it provides funding. The commissioner may establish, participate in  
151.28 the management of, and dispose of the assets of charitable foundations, nonprofit limited  
151.29 liability companies, and nonprofit corporations associated with any project for which it  
151.30 provides funding, including specifically, but without limitation, a corporation within the  
151.31 meaning of section 317A.011, subdivision 6.

151.32 Sec. 7. Minnesota Statutes 2008, section 298.22, subdivision 7, is amended to read:

151.33 Subd. 7. **Project area development authority.** (a) In addition to the other powers  
151.34 granted in this section and other law and notwithstanding any limitations contained in

152.1 subdivision 5, the commissioner, for purposes of fostering economic development and  
152.2 tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area,  
152.3 may spend any money made available to the agency under section 298.28 to acquire real  
152.4 or personal property or interests therein by gift, purchase, or lease and may convey by  
152.5 lease, sale, or other means of conveyance or commitment any or all property interests  
152.6 owned or administered by the commissioner within such areas.

152.7 (b) In furtherance of development of the Giants Ridge Recreation Area or the  
152.8 Ironworld Discovery Center area, the commissioner may establish and participate in  
152.9 charitable foundations, nonprofit limited liability companies, and nonprofit corporations,  
152.10 including a corporation within the meaning of section 317A.011, subdivision 6.

152.11 (c) The term "Giants Ridge recreation area" refers to an economic development  
152.12 project area established by the commissioner in furtherance of the powers delegated in this  
152.13 section within St. Louis County in the ~~western~~ following portions of the town of White and  
152.14 ~~in the eastern portion of the westerly, adjacent, unorganized township.~~ city of Biwabik:

152.15 Township 59 North, Range 15 West, Sections 7, 8, 17-20 and 29-32;

152.16 Township 59 North, Range 16 West, Sections 12, 13, 24, 25, and 36;

152.17 Township 58 North, Range 16 West, Section 1; and

152.18 Township 58 North, Range 15 West, Sections 5 and 6.

152.19 (d) ~~The term~~ "Ironworld Discovery Center area" ~~refers to~~ means an economic  
152.20 development and tourism promotion project area established by the commissioner in  
152.21 furtherance of the powers delegated in this section within St. Louis County in the south  
152.22 portion of the town of Balkan.

152.23 Sec. 8. Minnesota Statutes 2008, section 298.22, subdivision 8, is amended to read:

152.24 Subd. 8. **Spending priority.** In making or approving any expenditures on programs  
152.25 or projects, the commissioner and the board shall give the highest priority to programs  
152.26 and projects that target relief to those areas of the taconite assistance area as defined in  
152.27 section 273.1341, that have the largest percentages of job losses and population losses  
152.28 directly attributable to the economic downturn in the taconite industry since the 1980s.  
152.29 The commissioner and the board shall compare the 1980 population and employment  
152.30 figures with the 2000 population and employment figures, and shall specifically consider  
152.31 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,  
152.32 in making or approving expenditures consistent with this subdivision, as well as the areas  
152.33 of residence of persons who suffered job loss for which relief is to be targeted under this  
152.34 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon  
152.35 the terms determined by the commissioner and approved by ~~the board~~ at least seven Iron

153.1 Range Resources and Rehabilitation Board members, surface and mineral interests owned  
153.2 or acquired by the state of Minnesota acting by and through the office of the commissioner  
153.3 of Iron Range resources and rehabilitation within those portions of the taconite assistance  
153.4 area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes.  
153.5 The payments and royalties from these leases must be deposited into the fund established  
153.6 in section 298.292. This subdivision supersedes any other conflicting provisions of law  
153.7 and does not preclude the commissioner and the board from making expenditures for  
153.8 programs and projects in other areas.

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

153.10 Sec. 9. Minnesota Statutes 2008, section 298.22, subdivision 10, is amended to read:

153.11 Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range  
153.12 resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or  
153.13 Giants Ridge Golf and Ski Resort without prior approval by ~~a majority vote of the board~~ at  
153.14 least seven Iron Range Resources and Rehabilitation Board members.

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

153.16 Sec. 10. Minnesota Statutes 2008, section 298.22, subdivision 11, is amended to read:

153.17 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation  
153.18 shall annually prepare a budget for operational expenditures, programs, and projects, and  
153.19 submit it to the Iron Range Resources and Rehabilitation Board and the governor ~~for~~  
153.20 ~~approval.~~ After the budget is approved by ~~the board~~ at least seven Iron Range Resources  
153.21 and Rehabilitation Board members and the governor, the commissioner may spend money  
153.22 in accordance with the approved budget.

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

153.24 Sec. 11. Minnesota Statutes 2008, section 298.221, is amended to read:

153.25 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

153.26 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota  
153.27 pursuant to the terms of any contract entered into by the state under authority of section  
153.28 298.22 and any fees which may, in the discretion of the commissioner of Iron Range  
153.29 resources and rehabilitation, be charged in connection with any project pursuant to that  
153.30 section as amended, shall be deposited in the state treasury to the credit of the Iron Range  
153.31 Resources and Rehabilitation Board account in the special revenue fund and are hereby  
153.32 appropriated for the purposes of section 298.22.

154.1 (b) Notwithstanding section 16A.013, merchandise may be accepted by the  
154.2 commissioner of the Iron Range Resources and Rehabilitation Board for payment of  
154.3 advertising contracts if the commissioner determines that the merchandise can be used  
154.4 for special event prizes or mementos at facilities operated by the board. Nothing in this  
154.5 paragraph authorizes the commissioner or a member of the board to receive merchandise  
154.6 for personal use.

154.7 (c) All fees charged by the commissioner in connection with public use of the  
154.8 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other  
154.9 revenues derived by the commissioner from the operation or lease of those facilities  
154.10 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge  
154.11 Recreation Area must be deposited into an Iron Range Resources and Rehabilitation  
154.12 Board account that is created within the state enterprise fund. All funds deposited in the  
154.13 enterprise fund account are appropriated to the commissioner to be expended, subject  
154.14 to approval ~~of a majority of the board,~~ by at least seven Iron Range Resources and  
154.15 Rehabilitation Board members, as follows:

154.16 (1) to pay costs associated with the construction, equipping, operation, repair, or  
154.17 improvement of the Giants Ridge Recreation Area facilities or lands;

154.18 (2) to pay principal, interest and associated bond issuance, reserve, and servicing  
154.19 costs associated with the financing of the facilities; and

154.20 (3) to pay the costs of any other project authorized under section 298.22.

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

154.22 Sec. 12. Minnesota Statutes 2008, section 298.2211, subdivision 3, is amended to read:

154.23 Subd. 3. **Project approval.** All projects authorized by this section shall be  
154.24 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board;  
154.25 ~~which shall recommend approval or disapproval or modification of the projects for~~  
154.26 approval by at least seven Iron Range Resources and Rehabilitation Board members.  
154.27 Prior to the commencement of a project involving the exercise by the commissioner of  
154.28 any authority of sections 469.174 to 469.179, the governing body of each municipality in  
154.29 which any part of the project is located and the county board of any county containing  
154.30 portions of the project not located in an incorporated area shall by majority vote approve  
154.31 or disapprove the project. Any project, ~~as so approved by the board~~ at least seven Iron  
154.32 Range Resources and Rehabilitation Board members and the applicable governing bodies,  
154.33 if any, together with detailed information concerning the project, its costs, the sources of  
154.34 its funding, and the amount of any bonded indebtedness to be incurred in connection  
154.35 with the project, shall be transmitted to the governor, who shall approve, disapprove, or

155.1 return the proposal for additional consideration within 30 days of receipt. No project  
155.2 authorized under this section shall be undertaken, and no obligations shall be issued and  
155.3 no tax increments shall be expended for a project authorized under this section until the  
155.4 project has been approved by the governor.

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

155.6 Sec. 13. Minnesota Statutes 2008, section 298.2213, subdivision 4, is amended to read:

155.7 Subd. 4. **Project approval.** The board and commissioner shall by August 1 each  
155.8 year prepare a list of projects to be funded from the money appropriated in this section  
155.9 with necessary supporting information including descriptions of the projects, plans, and  
155.10 cost estimates. A project must not be approved by the board unless it finds that:

155.11 (1) the project will materially assist, directly or indirectly, the creation of additional  
155.12 long-term employment opportunities;

155.13 (2) the prospective benefits of the expenditure exceed the anticipated costs; and

155.14 (3) in the case of assistance to private enterprise, the project will serve a sound  
155.15 business purpose.

155.16 Each project must be approved by ~~a majority of the~~ at least seven Iron Range  
155.17 Resources and Rehabilitation Board members and the commissioner of Iron Range  
155.18 resources and rehabilitation. The list of projects must be submitted to the governor,  
155.19 who shall, by November 15 of each year, approve, disapprove, or return for further  
155.20 consideration, each project. The money for a project may be spent only upon approval of  
155.21 the project by the governor. The board may submit supplemental projects for approval at  
155.22 any time.

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

155.24 Sec. 14. Minnesota Statutes 2008, section 298.2214, is amended by adding a  
155.25 subdivision to read:

155.26 Subd. 6. **Per diem.** Members of the committee may be reimbursed for expenses  
155.27 in the manner provided in section 298.22, subdivision 2.

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

155.29 Sec. 15. Minnesota Statutes 2008, section 298.223, is amended to read:

155.30 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

155.31 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental  
155.32 protection fund is created for the purpose of reclaiming, restoring and enhancing those

156.1 areas of northeast Minnesota located within the taconite assistance area defined in section  
156.2 273.1341, that are adversely affected by the environmentally damaging operations  
156.3 involved in mining taconite and iron ore and producing iron ore concentrate and for the  
156.4 purpose of promoting the economic development of northeast Minnesota. The taconite  
156.5 environmental protection fund shall be used for the following purposes:

156.6 ~~(a)~~ (1) to initiate investigations into matters the Iron Range Resources and  
156.7 Rehabilitation Board determines are in need of study and which will determine the  
156.8 environmental problems requiring remedial action;

156.9 ~~(b)~~ (2) reclamation, restoration, or reforestation of mine lands not otherwise  
156.10 provided for by state law;

156.11 ~~(c)~~ (3) local economic development projects but only if those projects are approved  
156.12 by ~~the board~~, at least seven Iron Range Resources and Rehabilitation Board members,  
156.13 and public works, including construction of sewer and water systems located within the  
156.14 taconite assistance area defined in section 273.1341;

156.15 ~~(d)~~ (4) monitoring of mineral industry related health problems among mining  
156.16 employees;

156.17 (5) local public works projects under section 298.227, paragraph (c); and

156.18 (6) local public works projects as provided under this clause. The following amounts  
156.19 shall be distributed in 2009 based upon the taxable tonnage of production in 2008:

156.20 (i) .4651 cents per ton to the city of Aurora for street repair and renovation;

156.21 (ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure  
156.22 improvements to the south side industrial site;

156.23 (iii) .6460 cent per ton to the city of Buhl for street repair;

156.24 (iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;

156.25 (v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure  
156.26 upgrades;

156.27 (vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure  
156.28 upgrades;

156.29 (vii) .7752 cent per ton to the city of Mountain Iron for water and sewer  
156.30 infrastructure;

156.31 (viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility  
156.32 modifications for the miners' memorial;

156.33 (ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;

156.34 (x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;

156.35 (xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;

156.36 (xii) .6460 cent per ton to the town of Balkan for community center repairs;

- 157.1 (xiii) .9044 cent per ton to the city of Babbitt for city garage construction;  
157.2 (xiv) .5168 cent per ton to the city of Cook for replacement of a water tower;  
157.3 (xv) .5168 cent per ton to the city of Ely for reconstruction of 2cnd Avenue West;  
157.4 (xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;  
157.5 (xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;  
157.6 (xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;  
157.7 (xvix) .3230 cent per ton to Lake County for trail construction;  
157.8 (xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand  
157.9 Marais;  
157.10 (xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure  
157.11 improvements;  
157.12 (xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;  
157.13 (xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer  
157.14 improvements along Gayley Avenue;  
157.15 (xxiv) .3876 cent per ton to the city of Marble for construction of a city  
157.16 administration facility;  
157.17 (xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the  
157.18 community center;  
157.19 (xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure  
157.20 upgrades;  
157.21 (xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades  
157.22 along Depot Street;  
157.23 (xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter  
157.24 improvements;  
157.25 (xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer  
157.26 infrastructure upgrades at Pokegema Golf Course and Park Place;  
157.27 (xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades  
157.28 for 1st Avenue from River Road to 3rd Street SE; and  
157.29 (xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing  
157.30 at Highway 2 and County Road 62.

157.31 Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall  
157.32 be administered by the commissioner of the Iron Range Resources and Rehabilitation  
157.33 Board. The commissioner shall by September 1 of each year submit to the board a list  
157.34 of projects to be funded from the taconite area environmental protection fund, with such  
157.35 supporting information including description of the projects, plans, and cost estimates as  
157.36 may be necessary.

158.1 (b) Each year no less than one-half of the amounts deposited into the taconite  
158.2 environmental protection fund must be used for public works projects, including  
158.3 construction of sewer and water systems, as specified under subdivision 1, ~~paragraph (c)~~  
158.4 clause (3). The Iron Range Resources and Rehabilitation Board with ~~a majority vote of~~  
158.5 ~~the members~~, approval by at least seven Iron Range Resources and Rehabilitation Board  
158.6 members, may waive the requirements of this paragraph.

158.7 (c) Upon approval by ~~a majority of the members of the Iron Range Resources and~~  
158.8 ~~Rehabilitation Board~~, at least seven Iron Range Resources and Rehabilitation Board  
158.9 members, the list of projects approved under this subdivision shall be submitted to the  
158.10 governor by November 1 of each year. By December 1 of each year, the governor shall  
158.11 approve or disapprove, or return for further consideration, each project. Funds for a project  
158.12 may be expended only upon approval of the project by ~~the board~~ at least seven Iron Range  
158.13 Resources and Rehabilitation Board members, and the governor. The commissioner may  
158.14 submit supplemental projects to the board and governor for approval at any time.

158.15 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron  
158.16 Range resources and rehabilitation taconite area environmental protection funds necessary  
158.17 to carry out approved projects and programs and the funds necessary for administration of  
158.18 this section. Annual administrative costs, not including detailed engineering expenses for  
158.19 the projects, shall not exceed five percent of the amount annually expended from the fund.

158.20 Funds for the purposes of this section are provided by section 298.28, subdivision  
158.21 11, relating to the taconite area environmental protection fund.

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

158.23 Sec. 16. Minnesota Statutes 2008, section 298.227, is amended to read:

158.24 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

158.25 (a) An amount equal to that distributed pursuant to each taconite producer's taxable  
158.26 production and qualifying sales under section 298.28, subdivision 9a, shall be held by  
158.27 the Iron Range Resources and Rehabilitation Board in a separate taconite economic  
158.28 development fund for each taconite and direct reduced ore producer. Money from the  
158.29 fund for each producer shall be released by the commissioner after review by a joint  
158.30 committee consisting of an equal number of representatives of the salaried employees and  
158.31 the nonsalaried production and maintenance employees of that producer. The District 11  
158.32 director of the United States Steelworkers of America, on advice of each local employee  
158.33 president, shall select the employee members. In nonorganized operations, the employee  
158.34 committee shall be elected by the nonsalaried production and maintenance employees.  
158.35 The review must be completed no later than six months after the producer presents a

159.1 proposal for expenditure of the funds to the committee. The funds held pursuant to this  
159.2 section may be released only for workforce development and associated public facility  
159.3 improvement, or for acquisition of plant and stationary mining equipment and facilities  
159.4 for the producer or for research and development in Minnesota on new mining, or  
159.5 taconite, iron, or steel production technology, but only if the producer provides a matching  
159.6 expenditure to be used for the same purpose of at least 50 percent of the distribution based  
159.7 on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for  
159.8 expenditures of money from the fund beginning May 26, 2007, the commissioner may  
159.9 not release the funds before the next scheduled meeting of the board. If ~~the board rejects~~  
159.10 a proposed expenditure is not approved by at least seven Iron Range Resources and  
159.11 Rehabilitation Board members, the funds must be deposited in the Taconite Environmental  
159.12 Protection Fund under sections 298.222 to 298.225. If a producer uses money which has  
159.13 been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile  
159.14 equipment, or mining shovels, and the producer removes the piece of equipment from the  
159.15 taconite tax relief area defined in section 273.134 within ten years from the date of receipt  
159.16 of the money from the fund, a portion of the money granted from the fund must be repaid  
159.17 to the taconite economic development fund. The portion of the money to be repaid is 100  
159.18 percent of the grant if the equipment is removed from the taconite tax relief area within 12  
159.19 months after receipt of the money from the fund, declining by ten percent for each of the  
159.20 subsequent nine years during which the equipment remains within the taconite tax relief  
159.21 area. If a taconite production facility is sold after operations at the facility had ceased, any  
159.22 money remaining in the fund for the former producer may be released to the purchaser of  
159.23 the facility on the terms otherwise applicable to the former producer under this section. If  
159.24 a producer fails to provide matching funds for a proposed expenditure within six months  
159.25 after the commissioner approves release of the funds, the funds are available for release to  
159.26 another producer in proportion to the distribution provided and under the conditions of  
159.27 this section. Any portion of the fund which is not released by the commissioner within  
159.28 one year of its deposit in the fund shall be divided between the taconite environmental  
159.29 protection fund created in section 298.223 and the Douglas J. Johnson economic protection  
159.30 trust fund created in section 298.292 for placement in their respective special accounts.  
159.31 Two-thirds of the unreleased funds shall be distributed to the taconite environmental  
159.32 protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

159.33 (b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of  
159.34 distributions and the review process, an amount equal to ten cents per taxable ton of  
159.35 production in 2007, for distribution in 2008 only, that would otherwise be distributed  
159.36 under paragraph (a), may be used for a loan for the cost of construction of a biomass

160.1 energy facility. This amount must be deducted from the distribution under paragraph (a)  
 160.2 for which a matching expenditure by the producer is not required. The granting of the loan  
 160.3 is subject to approval by ~~the Iron Range Resources and Rehabilitation Board~~ at least seven  
 160.4 Iron Range Resources and Rehabilitation Board members; interest must be payable on the  
 160.5 loan at the rate prescribed in section 298.2213, subdivision 3. (ii) Repayments of the loan  
 160.6 and interest must be deposited in the ~~northeast Minnesota economic development~~ taconite  
 160.7 environment protection fund established in section 298.2213 under sections 298.222 to  
 160.8 298.225. If a loan is not made under this paragraph by July 1, 2009, the amount that  
 160.9 had been made available for the loan under this paragraph must be transferred to the  
 160.10 ~~northeast Minnesota economic development~~ taconite environment protection fund under  
 160.11 sections 298.222 to 298.225. (iii) Money distributed in 2008 to the fund established  
 160.12 under this section that exceeds ten cents per ton is available to qualifying producers under  
 160.13 paragraph (a) on a pro rata basis.

160.14 If 2008 H.F. No. 1812 is enacted and includes a provision that amends this section  
 160.15 in a manner that is different from the amendment in this section, the amendment in this  
 160.16 section supersedes the amendment in 2008 H.F. No. 1812, notwithstanding section 645.26.

160.17 (c) Repayment or transfer of money to the taconite environmental protection fund  
 160.18 under paragraph (b), item (ii), must be allocated by the Iron Range Resources and  
 160.19 Rehabilitation Board for public works projects in house legislative districts in the same  
 160.20 proportion as taxable tonnage of production in 2007 in each house legislative district, for  
 160.21 distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution  
 160.22 in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph  
 160.23 do not require approval by the governor. For purposes of this paragraph, "house legislative  
 160.24 districts" means the legislative districts in existence on the effective date of this section.

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

160.26 Sec. 17. Minnesota Statutes 2008, section 298.28, subdivision 9d, is amended to read:

160.27 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must  
 160.28 be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in  
 160.29 an Iron Range higher education account that is hereby created, to be used for higher  
 160.30 education programs conducted at educational institutions in the taconite assistance area  
 160.31 defined in section 273.1341. The Iron Range Higher Education committee under section  
 160.32 298.2214, and the Iron Range Resources and Rehabilitation Board by an affirmative vote  
 160.33 of at least seven Iron Range Resources and Rehabilitation Board members, must approve  
 160.34 all expenditures from the account.

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

161.1 Sec. 18. Minnesota Statutes 2008, section 298.292, subdivision 2, is amended to read:

161.2 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust  
161.3 fund may be used for the following purposes:

161.4 (1) to provide loans, loan guarantees, interest buy-downs and other forms of  
161.5 participation with private sources of financing, but a loan to a private enterprise shall be  
161.6 for a principal amount not to exceed one-half of the cost of the project for which financing  
161.7 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the  
161.8 lesser of eight percent or an interest rate three percentage points less than a full faith  
161.9 and credit obligation of the United States government of comparable maturity, at the  
161.10 time that the loan is approved;

161.11 (2) to fund reserve accounts established to secure the payment when due of the  
161.12 principal of and interest on bonds issued pursuant to section 298.2211;

161.13 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest  
161.14 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,  
161.15 or retrofitting heating facilities in connection with district heating systems or systems  
161.16 utilizing alternative energy sources;

161.17 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
161.18 entities that are engaging in, or that will engage in, projects or programs that have the  
161.19 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
161.20 or enterprise unless at least two other unrelated investors make investments of at least  
161.21 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas  
161.22 J. Johnson economic protection trust fund may not exceed the amount of the largest  
161.23 investment by an unrelated investor in the venture capital fund or enterprise. For purposes  
161.24 of this subdivision, an "unrelated investor" is a person or entity that is not related to  
161.25 the entity in which the investment is made or to any individual who owns more than 40  
161.26 percent of the value of the entity, in any of the following relationships: spouse, parent,  
161.27 child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of  
161.28 the value of all interests in it. For purposes of determining the limitations under this  
161.29 clause, the amount of investments made by an investor other than the Douglas J. Johnson  
161.30 economic protection trust fund is the sum of all investments made in the venture capital  
161.31 fund or enterprise during the period beginning one year before the date of the investment  
161.32 by the Douglas J. Johnson economic protection trust fund; and

161.33 (5) to purchase forest land in the taconite assistance area defined in section 273.1341  
161.34 to be held and managed as a public trust for the benefit of the area for the purposes  
161.35 authorized in section 298.22, subdivision 5a. Property purchased under this section may  
161.36 be sold by the commissioner upon approval ~~by a majority vote of the board~~ by at least

162.1 seven Iron Range Resources and Rehabilitation Board members. The net proceeds must  
162.2 be deposited in the trust fund for the purposes and uses of this section.

162.3 Money from the trust fund shall be expended only in or for the benefit of the taconite  
162.4 assistance area defined in section 273.1341.

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

162.6 Sec. 19. **[298.2931] TRANSFER OF FUNDS.**

162.7 The amount deposited in the Douglas J. Johnson Economic Protection Trust Fund  
162.8 in 2009 in repayment of a loan for the Mesabi Nugget, LLC project at Silver Bay shall  
162.9 be transferred to the taconite environmental protection fund and deposited in a special  
162.10 account to be used as provided under section 298.223, subdivision 1, clause (6).

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

162.12 Sec. 20. Minnesota Statutes 2008, section 298.294, is amended to read:

162.13 **298.294 INVESTMENT OF FUND.**

162.14 (a) The trust fund established by section 298.292 shall be invested pursuant to law  
162.15 by the State Board of Investment and the net interest, dividends, and other earnings arising  
162.16 from the investments shall be transferred, except as provided in paragraph (b), on the first  
162.17 day of each month to the trust and shall be included and become part of the trust fund.

162.18 The amounts transferred, including the interest, dividends, and other earnings earned  
162.19 prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year  
162.20 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the  
162.21 commissioner of Iron Range resources and rehabilitation for deposit in a separate account  
162.22 for expenditure for the purposes set forth in section 298.292. Amounts appropriated  
162.23 pursuant to this section shall not cancel but shall remain available unless expended.

162.24 (b) For fiscal years 2010 and 2011 only, \$1,000,000 of the net interest, dividends,  
162.25 and other earnings under paragraph (a) shall be transferred to a special account. Funds in  
162.26 the special account are available for loans or grants to businesses, with priority given to  
162.27 businesses with 25 or fewer employees. Funds may be used for wage subsidies of up to \$5  
162.28 per hour or other activities that will create additional jobs in the taconite assistance area  
162.29 under section 273.1341. Expenditures from the special account must be approved by at  
162.30 least seven Iron Range Resources and Rehabilitation Board members.

162.31 (c) To qualify for a grant or loan, a business must be currently operating and have  
162.32 been operating for one year immediately prior to its application for a loan or grant, and its  
162.33 corporate headquarters must be located in the taconite assistance area.

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

163.2 Sec. 21. Minnesota Statutes 2008, section 298.296, subdivision 2, is amended to read:

163.3 Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended  
163.4 on projects and for administration of the trust fund only from the net interest, earnings,  
163.5 and dividends arising from the investment of the trust at any time, including net interest,  
163.6 earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made  
163.7 available for use in fiscal year 1983, except that any amount required to be paid out of the  
163.8 trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article  
163.9 X, section 4, and to make school bond payments and payments to recipients of taconite  
163.10 production tax proceeds pursuant to section 298.225, may be taken from the corpus of  
163.11 the trust.

163.12 (b) Additionally, upon recommendation by the board, up to \$13,000,000 from the  
163.13 corpus of the trust may be made available for use as provided in subdivision 4, and up to  
163.14 \$10,000,000 from the corpus of the trust may be made available for use as provided in  
163.15 section 298.2961.

163.16 (c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust  
163.17 on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts  
163.18 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article  
163.19 8, section 17, may be expended on projects. Funds may be expended for projects under  
163.20 this paragraph only if the project:

163.21 (1) is for the purposes established under section 298.292, subdivision 1, clause  
163.22 (1) or (2); and

163.23 (2) is approved by the board upon an affirmative vote of at least ten of its members.

163.24 No money made available under this paragraph or paragraph (d) can be used for  
163.25 administrative or operating expenses of the Iron Range Resources and Rehabilitation  
163.26 Board or expenses relating to any facilities owned or operated by the board on May 18,  
163.27 2002.

163.28 (d) Upon recommendation by a unanimous vote of all members of the board,  
163.29 amounts in addition to those authorized under paragraphs (a), (b), and (c) may be  
163.30 expended on projects described in section 298.292, subdivision 1.

163.31 (e) Annual administrative costs, not including detailed engineering expenses for the  
163.32 projects, shall not exceed five percent of the net interest, dividends, and earnings arising  
163.33 from the trust in the preceding fiscal year.

163.34 (f) Principal and interest received in repayment of loans made pursuant to this  
163.35 section, and earnings on other investments made under section 298.292, subdivision 2,

164.1 clause (4), shall be deposited in the state treasury and credited to the trust. These receipts  
164.2 are appropriated to the board for the purposes of sections 298.291 to 298.298.

164.3 (g) Additionally, notwithstanding section 298.293, upon the affirmative vote  
164.4 ~~of a majority of the members of the board,~~ of at least seven Iron Range Resources and  
164.5 Rehabilitation Board members, money from the corpus of the trust may be expanded to  
164.6 purchase forest lands within the taconite assistance area as provided in sections 298.22,  
164.7 subdivision 5a, and 298.292, subdivision 2, clause (5).

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

164.9 Sec. 22. Minnesota Statutes 2008, section 298.2961, is amended to read:

164.10 **298.2961 PRODUCER GRANTS.**

164.11 Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas  
164.12 J. Johnson economic protection trust fund to a special account in the taconite area  
164.13 environmental protection fund for grants to producers on a project-by-project basis as  
164.14 provided in this section.

164.15 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, are  
164.16 appropriated for grants to producers on a project-by-project basis as provided in this  
164.17 section.

164.18 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

164.19 (1) environmentally unique reclamation projects; or

164.20 (2) pit or plant repairs, expansions, or modernizations other than for a value added  
164.21 iron products plant.

164.22 (b) To be proposed by the board, a project must be approved by at least eight Iron  
164.23 Range Resources and Rehabilitation Board members. The money for a project may  
164.24 be spent only upon approval of the project by the governor. The board may submit  
164.25 supplemental projects for approval at any time.

164.26 (c) The board may require that it receive an equity percentage in any project to  
164.27 which it contributes under this section.

164.28 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations  
164.29 at the facility had ceased, any money remaining in the taconite environmental fund for the  
164.30 former producer may be released to the purchaser of the facility on the terms otherwise  
164.31 applicable to the former producer under this section.

164.32 (b) Any portion of the taconite environmental fund that is not released by the  
164.33 commissioner within three years of its deposit in the taconite environmental fund shall be  
164.34 divided between the taconite environmental protection fund created in section 298.223

165.1 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for  
165.2 placement in their respective special accounts. Two-thirds of the unreleased funds must be  
165.3 distributed to the taconite environmental protection fund and one-third to the Douglas J.  
165.4 Johnson economic protection trust fund.

165.5 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions  
165.6 under section 298.28, subdivision 9b, and to make grants or loans as provided in this  
165.7 subdivision. Any grant or loan made under this subdivision must be approved by ~~a majority~~  
165.8 ~~of the members of the Iron Range Resources and Rehabilitation Board,~~ at least seven Iron  
165.9 Range Resources and Rehabilitation Board members, established under section 298.22.

165.10 (b) Distributions received in calendar year 2005 are allocated to the city of Virginia  
165.11 for improvements and repairs to the city's steam heating system.

165.12 (c) Distributions received in calendar year 2006 are allocated to a project of the  
165.13 public utilities commissions of the cities of Hibbing and Virginia to convert their electrical  
165.14 generating plants to the use of biomass products, such as wood.

165.15 (d) Distributions received in calendar year 2007 must be paid to the city of Tower to  
165.16 be used for the East Two Rivers project in or near the city of Tower.

165.17 (e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution  
165.18 must be paid to St. Louis County for deposit in its county road and bridge fund to be  
165.19 used for relocation of St. Louis County Road 715, commonly referred to as Pike River  
165.20 Road. The remainder of the 2008 distribution must be paid to St. Louis County for a  
165.21 grant to the city of Virginia for connecting sewer and water lines to the St. Louis County  
165.22 maintenance garage on Highway 135, further extending the lines to interconnect with the  
165.23 city of Gilbert's sewer and water lines. All distributions received in 2009 and subsequent  
165.24 years are allocated for projects under section 298.223, subdivision 1.

165.25 Subd. 5. **Public works and local economic development fund.** For distributions in  
165.26 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would  
165.27 be allocated under section 298.28, subdivision 6. The following amounts are allocated to  
165.28 St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

165.29 (1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for  
165.30 construction of a combined wastewater facility and notwithstanding section 298.28,  
165.31 subdivision 11, paragraph (a), or any other law, interest accrued on this money while held  
165.32 by St. Louis County shall also be distributed to the recipient;

165.33 (2) six cents per ton to the city of Eveleth to redesign and design and construct  
165.34 improvements to renovate its water treatment facility;

165.35 (3) one cent per ton for the East Range Joint Powers Board to acquire land for and to  
165.36 design a central wastewater collection and treatment system;

- 166.1 (4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;
- 166.2 (5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;
- 166.3 (6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;
- 166.4 (7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and
- 166.5 Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment
- 166.6 and Economic Development;
- 166.7 (8) 0.4 cents per ton to the city of Keewatin for a new city well;
- 166.8 (9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous
- 166.9 materials center;
- 166.10 (10) 0.9 cents per ton to Aitkin County Growth for an economic development
- 166.11 project for peat harvesting;
- 166.12 (11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;
- 166.13 (12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive
- 166.14 plan;
- 166.15 (13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;
- 166.16 (14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake
- 166.17 Environmental Learning Center;
- 166.18 (15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;
- 166.19 (16) 0.5 cents per ton to the Economic Development Authority of the city of Grand
- 166.20 Rapids for planning for the North Central Research and Technology Laboratory;
- 166.21 (17) 0.6 cents per ton to the city of Bovey for sewer and water extension;
- 166.22 (18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and
- 166.23 (19) ten cents per ton to the commissioner of Iron Range Resources and
- 166.24 Rehabilitation for deposit in a Highway 1 Corridor Account established by the
- 166.25 commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook,
- 166.26 Ely, or Tower, for economic development projects approved by ~~the Iron Range Resources~~
- 166.27 ~~and Rehabilitation Board~~ at least seven Iron Range Resources and Rehabilitation Board
- 166.28 members; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law,
- 166.29 interest accrued on this money while held by St. Louis County or the commissioner
- 166.30 shall also be distributed to the recipient.

166.31 Subd. 6. Renewable energy. For distributions in 2009 only, a special account is

166.32 established in the taconite environmental protection fund to receive 15.5 cents per ton that

166.33 otherwise would be allocated under section 298.28, subdivision 6. The funds are available

166.34 for cooperative projects between the Iron Range Resources and Rehabilitation Board and

166.35 local governments for renewable energy initiatives.

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

167.1 **ARTICLE 8**

167.2 **HOUSING FINANCE AGENCY**

167.3 Section 1. Minnesota Statutes 2008, section 327C.03, is amended by adding a  
167.4 subdivision to read:

167.5 **Subd. 6. Payment to the Minnesota manufactured home relocation trust fund.**

167.6 In the event a park owner has been assessed under section 327C.095, subdivision 12,  
167.7 paragraph (c), the park owner may collect the \$12 annual payment required by section  
167.8 327C.095, subdivision 12, for participation in the relocation trust fund, as a lump sum  
167.9 or, along with monthly lot rent, a fee of no more than \$1 per month to cover the cost of  
167.10 participating in the relocation trust fund. The \$1 fee must be separately itemized and  
167.11 clearly labeled "Minnesota manufactured home relocation trust fund."

167.12 Sec. 2. Minnesota Statutes 2008, section 327C.095, subdivision 12, is amended to read:

167.13 **Subd. 12. Payment to the Minnesota manufactured home relocation trust fund.**

167.14 (a) If a manufactured home owner is required to move due to the conversion of all or a  
167.15 portion of a manufactured home park to another use, the closure of a park, or cessation  
167.16 of use of the land as a manufactured home park, the manufactured park owner shall,  
167.17 upon the change in use, pay to the commissioner of finance for deposit in the Minnesota  
167.18 manufactured home relocation trust fund under section 462A.35, the lesser amount of the  
167.19 actual costs of moving or purchasing the manufactured home approved by the neutral  
167.20 third party and paid by the Minnesota Housing Finance Agency under subdivision 13,  
167.21 paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for  
167.22 each multisection manufactured home, for which a manufactured home owner has made  
167.23 application for payment of relocation costs under subdivision 13, paragraph (c). The  
167.24 manufactured home park owner shall make payments required under this section to the  
167.25 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice  
167.26 from the neutral third party.

167.27 (b) A manufactured home park owner is not required to make the payment prescribed  
167.28 under paragraph (a), nor is a manufactured home owner entitled to compensation under  
167.29 subdivision 13, paragraph (a) or (e), if:

167.30 (1) the manufactured home park owner relocates the manufactured home owner to  
167.31 another space in the manufactured home park or to another manufactured home park at  
167.32 the park owner's expense;

168.1 (2) the manufactured home owner is vacating the premises and has informed the  
168.2 manufactured home park owner or manager of this prior to the mailing date of the closure  
168.3 statement under subdivision 1;

168.4 (3) a manufactured home owner has abandoned the manufactured home, or the  
168.5 manufactured home owner is not current on the monthly lot rental, personal property  
168.6 taxes, ~~or has failed to pay the annual \$12 payments to the Minnesota manufactured home~~  
168.7 ~~relocation trust fund when due;~~

168.8 (4) the manufactured home owner has a pending eviction action for nonpayment of  
168.9 lot rental amount under section 327C.09, which was filed against the manufactured home  
168.10 owner prior to the mailing date of the closure statement under subdivision 1, and the writ  
168.11 of recovery has been ordered by the district court;

168.12 (5) the conversion of all or a portion of a manufactured home park to another use,  
168.13 the closure of a park, or cessation of use of the land as a manufactured home park is the  
168.14 result of a taking or exercise of the power of eminent domain by a governmental entity  
168.15 or public utility; or

168.16 (6) the owner of the manufactured home is not a resident of the manufactured home  
168.17 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home  
168.18 is a resident, but came to reside in the manufactured home park after the mailing date of  
168.19 the closure statement under subdivision 1.

168.20 ~~(c) Owners of manufactured homes who rent lots in a manufactured home park shall~~  
168.21 ~~make annual payments to the park owner, to be deposited in the Minnesota manufactured~~  
168.22 ~~home relocation trust fund under section 462A.35, in the amount of \$12 per year, per~~  
168.23 ~~manufactured home, payable on August 15 of each year. On or before July 15 of each~~  
168.24 ~~year, the commissioner of finance shall prepare and post on the department's Web site a~~  
168.25 ~~generic invoice and cover letter explaining the purpose of the Minnesota manufactured~~  
168.26 ~~home relocation trust fund, the obligation of each manufactured home owner to make an~~  
168.27 ~~annual \$12 payment into the fund, the due date, and the need to pay to the park owner for~~  
168.28 ~~collection, and a warning, in 14-point font, that if the annual payments are not made when~~  
168.29 ~~due, the manufactured home owner will not be eligible for compensation from the fund if~~  
168.30 ~~the manufactured home park closes. The park owner shall receive, record, and commingle~~  
168.31 ~~the payments and forward the payments to the commissioner of finance by September 15~~  
168.32 ~~of each year, with a summary by the park owner, certifying the name, address, and payment~~  
168.33 ~~amount of each remitter, and noting the names and address of manufactured home owners~~  
168.34 ~~who did not pay the \$12 annual payment, sent to both the commissioner of finance and the~~  
168.35 ~~commissioner of the Minnesota Housing Finance Agency. The commissioner of finance~~  
168.36 ~~shall deposit the payments in the Minnesota manufactured home relocation trust fund.~~

169.1 The commissioner of finance shall annually assess each manufactured home park owner  
169.2 by mail the total amount of \$12 for each licensed lot in their park, payable on or before  
169.3 September 15 of each year. The commissioner of finance shall deposit the payments in the  
169.4 Minnesota manufactured home relocation trust fund. On or before July 15 of each year,  
169.5 the commissioner of finance shall prepare and distribute to park owners a letter explaining  
169.6 the collection, an invoice for all licensed lots, and a sample form for the park owners to  
169.7 collect information on which park residents have been accounted for. The park owner may  
169.8 recoup the cost of the \$12 assessment as a lump sum or as a monthly fee of no more than  
169.9 \$1 collected from park residents together with monthly lot rent as provided in section  
169.10 327C.03, subdivision 6. Park owners may adjust payment for lots in their park that are  
169.11 vacant or otherwise not eligible for contribution to the trust fund under section 327C.095,  
169.12 subdivision 12, paragraph (b), and deduct from the assessment, accordingly.

169.13 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by  
169.14 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action  
169.15 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable  
169.16 attorney fees, court costs, and disbursements.

169.17 Sec. 3. Minnesota Statutes 2008, section 327C.095, subdivision 13, is amended to read:

169.18 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a)  
169.19 If a manufactured home owner is required to relocate due to the conversion of all or a  
169.20 portion of a manufactured home park to another use, the closure of a manufactured home  
169.21 park, or cessation of use of the land as a manufactured home park under subdivision  
169.22 1, and the manufactured home owner complies with the requirements of this section,  
169.23 the manufactured home owner is entitled to payment from the Minnesota manufactured  
169.24 home relocation trust fund equal to the manufactured home owner's actual relocation  
169.25 costs for relocating the manufactured home to a new location within a 25-mile radius  
169.26 of the park that is being closed, up to a maximum of \$4,000 for a single-section and  
169.27 \$8,000 for a multisection manufactured home. The actual relocation costs must include  
169.28 the reasonable cost of taking down, moving, and setting up the manufactured home,  
169.29 including equipment rental, utility connection and disconnection charges, minor repairs,  
169.30 modifications necessary for transportation of the home, necessary moving permits and  
169.31 insurance, moving costs for any appurtenances, which meet applicable local, state, and  
169.32 federal building and construction codes.

169.33 (b) A manufactured home owner is not entitled to compensation under paragraph (a)  
169.34 if the manufactured home park owner is not required to make a payment to the Minnesota  
169.35 manufactured home relocation trust fund under subdivision 12, paragraph (b).

170.1 (c) Except as provided in paragraph (e), in order to obtain payment from the  
170.2 Minnesota manufactured home relocation trust fund, the manufactured home owner shall  
170.3 submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy  
170.4 to the park owner, an application for payment, which includes:

170.5 (1) a copy of the closure statement under subdivision 1;

170.6 (2) a copy of the contract with a moving or towing contractor, which includes the  
170.7 relocation costs for relocating the manufactured home;

170.8 (3) a statement with supporting materials of any additional relocation costs as  
170.9 outlined in subdivision 1;

170.10 (4) a statement certifying that none of the exceptions to receipt of compensation  
170.11 under subdivision 12, paragraph (b), apply to the manufactured home owner;

170.12 (5) a statement from the manufactured park owner that the lot rental is current  
170.13 and that the annual \$12 payments to the Minnesota manufactured home relocation trust  
170.14 fund have been paid when due; and

170.15 (6) a statement from the county where the manufactured home is located certifying  
170.16 that personal property taxes for the manufactured home are paid through the end of that  
170.17 year.

170.18 (d) If the neutral third party has acted reasonably and does not approve or deny  
170.19 payment within 45 days after receipt of the information set forth in paragraph (c), the  
170.20 payment is deemed approved. Upon approval and request by the neutral third party,  
170.21 the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50  
170.22 percent of the contract price payable to the mover and towing contractor for relocating  
170.23 the manufactured home in the amount of the actual relocation cost, plus a check to the  
170.24 home owner for additional certified costs associated with third-party vendors, that were  
170.25 necessary in relocating the manufactured home. The moving or towing contractor shall  
170.26 receive 50 percent upon execution of the contract and 50 percent upon completion of  
170.27 the relocation and approval by the manufactured home owner. The moving or towing  
170.28 contractor may not apply the funds to any other purpose other than relocation of the  
170.29 manufactured home as provided in the contract. A copy of the approval must be forwarded  
170.30 by the neutral third party to the park owner with an invoice for payment of the amount  
170.31 specified in subdivision 12, paragraph (a).

170.32 (e) In lieu of collecting a relocation payment from the Minnesota manufactured  
170.33 home relocation trust fund under paragraph (a), the manufactured home owner may collect  
170.34 an amount from the fund after reasonable efforts to relocate the manufactured home  
170.35 have failed due to the age or condition of the manufactured home, or because there are  
170.36 no manufactured home parks willing or able to accept the manufactured home within a

171.1 25-mile radius. A manufactured home owner may tender title of the manufactured home  
171.2 in the manufactured home park to the manufactured home park owner, and collect an  
171.3 amount to be determined by an independent appraisal. The appraiser must be agreed to  
171.4 by both the manufactured home park owner and the manufactured home owner. The  
171.5 amount that may be reimbursed under the fund is a maximum of \$5,000 for a single  
171.6 section and \$9,000 for a multisection manufactured home. The manufactured home  
171.7 owner shall deliver to the manufactured home park owner the current certificate of title  
171.8 to the manufactured home duly endorsed by the owner of record, and valid releases of  
171.9 all liens shown on the certificate of title, and a statement from the county where the  
171.10 manufactured home is located evidencing that the personal property taxes have been paid.  
171.11 The manufactured home owner's application for funds under this paragraph must include a  
171.12 document certifying that the manufactured home cannot be relocated, that the lot rental is  
171.13 current, that the annual \$12 payments to the Minnesota manufactured home relocation  
171.14 trust fund have been paid when due, that the manufactured home owner has chosen to  
171.15 tender title under this section, and that the park owner agrees to make a payment to the  
171.16 commissioner of finance in the amount established in subdivision 12, paragraph (a), less  
171.17 any documented costs submitted to the neutral third party, required for demolition and  
171.18 removal of the home, and any debris or refuse left on the lot, not to exceed \$1,000. The  
171.19 manufactured home owner must also provide a copy of the certificate of title endorsed by  
171.20 the owner of record, and certify to the neutral third party, with a copy to the park owner,  
171.21 that none of the exceptions to receipt of compensation under subdivision 12, paragraph  
171.22 (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner  
171.23 will vacate the home within 60 days after receipt of payment or the date of park closure,  
171.24 whichever is earlier, provided that the monthly lot rent is kept current.

171.25 (f) The Minnesota Housing Finance Agency must make a determination of the  
171.26 amount of payment a manufactured home owner would have been entitled to under a local  
171.27 ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured  
171.28 home owner's compensation for relocation costs from the fund under section 462A.35, is  
171.29 the greater of the amount provided under this subdivision, or the amount under the local  
171.30 ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner.  
171.31 Nothing in this paragraph is intended to increase the liability of the park owner.

171.32 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall  
171.33 be liable to any person for recovery if the funds in the Minnesota manufactured home  
171.34 relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing  
171.35 Finance Agency shall keep a record of the time and date of its approval of payment to a  
171.36 claimant.

172.1 (h) The agency shall report to the chairs of the senate Finance Committee and  
 172.2 house of representatives Ways and Means Committee by January 15 of each year on  
 172.3 the Minnesota manufactured home relocation trust fund, including the account balance,  
 172.4 payments to claimants, the amount of any advances to the fund, ~~and~~ the amount of any  
 172.5 insufficiencies encountered during the previous calendar year, and any administrative  
 172.6 charges or expenses deducted from the trust fund balance. If sufficient funds become  
 172.7 available, the Minnesota Housing Finance Agency shall pay the manufactured home  
 172.8 owner whose unpaid claim is the earliest by time and date of approval.

172.9 Sec. 4. Minnesota Statutes 2008, section 462A.05, subdivision 14, is amended to read:

172.10 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise  
 172.11 participate in the making, and may enter into commitments for the purchase, making, or  
 172.12 participation in the making, of eligible loans for rehabilitation, with terms and conditions  
 172.13 as the agency deems advisable, to persons and families of low and moderate income, and  
 172.14 to owners of existing residential housing for occupancy by such persons and families,  
 172.15 for the rehabilitation of existing residential housing owned by them. The loans may be  
 172.16 insured or uninsured and may be made with security, or may be unsecured, as the agency  
 172.17 deems advisable. The loans may be in addition to or in combination with long-term  
 172.18 eligible mortgage loans under subdivision 3. They may be made in amounts sufficient  
 172.19 to refinance existing indebtedness secured by the property, if refinancing is determined  
 172.20 by the agency to be necessary to permit the owner to meet the owner's housing cost  
 172.21 without expending an unreasonable portion of the owner's income thereon. No loan for  
 172.22 rehabilitation shall be made unless the agency determines that the loan will be used  
 172.23 primarily to make the housing more desirable to live in, to increase the market value of the  
 172.24 housing, for compliance with state, county or municipal building, housing maintenance,  
 172.25 fire, health or similar codes and standards applicable to housing, or to accomplish energy  
 172.26 conservation related improvements. In unincorporated areas and municipalities not  
 172.27 having codes and standards, the agency may, solely for the purpose of administering  
 172.28 the provisions of this chapter, establish codes and standards. Except for accessibility  
 172.29 improvements under this subdivision and subdivisions 14a and 24, clause (1), no secured  
 172.30 loan for rehabilitation of any owner-occupied property shall be made in an amount which,  
 172.31 with all other existing indebtedness secured by the property, would exceed 110 percent  
 172.32 of its market value, as determined by the agency. No loan under this subdivision for the  
 172.33 rehabilitation of owner-occupied housing shall be denied solely because the loan will not  
 172.34 be used for placing the owner-occupied residential housing in full compliance with all  
 172.35 state, county, or municipal building, housing maintenance, fire, health, or similar codes

173.1 and standards applicable to housing. Rehabilitation loans shall be made only when the  
173.2 agency determines that financing is not otherwise available, in whole or in part, from  
173.3 private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans  
173.4 authorized under this subdivision may be made to eligible persons and families without  
173.5 limitations relating to the maximum incomes of the borrowers if:

173.6 (1) the borrower or a member of the borrower's family requires a level of care  
173.7 provided in a hospital, skilled nursing facility, or intermediate care facility for persons  
173.8 with developmental disabilities;

173.9 (2) home care is appropriate; and

173.10 (3) the improvement will enable the borrower or a member of the borrower's family  
173.11 to reside in the housing.

173.12 The agency may waive any requirement that the housing units in a residential housing  
173.13 development be rented to persons of low and moderate income if the development consists  
173.14 of four or less dwelling units, one of which is occupied by the owner.

173.15 Sec. 5. Minnesota Statutes 2008, section 462A.05, subdivision 14a, is amended to read:

173.16 Subd. 14a. **Rehabilitation loans; existing owner occupied residential housing.**

173.17 It may make loans to persons and families of low and moderate income to rehabilitate  
173.18 or to assist in rehabilitating existing residential housing owned and occupied by those  
173.19 persons or families. No loan shall be made unless the agency determines that the loan  
173.20 will be used primarily for rehabilitation work necessary for health or safety, essential  
173.21 accessibility improvements, or to improve the energy efficiency of the dwelling. No  
173.22 loan for rehabilitation of owner occupied residential housing shall be denied solely  
173.23 because the loan will not be used for placing the residential housing in full compliance  
173.24 with all state, county or municipal building, housing maintenance, fire, health or similar  
173.25 codes and standards applicable to housing. The amount of any loan shall not exceed the  
173.26 lesser of (a) a maximum loan amount determined under rules adopted by the agency  
173.27 not to exceed ~~\$20,000~~ \$27,000, or (b) the actual cost of the work performed, or (c) that  
173.28 portion of the cost of rehabilitation which the agency determines cannot otherwise be  
173.29 paid by the person or family without the expenditure of an unreasonable portion of the  
173.30 income of the person or family. Loans made in whole or in part with federal funds may  
173.31 exceed the maximum loan amount to the extent necessary to comply with federal lead  
173.32 abatement requirements prescribed by the funding source. In making loans, the agency  
173.33 shall determine the circumstances under which and the terms and conditions under which  
173.34 all or any portion of the loan will be repaid and shall determine the appropriate security

174.1 for the repayment of the loan. Loans pursuant to this subdivision may be made with  
174.2 or without interest or periodic payments.

174.3 Sec. 6. Minnesota Statutes 2008, section 469.201, subdivision 2, is amended to read:

174.4 Subd. 2. **City.** "City" means a city of the first class as defined in section 410.01  
174.5 ~~and~~, a city of the second class that is designated as an economically depressed area by  
174.6 the United States Department of Commerce, and a statutory or home rule charter city,  
174.7 town, or township. For each city, a port authority, housing and redevelopment authority,  
174.8 or other agency or instrumentality, the jurisdiction of which is the territory of the city, is  
174.9 included within the meaning of city.

174.10 Sec. 7. Minnesota Statutes 2008, section 469.201, subdivision 4, is amended to read:

174.11 Subd. 4. **City matching money.** (a) "City matching money" means the money of a  
174.12 city specified in a targeted revitalization program. The sources of city matching money  
174.13 may include:

174.14 (1) money from the general fund or a special fund of a city used to implement a  
174.15 targeted revitalization program;

174.16 (2) money paid or repaid to a city from the proceeds of a grant that a city has  
174.17 received from the federal government, a profit or nonprofit corporation, or another entity  
174.18 or individual, that is to be used to implement a targeted revitalization program;

174.19 (3) tax increments received by a city under sections 469.174 to 469.179 or other law,  
174.20 if eligible, to be spent in the targeted ~~neighborhood~~ community;

174.21 (4) the greater of the fair market value or the cost to the city of acquiring land,  
174.22 buildings, equipment, or other real or personal property that a city contributes, grants,  
174.23 leases, or loans to a profit or nonprofit corporation or other entity or individual, in  
174.24 connection with the implementation of a targeted revitalization program;

174.25 (5) city money to be used to acquire, install, reinstall, repair, or improve the  
174.26 infrastructure facilities of a targeted ~~neighborhood~~ community;

174.27 (6) money contributed by a city to pay issuance costs, fund bond reserves, or to  
174.28 otherwise provide financial support for revenue bonds or obligations issued by a city for a  
174.29 project or program related to the implementation of a targeted revitalization program;

174.30 (7) money derived from fees received by a city in connection with its community  
174.31 development activities that are to be used in implementing a targeted revitalization  
174.32 program;

175.1 (8) money derived from the apportionment to the city under section 162.14 or by  
175.2 special law, and expended in a targeted ~~neighborhood~~ community for an activity related to  
175.3 the targeted revitalization program;

175.4 (9) administrative expenses of the city that are incurred in connection with the  
175.5 planning, implementation, or reporting requirements of sections 469.201 to 469.207.

175.6 (b) City matching money does not include:

175.7 (1) city money used to provide a service or to exercise a function that is ordinarily  
175.8 provided throughout the city, unless an increased level of the service or function is  
175.9 to be provided in a targeted ~~neighborhood~~ community in accordance with a targeted  
175.10 revitalization program;

175.11 (2) the proceeds of bonds issued by the city under chapter 462C or 469 and payable  
175.12 solely from repayments made by one or more nongovernmental persons in consideration  
175.13 for the financing provided by the bonds; or

175.14 (3) money given by the state to fund any part of the targeted revitalization program.

175.15 Sec. 8. Minnesota Statutes 2008, section 469.201, subdivision 6, is amended to read:

175.16 Subd. 6. **Housing activities.** "Housing activities" include any work or undertaking  
175.17 to provide housing and related services and amenities primarily for persons and families of  
175.18 low or moderate income. This work or undertaking may include the planning of buildings  
175.19 and improvements; the acquisition of real property, which may be needed ~~immediately~~  
175.20 to address vacancies, foreclosures, and preservation of housing now or in the future for  
175.21 ~~housing purposes and the~~ demolition of any existing improvements; activities to address  
175.22 lead abatement, energy efficiencies, or other activities related to the health of a building;  
175.23 and the construction, reconstruction, alteration, and repair of new and existing buildings.  
175.24 Housing activities also include the provision of a housing rehabilitation and energy  
175.25 improvement loan and grant program with respect to any residential property located  
175.26 within the targeted ~~neighborhood~~ community, the cost of relocation relating to acquiring  
175.27 property for housing activities, and programs authorized by chapter 462C.

175.28 Sec. 9. Minnesota Statutes 2008, section 469.201, subdivision 7, is amended to read:

175.29 Subd. 7. **Lost unit.** "Lost unit" means a rental housing unit that has been vacant  
175.30 for more than six months or has been condemned for code violations, that is lost as a  
175.31 result of revitalization activities because it is demolished, converted to an owner-occupied  
175.32 unit that is not a cooperative, or converted to a nonresidential use, or because the gross  
175.33 rent to be charged exceeds 125 percent of the gross rent charged for the unit six months  
175.34 before the start of rehabilitation.

176.1 Sec. 10. Minnesota Statutes 2008, section 469.201, subdivision 10, is amended to read:

176.2 Subd. 10. **Targeted ~~neighborhood~~ community**. "Targeted ~~neighborhood~~  
176.3 community" means an area including one or more census tracts, as determined and  
176.4 measured by the Bureau of Census of the United States Department of Commerce, that  
176.5 a city council determines in a resolution adopted under section 469.202, subdivision 1,  
176.6 meets the criteria of section 469.202, subdivision 2, and any additional area designated  
176.7 under section 469.202, subdivision 3.

176.8 Sec. 11. Minnesota Statutes 2008, section 469.201, subdivision 11, is amended to read:

176.9 Subd. 11. **Targeted ~~neighborhood~~ community money**. "Targeted ~~neighborhood~~  
176.10 community money" means the money designated in the targeted revitalization program to  
176.11 be used to implement the targeted revitalization program.

176.12 Sec. 12. Minnesota Statutes 2008, section 469.201, subdivision 12, is amended to read:

176.13 Subd. 12. **Targeted ~~neighborhood~~ community revitalization and financing**  
176.14 **program**. "Targeted ~~neighborhood~~ community revitalization and financing program,"  
176.15 "revitalization program," or "program" means the targeted ~~neighborhood~~ community  
176.16 revitalization and financing program adopted in accordance with section 469.203.

176.17 Sec. 13. Minnesota Statutes 2008, section 469.202, is amended to read:

176.18 **469.202 DESIGNATION OF TARGETED NEIGHBORHOODS**  
176.19 **COMMUNITIES**.

176.20 Subdivision 1. **City authority**. A city may by resolution designate a targeted  
176.21 ~~neighborhoods~~ community within its borders after adopting detailed findings that the  
176.22 designated ~~neighborhoods~~ communities meet the eligibility requirements in subdivision 2  
176.23 or 3.

176.24 Subd. 2. **Eligibility requirements for targeted ~~neighborhoods~~ communities**. An  
176.25 area within a city is eligible for designation as a targeted ~~neighborhood~~ community if the  
176.26 area meets ~~two~~ three of the following ~~three~~ four criteria:

176.27 (a) The area had an unemployment rate that was twice the unemployment rate for  
176.28 the Minneapolis and Saint Paul standard metropolitan statistical area as determined by  
176.29 the most recent federal decennial census.

176.30 (b) The median household income in the area was no more than ~~half~~ 80 percent of  
176.31 the median household income for the Minneapolis and Saint Paul standard metropolitan  
176.32 statistical area as determined by the most recent federal decennial census.

177.1 (c) The area is characterized by residential dwelling units in need of substantial  
177.2 rehabilitation. An area qualifies under this paragraph if 25 percent or more of the  
177.3 residential dwelling units are in substandard condition as determined by the city, or if 70  
177.4 percent or more of the residential dwelling units in the area were built before ~~1940~~ 1960 as  
177.5 determined by the most recent federal decennial census.

177.6 (d) The area is characterized by having a disproportionate number of vacant  
177.7 residential buildings and mortgage foreclosures. An area qualifies under this paragraph  
177.8 if it has either:

177.9 (1) a foreclosure rate of at least 1.5 percent in 2008; or

177.10 (2) a foreclosure rate in 2008 in the city or in a zip code area of the city that is at  
177.11 least 50 percent higher than the average foreclosure rate in the metropolitan area, as  
177.12 defined in section 473.121, subdivision 2. For purposes of this paragraph, "foreclosure  
177.13 rate" means the number of foreclosures, as indicated by sheriff sales records, divided by  
177.14 the number of households in the city in 2007.

177.15 Subd. 3. **Additional area eligible for inclusion in targeted ~~neighborhood~~**  
177.16 **community.** (a) A city may add to the area designated as a targeted ~~neighborhood~~  
177.17 community under subdivision 2 additional area extending up to four contiguous city  
177.18 blocks in all directions from the designated targeted ~~neighborhood~~ community. For the  
177.19 purpose of this subdivision, "city block" has the meaning determined by the city; or

177.20 (b) The city may enlarge the targeted ~~neighborhood~~ community to include portions  
177.21 of a census tract that is contiguous to a targeted ~~neighborhood~~ community, provided that  
177.22 the city council first determines the additional area satisfies ~~two~~ three of the ~~three~~ four  
177.23 criteria in subdivision 2.

177.24 Sec. 14. Minnesota Statutes 2008, section 469.203, subdivision 1, is amended to read:

177.25 Subdivision 1. **Requirements.** For each targeted ~~neighborhood~~ community for  
177.26 which a city requests state financial assistance under section 469.204, the city must  
177.27 prepare a comprehensive revitalization and financing program that includes the following:

177.28 (1) the revitalization objectives of the city for the targeted ~~neighborhood~~ community;

177.29 (2) the specific activities or means by which the city intends to pursue and implement  
177.30 the revitalization objectives;

177.31 (3) the extent to which the activities identified in clause (2) will benefit low-  
177.32 and moderate-income families, will alleviate the blighted condition of the targeted  
177.33 ~~neighborhood~~ community, or will otherwise assist in the revitalization of the targeted  
177.34 ~~neighborhood~~ community;

178.1 (4) a statement of the intended outcomes to be achieved by implementation of the  
178.2 targeted revitalization program, how the outcomes will be measured both qualitatively and  
178.3 quantitatively, and the estimated time over which they will occur; and

178.4 (5) a financing program and budget that identifies the financial resources necessary  
178.5 to implement the targeted revitalization program, including:

178.6 (i) the estimated total cost to implement the targeted revitalization program;

178.7 (ii) the estimated cost to implement each activity in the revitalization program  
178.8 identified in clause (2);

178.9 (iii) the estimated amount of financial resources that will be available from all  
178.10 sources other than from the appropriation available under section 469.204 to implement  
178.11 the revitalization program, including the amount of private investment expected to result  
178.12 from the use of public money in the targeted ~~neighborhood~~ community;

178.13 (iv) the estimated amount of the appropriation available under section 469.204 that  
178.14 will be necessary to implement the targeted revitalization program;

178.15 (v) a description of the activities identified in the targeted revitalization program for  
178.16 which the state appropriation will be committed or spent; and

178.17 (vi) a statement of how the city intends to meet the requirement for a financial  
178.18 contribution from city matching money ~~in accordance with section 469.204, subdivision 3.~~

178.19 Sec. 15. Minnesota Statutes 2008, section 469.203, subdivision 2, is amended to read:

178.20 Subd. 2. **Targeted ~~neighborhood~~ community participation in preparing**  
178.21 **revitalization program.** A city requesting state financial assistance under section  
178.22 469.204 shall ~~adopt~~ follow a process to involve the residents of targeted ~~neighborhoods~~  
178.23 communities in the development, drafting, and implementation of the targeted  
178.24 revitalization program. The process shall include the use of a citizen participation  
178.25 process established by the city. A description of the process must be included in the  
178.26 program. The process to involve residents of the targeted ~~neighborhood~~ community  
178.27 must include at least one public hearing. ~~The city of Minneapolis shall establish the~~  
178.28 ~~community-based process as outlined in subdivision 3. The city of St. Paul shall use~~  
178.29 ~~the same community-based process the city used in planning, developing, drafting, and~~  
178.30 ~~implementing the revitalization program required under Laws 1987, chapter 386, article 6,~~  
178.31 ~~section 6. The city of Duluth shall use the same citizen participation process the city used~~  
178.32 ~~in planning, developing, and implementing the federal funded community development~~  
178.33 ~~program~~ meeting in the targeted community.

178.34 Sec. 16. Minnesota Statutes 2008, section 469.203, subdivision 4, is amended to read:

179.1 Subd. 4. **City approval of program.** (a) Before or after adoption of a revitalization  
179.2 program under paragraph (b), the city must submit a preliminary program to the  
179.3 commissioner and the Minnesota Housing Finance Agency for their comments. ~~The city~~  
179.4 ~~may not adopt the revitalization program until comments have been received from the~~  
179.5 ~~state agencies or 30 days have elapsed without response after the program was sent to~~  
179.6 ~~them.~~ Comments received by the city from the state agencies within ~~the 30-day period~~ 30  
179.7 days after submission of the preliminary program must be responded to in writing by the  
179.8 city ~~before adoption of the program by the city.~~

179.9 (b) The city may adopt a targeted revitalization program ~~only after holding a public~~  
179.10 ~~hearing after the program has been prepared.~~ Notice of the hearing must be provided in a  
179.11 newspaper of general circulation in the city and in the most widely circulated community  
179.12 newspaper in the targeted neighborhoods ~~not less than ten days nor more than 30 days~~  
179.13 ~~before the date of the hearing~~ subject to any local public notification requirements  
179.14 and consistent with citizen participation process established for identifying targeted  
179.15 communities.

179.16 (c) A certification by the city that a targeted revitalization program has been  
179.17 approved by the city council for the targeted ~~neighborhood~~ community must be provided  
179.18 to the commissioner together with a copy of the program. A copy of the program must  
179.19 also be provided to the Minnesota Housing Finance Agency ~~and the commissioner of~~  
179.20 ~~employment and economic development.~~

179.21 (d) A targeted revitalization program for the city may be modified at any time by  
179.22 the city council after a public hearing, notice of which is published in a newspaper of  
179.23 general circulation in the city ~~and in the targeted neighborhood~~ at least ten days nor  
179.24 more than 30 days before the date of the hearing. If the city council determines that the  
179.25 proposed modification is a significant modification to the program originally certified  
179.26 under paragraph (c), the city council shall implement the targeted revitalization program  
179.27 approval and certification process of this subdivision for the proposed modification.

179.28 Sec. 17. Minnesota Statutes 2008, section 469.204, subdivision 1, is amended to read:

179.29 Subdivision 1. **Payment of state money.** Upon receipt from a city of a certification  
179.30 that a revitalization program has been adopted or modified, the commissioner shall, within  
179.31 30 days, pay to the city the amount of state money identified as necessary to implement  
179.32 the revitalization program or program modification. ~~State money may be paid to the~~  
179.33 ~~city only to the extent that the appropriation limit for the city specified in subdivision 2~~  
179.34 ~~is not exceeded.~~ Once the state money has been paid to the city, it becomes targeted  
179.35 ~~neighborhood~~ community money for use by the city in accordance with an adopted

180.1 revitalization program and subject only to the restrictions on its use in sections 469.201 to  
180.2 469.207.

180.3 Sec. 18. Minnesota Statutes 2008, section 469.204, is amended by adding a subdivision  
180.4 to read:

180.5 Subd. 4. **Revolving fund.** A targeted community revitalization revolving fund  
180.6 is established in the state treasury. The fund consists of all money appropriated to the  
180.7 commissioner for the purposes of sections 469.201 to 469.207 and all proceeds received  
180.8 by the commissioner as the result of housing activities related to a targeted community  
180.9 revitalization program.

180.10 Sec. 19. Minnesota Statutes 2008, section 469.205, is amended to read:

180.11 **469.205 CITY POWERS; USES OF TARGETED ~~NEIGHBORHOOD~~**  
180.12 **COMMUNITY MONEY.**

180.13 Subdivision 1. **Consolidation of existing powers in targeted ~~neighborhoods~~**  
180.14 **communities.** A city may exercise any of its corporate powers within a targeted  
180.15 ~~neighborhood~~ community. Those powers shall include, but not be limited to, all of  
180.16 the powers enumerated and granted to any city by chapters 462C, 469, and 474A. For  
180.17 the purposes of sections 469.048 to 469.068, a targeted ~~neighborhood~~ community is  
180.18 considered an industrial development district. A city may exercise the powers of sections  
180.19 469.048 to 469.068 in conjunction with, and in addition to, exercising the powers granted  
180.20 by sections 469.001 to 469.047 and chapter 462C, in order to promote and assist housing  
180.21 construction and rehabilitation within a targeted ~~neighborhood~~ community. For the  
180.22 purposes of section 462C.02, subdivision 9, a targeted ~~neighborhood~~ community is  
180.23 considered a "targeted area."

180.24 Subd. 2. **Grants and loans.** In addition to the authority granted by other law, a city  
180.25 may make grants, loans, and other forms of public assistance to individuals, for-profit and  
180.26 nonprofit corporations, and other organizations to implement a targeted revitalization  
180.27 program. The public assistance must contain the terms the city considers proper to  
180.28 implement a targeted revitalization program.

180.29 Subd. 3. **Eligible uses of targeted ~~neighborhood~~ community money.** The city may  
180.30 spend targeted ~~neighborhood~~ community money for any purpose authorized by subdivision  
180.31 1 or 2, except that an amount equal to at least 50 percent of the state payment under section  
180.32 469.204 made to the city must be used for housing activities. Use of ~~target-neighborhood~~  
180.33 targeted community money must be authorized in a targeted revitalization program.

181.1 Sec. 20. Minnesota Statutes 2008, section 469.207, subdivision 2, is amended to read:

181.2 Subd. 2. **Annual report.** A city that begins to implement a revitalization program  
181.3 in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed  
181.4 report on the revitalization program or programs being implemented in the city. The report  
181.5 must describe the status of the program implementation and analyze whether the intended  
181.6 outcomes identified in section 469.203, subdivision 1, clause (4), are being achieved. The  
181.7 report must include at least the following:

181.8 (1) the number of housing units, including lost units, removed, created, lost,  
181.9 replaced, relocated, and assisted as a result of the program. The level of rent of the units  
181.10 and the income of the households affected must be included in the report;

181.11 (2) the number and type of commercial establishments removed, created, and  
181.12 assisted as a result of a revitalization program. The report must include information  
181.13 regarding the number of new jobs created by category, whether the jobs are full time or  
181.14 part time, and the salary or wage levels of both new and expanded jobs in the affected  
181.15 commercial establishments;

181.16 (3) a description of a statement of the cost of the public improvement projects that  
181.17 are part of the program and the number of jobs created for each \$20,000 of money spent  
181.18 on commercial projects and applicable public improvement projects;

181.19 (4) the increase in the tax capacity for the city as a result of the assistance to  
181.20 commercial and housing assistance; and

181.21 (5) the amount of private investment that is a result of the use of public money  
181.22 in a targeted ~~neighborhood~~ community.

181.23 The report must be submitted to the commissioner, the Minnesota housing finance  
181.24 agency, and the legislative audit commission, and must be available to the public.

181.25 Sec. 21. Minnesota Statutes 2008, section 580.07, is amended to read:

181.26 **580.07 POSTPONEMENT.**

181.27 Subdivision 1. Postponement by mortgagee. The sale may be postponed, from  
181.28 time to time, by the party conducting the foreclosure, by inserting a notice of the  
181.29 postponement, as soon as practicable, in the newspaper in which the original advertisement  
181.30 was published, at the expense of the party requesting the postponement. The notice shall  
181.31 be published only once.

181.32 Subd. 2. Postponement by mortgagor or owner. (a) If all or a part of the property  
181.33 to be sold is classified as homestead under section 273.124 and contains one to four  
181.34 dwelling units, the mortgagor or owner may postpone the sale to the first date that is not

182.1 a Saturday, Sunday, or legal holiday and is five months after the originally scheduled  
182.2 date of sale in the manner provided in this subdivision. To postpone a foreclosure sale  
182.3 pursuant to this subdivision, at any time after the first publication of the notice of mortgage  
182.4 foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date  
182.5 specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set  
182.6 forth in subdivision 3, (2) record the affidavit in the office of each county recorder and  
182.7 registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting  
182.8 the sale and deliver to the attorney foreclosing the mortgage, a copy of the recorded  
182.9 affidavit, showing the date and office in which the affidavit was recorded. Recording of  
182.10 the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall  
182.11 automatically reduce the mortgagor's redemption period under section 580.23 to five  
182.12 weeks. The postponement of a foreclosure sale pursuant to this subdivision does not  
182.13 require any change in the contents of the notice of sale, service of the notice of sale if the  
182.14 occupant was served with the notice of sale prior to postponement under this subdivision,  
182.15 or publication of the notice of sale if publication was commenced prior to postponement  
182.16 under this subdivision, notwithstanding the service and publication time periods specified  
182.17 in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the  
182.18 foreclosure sale and the actual length of the mortgagor's redemption period. No notice  
182.19 of postponement need be published. An affidavit complying with subdivision 3 shall be  
182.20 prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The  
182.21 right to postpone a foreclosure sale pursuant to this subdivision may be exercised only  
182.22 once, regardless whether the mortgagor reinstates the mortgage prior to the postponed  
182.23 mortgage foreclosure sale.

182.24 (b) If the automatic stay under United States Code, title 11, section 362, applies  
182.25 to the mortgage foreclosure after a mortgagor or owner requests postponement of the  
182.26 sheriff's sale under this section, then when the automatic stay is no longer applicable, the  
182.27 mortgagor's or owner's election to shorten the redemption period to five weeks under this  
182.28 section remains applicable to the mortgage foreclosure.

182.29 Subd. 3. **Affidavit form.** The affidavit referred to in subdivision 2 shall be in  
182.30 substantially the following form and shall contain all of the following information.

182.31 STATE OF \_\_\_\_\_

182.32 COUNTY OF \_\_\_\_\_

182.33 \_\_\_\_\_ (whether one or more, "Owner"),

182.34 being first duly sworn on oath, states as follows:

182.35 1. (He is) (She is) (They are) the owner(s) or mortgagor(s) of the real property (the  
182.36 "Property") situated in \_\_\_\_\_ (Name of) County, Minnesota, legally described in the

183.1 attached published Notice of Mortgage Foreclosure Sale (the "Notice"), and make this  
183.2 affidavit for the purpose of postponing the foreclosure sale of the Property pursuant to  
183.3 Minnesota Statutes, section 580.07, subdivision 2, for five months from the date scheduled  
183.4 in the attached Notice.

183.5 2. The Property is classified as homestead under Minnesota Statutes, section  
183.6 273.124, is occupied by Owner as a homestead, and is improved with not more than  
183.7 four dwelling units.

183.8 3. Owner has elected to shorten Owner's redemption period from any foreclosure  
183.9 sale of the Property to five weeks in exchange for the postponement of the foreclosure  
183.10 sale for five months.

183.11 \_\_\_\_\_ (signature(s) of owner)

183.12 Signed and sworn to (or affirmed) before me on ..... (date) by ..... (name(s)  
183.13 of person(s) making statement).

183.14 \_\_\_\_\_ (signature of notary public)

183.15 Notary Public

183.16 **EFFECTIVE DATE.** This section is effective one month after the date of final  
183.17 enactment, and applies to foreclosure sales scheduled to occur on or after said effective  
183.18 date.

183.19 Sec. 22. **CONSTRUCTION MITIGATION PILOT PROGRAM.**

183.20 Subdivision 1. **Purpose.** The purpose of the construction mitigation grant program  
183.21 is to mitigate the impacts of transportation construction on local small businesses, to  
183.22 promote the retention of jobs in transportation construction areas, and to provide outreach  
183.23 to the public and small businesses to minimize interruption to local commerce. The  
183.24 Department of Transportation, Department of Employment and Economic Development,  
183.25 and local government units shall work together to ensure that the recommendations  
183.26 of the Department of Transportation's 2009 report to the legislature on transportation  
183.27 construction impacts and any statutory changes resulting from the report recommendations  
183.28 are applied when implementing the grant program.

183.29 Subd. 2. **Establishment.** The commissioner of employment and economic  
183.30 development shall develop and implement a construction mitigation grant program to  
183.31 make grants available to local government units to mitigate the impacts of transportation  
183.32 construction on local small businesses.

183.33 Subd. 3. **Definitions.** For purposes of this section:

183.34 (1) "applicant" means a local government unit;

184.1 (2) "commissioner" means the commissioner of the Department of Employment and  
184.2 Economic Development;

184.3 (3) "eligible transportation project entirely or partially funded by state or federal  
184.4 funds" means a project that will affect one or more small businesses as a result of  
184.5 transportation work because the work is anticipated to impair road access for a minimum  
184.6 period of one month;

184.7 (4) "local government unit" means a county, statutory or home rule charter city,  
184.8 town, special district, or other political subdivision;

184.9 (5) "project" has the meaning given it in Minnesota Statutes, section 161.2415; and

184.10 (6) "small business" means a business that employs ten or fewer employees and is  
184.11 located in an area that is adjacent to an eligible project.

184.12 Subd. 4. **Applications.** A grant applicant shall prepare and submit to the  
184.13 commissioner a written proposal detailing a construction mitigation plan and strategies  
184.14 on how the applicant will implement the plan to meet the purpose of the grant program  
184.15 as provided in subdivision 1. An applicant shall identify any nonstate funding sources  
184.16 available to match state funds distributed under subdivision 5.

184.17 Subd. 5. **Fund distribution.** In distributing funds, the commissioner shall consider  
184.18 the types of businesses affected by the eligible transportation project and shall balance  
184.19 funding between eligible transportation projects within the seven-county metropolitan area  
184.20 and eligible transportation projects outside of the seven-county metropolitan area.

184.21 Subd. 6. **Expiration.** This section expires on July 1, 2011.

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

184.23 Sec. 23. **REPEALER.**

184.24 Minnesota Statutes 2008, sections 469.203, subdivision 3; and 469.204, subdivisions  
184.25 2 and 3, are repealed.

184.26 **ARTICLE 9**  
184.27 **MINNESOTA HERITAGE**

184.28 Section 1. Minnesota Statutes 2008, section 129D.13, subdivision 1, is amended to  
184.29 read:

184.30 Subdivision 1. **Distribution.** The commissioner shall distribute the money provided  
184.31 by sections 129D.11 to 129D.13. ~~Twice~~ Annually the commissioner shall make block  
184.32 grants which shall be distributed in equal amounts to public stations for operational costs.  
184.33 The commissioner shall allocate money appropriated for the purposes of sections 129D.11

185.1 to 129D.13 in such a manner that each eligible public station receives a block grant. In  
185.2 addition, the commissioner shall make matching grants to public stations. Matching grants  
185.3 shall be used for operational costs and shall be allocated using the procedure developed  
185.4 for distribution of state money under this section for grants made in fiscal year 1979. No  
185.5 station's matching grant in any fiscal year shall exceed the amount of Minnesota-based  
185.6 contributions received by that station in the previous fiscal year. Grants made pursuant to  
185.7 this subdivision may only be given to those federally licensed stations that are certified as  
185.8 eligible for community service grants through the Corporation for Public Broadcasting.  
185.9 Grant funds not expended by a station during the first year of the biennium do not cancel  
185.10 and may be carried over into the second fiscal year.

185.11 Sec. 2. Minnesota Statutes 2008, section 129D.13, subdivision 2, is amended to read:

185.12 Subd. 2. **Exclusions from contribution amount.** In calculating the amount of  
185.13 contributions received by a public station pursuant to subdivision 1, there shall be  
185.14 excluded: contributions, whether monetary or in kind, from the Corporation for Public  
185.15 Broadcasting; tax generated funds, including payments by public or private elementary  
185.16 and secondary schools; that portion of any foundation or corporation donation in excess  
185.17 of ~~\$500~~ \$2,500 from any one contributor in ~~a calendar~~ the previous station fiscal year;  
185.18 contributions from any source if made for the purpose of capital expenditures; and  
185.19 contributions from all sources based outside the state.

185.20 Sec. 3. Minnesota Statutes 2008, section 129D.13, subdivision 3, is amended to read:

185.21 Subd. 3. **Report.** Each ~~educational~~ station receiving a grant shall ~~annually~~  
185.22 ~~by July 1~~ annually by August 1 to the commissioner the purposes for which the money  
185.23 was used in the past ~~fiscal~~ year and the anticipated use of the money in the next ~~fiscal~~ year.  
185.24 ~~The report shall be certified by an independent auditor or a certified public accountant.~~  
185.25 This report shall be submitted along with a new grant request submission. If the report  
185.26 is not submitted by ~~September 1~~, the commissioner ~~may withhold from the educational~~  
185.27 ~~station 45 percent of the amount to which it was entitled based upon the contribution of~~  
185.28 ~~the previous fiscal year, and may redistribute that money to other educational stations.~~

185.29 Sec. 4. Minnesota Statutes 2008, section 129D.14, subdivision 4, is amended to read:

185.30 Subd. 4. **Application.** To be eligible for a grant under this section, a licensee  
185.31 shall submit an application to the commissioner ~~within the deadline prescribed by the~~  
185.32 ~~commissioner~~ according to state grant policies. Each noncommercial radio station  
185.33 receiving a grant shall report annually ~~within the deadline prescribed by~~ August 1 to the

186.1 commissioner the purposes for which the money was used in the past ~~fiscal~~ year and the  
186.2 anticipated use of the money for the next ~~fiscal~~ year. This report shall be submitted along  
186.3 with a new grant request submission. If the application and report are not submitted within  
186.4 the deadline prescribed by the commissioner, the grant may be redistributed to the other  
186.5 noncommercial radio stations eligible for a grant under this section.

186.6 Sec. 5. Minnesota Statutes 2008, section 129D.14, subdivision 5, is amended to read:

186.7 Subd. 5. **State community service block grants.** (a) The commissioner shall  
186.8 determine eligibility for block grants and the allocation of block grant money on the basis  
186.9 of audited financial records of the station to receive the block grant funds for the station's  
186.10 fiscal year preceding the year in which the grant is made, as well as on the basis of the  
186.11 other requirements set forth in this section. The commissioner shall annually distribute  
186.12 block grants equally to all stations that comply with the eligibility requirements and for  
186.13 which a licensee applies for a block grant. Grant funds not expended by a station during  
186.14 the first year of the biennium do not cancel and may be carried over into the second fiscal  
186.15 year. The commissioner may promulgate rules to implement this section.

186.16 (b) A station may use grant money under this section for any radio station expenses.

186.17 Sec. 6. Minnesota Statutes 2008, section 129D.14, subdivision 6, is amended to read:

186.18 Subd. 6. **Audit.** A station that receives a grant under this section shall have an  
186.19 audit of its financial records made by an independent auditor or Corporation for Public  
186.20 Broadcasting accepted audit ~~at the end of~~ for the ~~fiscal~~ year ~~for which~~ it received the grant.  
186.21 ~~The audit shall include a review of station promotion, operation, and management and an~~  
186.22 ~~analysis of the station's use of the grant money.~~ A copy of the most recent audit shall be  
186.23 filed with the commissioner. ~~If neither is available,~~ The commissioner may accept a letter  
186.24 of negative assurance from an independent auditor or a certified public accountant.

186.25 Sec. 7. Minnesota Statutes 2008, section 129D.155, is amended to read:

186.26 **129D.155 REPAYMENT OF FUNDS.**

186.27 State funds distributed to public television or noncommercial radio stations and used  
186.28 to purchase equipment assets must be repaid to the state, without interest, if the assets  
186.29 purchased with these funds are sold within five years or otherwise converted to a person  
186.30 other than a nonprofit or municipal corporation. The amount due to the state shall be the  
186.31 net amount realized from the sale of the assets, but shall not exceed the amount of state  
186.32 funds advanced for the purchase of the asset. ~~Public television and noncommercial radio~~



188.1 3; 248.07, subdivisions 7, 8; 256J.626, subdivision 4; 256J.66, subdivision  
 188.2 1; 268.031; 268.035, subdivisions 2, 17, by adding subdivisions; 268.042,  
 188.3 subdivision 3; 268.043; 268.044, subdivision 2; 268.047, subdivisions 1, 2;  
 188.4 268.051, subdivisions 1, 4; 268.052, subdivision 2; 268.053, subdivision  
 188.5 1; 268.057, subdivisions 4, 5; 268.0625, subdivision 1; 268.066; 268.067;  
 188.6 268.069, subdivisions 1, 2; 268.07, subdivisions 1, 2, 3, 3b; 268.084; 268.085,  
 188.7 subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095, subdivisions 1, 2, 10, 11; 268.101,  
 188.8 subdivisions 1, 2; 268.103, subdivision 1, by adding a subdivision; 268.105,  
 188.9 subdivisions 1, 2, 3a, 4, 5; 268.115, subdivision 5; 268.125, subdivision 5;  
 188.10 268.135, subdivision 4; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 4a;  
 188.11 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211; 268A.06, subdivision  
 188.12 1; 270.97; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221; 298.2211,  
 188.13 subdivision 3; 298.2213, subdivisions 4, 5; 298.2214, subdivision 1, by adding a  
 188.14 subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2;  
 188.15 298.294; 298.296, subdivision 2; 298.2961; 298.297; 326B.33, subdivisions 13,  
 188.16 19; 326B.46, subdivision 4; 326B.475, subdivisions 4, 7; 326B.49, subdivision  
 188.17 1; 326B.56, subdivision 4; 326B.58; 326B.815, subdivision 1; 326B.821,  
 188.18 subdivision 2; 326B.86, subdivision 1; 326B.885, subdivision 2; 326B.89,  
 188.19 subdivisions 3, 16; 326B.94, subdivision 4; 326B.972; 326B.986, subdivisions 2,  
 188.20 5, 8; 327B.04, subdivisions 7, 8, by adding a subdivision; 327C.03, by adding  
 188.21 a subdivision; 327C.095, subdivisions 12, 13; 462A.05, subdivisions 14, 14a;  
 188.22 469.169, subdivision 3; 469.201, subdivisions 2, 4, 6, 7, 10, 11, 12; 469.202;  
 188.23 469.203, subdivisions 1, 2, 4; 469.204, subdivision 1, by adding a subdivision;  
 188.24 469.205; 469.207, subdivision 2; 580.07; Laws 1998, chapter 404, section  
 188.25 23, subdivision 6, as amended; proposing coding for new law in Minnesota  
 188.26 Statutes, chapters 1; 116J; 137; 155A; 161; 181; 268; 298; 326B; repealing  
 188.27 Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431, subdivision 5;  
 188.28 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; 116U.65;  
 188.29 129D.13, subdivision 4; 176.135, subdivision 1b; 268.085, subdivision 14;  
 188.30 268.086, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 469.203, subdivision 3; 469.204,  
 188.31 subdivisions 2, 3; Minnesota Rules, part 1350.8300."

189.1 We request the adoption of this report and repassage of the bill.

189.2 Senate Conferees: (Signed)

189.3 .....  
189.4 David Tomassoni James Metzen

189.5 .....  
189.6 Dan Sparks Kenneth Kelash

189.7 .....  
189.8 Amy Koch

189.9 House Conferees: (Signed)

189.10 .....  
189.11 Tom Rukavina Mary Murphy

189.12 .....  
189.13 Karen Clark Tim Mahoney

189.14 .....  
189.15 Bob Gunther