

A bill for an act

1.1 relating to state government; establishing and modifying certain grants and  
1.2 programs; making technical changes; regulating certain activities and practices;  
1.3 providing penalties; establishing working groups; regulating unemployment  
1.4 insurance; regulating labor standards and wages; providing for licensing and  
1.5 fees; amending Iron Range resources provisions; regulating certain facilities;  
1.6 regulating certain boards and committees; modifying certain Housing Finance  
1.7 Authority provisions; modifying Heritage Finance provisions; appropriating  
1.8 money; amending Minnesota Statutes 2008, sections 15.75, subdivision 5;  
1.9 16B.54, subdivision 2; 84.94, subdivision 3; 85.0146, subdivision 1; 89A.08,  
1.10 subdivision 1; 115C.08, subdivision 4; 116J.035, subdivisions 1, 6; 116J.401,  
1.11 subdivision 2; 116J.424; 116J.431, subdivisions 1, 2, 4, 6, by adding a  
1.12 subdivision; 116J.435, subdivision 3; 116J.554, subdivision 1; 116J.555,  
1.13 subdivision 1; 116J.68, subdivision 2; 116J.8731, subdivisions 2, 3; 116L.03,  
1.14 subdivision 5; 116L.05, subdivision 5; 116L.20, subdivision 1; 116L.362,  
1.15 subdivision 1; 116L.364, subdivision 3; 116L.871, subdivision 1; 116L.96;  
1.16 116O.115, subdivisions 2, 4; 123A.08, subdivision 1; 124D.49, subdivision  
1.17 3; 129D.13; 129D.14, subdivisions 4, 5, 6; 129D.155; 154.001; 154.19;  
1.18 154.44, subdivision 1; 154.51; 160.276, subdivision 8; 177.30; 177.31; 177.32;  
1.19 177.42, subdivision 6, by adding a subdivision; 177.43, subdivisions 3, 6a;  
1.20 178.02, subdivision 2; 182.656, subdivision 3; 214.01, subdivision 3; 214.04,  
1.21 subdivision 3; 216B.1612, subdivision 2; 241.27, subdivision 1; 248.061,  
1.22 subdivision 3; 248.07, subdivisions 7, 8; 256J.626, subdivision 4; 256J.66,  
1.23 subdivision 1; 268.031; 268.035, subdivisions 2, 17, by adding subdivisions;  
1.24 268.042, subdivision 3; 268.043; 268.044, subdivision 2; 268.047, subdivisions  
1.25 1, 2; 268.051, subdivisions 1, 4; 268.052, subdivision 2; 268.053, subdivision  
1.26 1; 268.057, subdivisions 4, 5; 268.0625, subdivision 1; 268.066; 268.067;  
1.27 268.069, subdivisions 1, 2; 268.07, subdivisions 1, 2, 3, 3b; 268.084; 268.085,  
1.28 subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095, subdivisions 1, 2, 10, 11; 268.101,  
1.29 subdivisions 1, 2; 268.103, subdivision 1, by adding a subdivision; 268.105,  
1.30 subdivisions 1, 2, 3a, 4, 5; 268.115, subdivision 5; 268.125, subdivision 5;  
1.31 268.135, subdivision 4; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 4a;  
1.32 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211; 268A.06, subdivision  
1.33 1; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221; 298.2211, subdivision 3;  
1.34 298.2213, subdivisions 4, 5; 298.2214, subdivision 1, by adding a subdivision;  
1.35 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2; 298.294;  
1.36 298.296, subdivision 2; 298.2961; 298.297; 326B.33, subdivision 19; 326B.46,  
1.37 subdivision 4; 326B.475, subdivisions 4, 7; 326B.49, subdivision 1; 326B.56,  
1.38 subdivision 4; 326B.58; 326B.815, subdivision 1; 326B.821, subdivision 2;  
1.39

2.1 326B.86, subdivision 1; 326B.885, subdivision 2; 326B.89, subdivisions 3, 16;  
 2.2 326B.94, subdivision 4; 326B.972; 326B.986, subdivisions 2, 5, 8; 327B.04,  
 2.3 subdivisions 7, 8, by adding a subdivision; 327C.03, by adding a subdivision;  
 2.4 327C.095, subdivision 12; 462A.05, subdivisions 14, 14a; 469.169, subdivision  
 2.5 3; 469.201, subdivisions 2, 4, 6, 7, 10, 11, 12; 469.202; 469.203, subdivisions  
 2.6 1, 2, 4; 469.204, subdivision 1, by adding a subdivision; 469.205; 469.207,  
 2.7 subdivision 2; 580.07; Laws 1998, chapter 404, section 23, subdivision 6, as  
 2.8 amended; Laws 2007, chapter 135, article 1, section 16; proposing coding for  
 2.9 new law in Minnesota Statutes, chapters 90; 116J; 155A; 181; 268; 298; 326B;  
 2.10 repealing Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431,  
 2.11 subdivision 5; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16;  
 2.12 116L.88; 116U.65; 176.135, subdivision 1b; 268.085, subdivision 14; 268.086,  
 2.13 subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 469.203, subdivision 3; 469.204, subdivisions  
 2.14 2, 3; Minnesota Rules, part 1350.8300.

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

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>	\$ 134,168,000	\$	133,992,000	\$	268,160,000
2.22 <u>Workforce Development</u>	26,208,000		25,358,000		51,566,000
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>\$ 183,650,000</b>	<b>\$</b>	<b>182,624,000</b>	<b>\$</b>	<b>366,274,000</b>

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.

2.35 **APPROPRIATIONS**  
 2.36 **Available for the Year**  
 2.37 **Ending June 30**  
 2.38 **2010** **2011**

2.39 Sec. 3. **DEPARTMENT OF EMPLOYMENT**  
 2.40 **AND ECONOMIC DEVELOPMENT**

**S.F. No. 2081, 1st Unofficial Engrossment - 86th Legislative Session (2009-2010)**  
**[UES2081-1]**

3.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$ 65,064,000</u>	<u>\$ 64,214,000</u>
3.2	<u>Appropriations by Fund</u>			
3.3		<u>2010</u>	<u>2011</u>	
3.4	<u>General</u>	<u>39,185,000</u>	<u>39,185,000</u>	
3.5	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	
3.6	<u>Workforce</u>			
3.7	<u>Development</u>	<u>25,179,000</u>	<u>24,329,000</u>	

3.8 The amounts that may be spent for each  
3.9 purpose are specified in the following  
3.10 subdivisions.

3.11	<u>Subd. 2. Business and Community</u>			
3.12	<u>Development</u>		<u>8,015,000</u>	<u>8,015,000</u>

3.13	<u>Appropriations by Fund</u>		
3.14	<u>General</u>	<u>6,926,000</u>	<u>6,926,000</u>
3.15	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
3.16	<u>Workforce</u>		
3.17	<u>Development</u>	<u>389,000</u>	<u>389,000</u>

3.18 (a) \$700,000 each year is from the  
3.19 remediation fund for contaminated site  
3.20 cleanup and development grants under  
3.21 Minnesota Statutes, section 116J.554. This  
3.22 appropriation is available until expended.

3.23 (b)(1) \$150,000 each year is from the  
3.24 workforce development fund for a grant  
3.25 under Minnesota Statutes, section 116J.421,  
3.26 to the Rural Policy and Development  
3.27 Center at St. Peter, Minnesota. The grant  
3.28 shall be used for research and policy  
3.29 analysis on emerging economic and social  
3.30 issues in rural Minnesota, to serve as a  
3.31 policy resource center for rural Minnesota  
3.32 communities, to encourage collaboration  
3.33 across higher education institutions, to  
3.34 provide interdisciplinary team approaches  
3.35 to research and problem-solving in rural

4.1 communities, and to administer overall  
4.2 operations of the center.

4.3 (2) The grant shall be provided upon the  
4.4 condition that each state-appropriated  
4.5 dollar be matched with a nonstate dollar.  
4.6 Acceptable matching funds are nonstate  
4.7 contributions that the center has received and  
4.8 have not been used to match previous state  
4.9 grants. Any funds not spent the first year are  
4.10 available the second year.

4.11 (c) \$225,000 each year is from the general  
4.12 fund for a grant to WomenVenture for  
4.13 women's business development programs  
4.14 and for programs that encourage and assist  
4.15 women to enter nontraditional careers in the  
4.16 trades; manual and technical occupations;  
4.17 science, technology, engineering, and  
4.18 mathematics-related occupations; and green  
4.19 jobs. This appropriation may be matched  
4.20 dollar for dollar with any resources available  
4.21 from the federal government for these  
4.22 purposes with priority given to initiatives  
4.23 that have a goal of increasing by at least ten  
4.24 percent the number of women in occupations  
4.25 where women currently comprise less than 25  
4.26 percent of the workforce. The appropriation  
4.27 is available until expended.

4.28 (d) \$105,000 each year is from the general  
4.29 fund and \$50,000 each year is from the  
4.30 workforce development fund for a grant to  
4.31 the Metropolitan Economic Development  
4.32 Association for continuing minority business  
4.33 development programs in the metropolitan  
4.34 area and for contract procurement support  
4.35 to businesses in northeast and southwest

5.1 Minnesota. This appropriation must be used  
5.2 for the sole purpose of providing free or  
5.3 reduced fee business consulting services to  
5.4 minority entrepreneurs and contractors.

5.5 (e) \$50,000 each year is from the general  
5.6 fund for a grant to the Minnesota Inventors  
5.7 Congress, of which at least \$5,000 must be  
5.8 used for youth inventors.

5.9 (f)(1) \$600,000 each year is from the general  
5.10 fund for a grant to BioBusiness Alliance  
5.11 of Minnesota for bioscience business  
5.12 development programs to promote and  
5.13 position the state as a global leader in  
5.14 bioscience business activities. This is a  
5.15 onetime appropriation. These funds may be  
5.16 used to create, recruit, retain, and expand  
5.17 biobusiness activity in Minnesota; implement  
5.18 the destination 2025 statewide plan; update  
5.19 a statewide assessment of the bioscience  
5.20 industry and the competitive position of  
5.21 Minnesota-based bioscience businesses  
5.22 relative to other states and other nations;  
5.23 and develop and implement business and  
5.24 scenario-planning models to create, recruit,  
5.25 retain, and expand biobusiness activity in  
5.26 Minnesota.

5.27 (2) The BioBusiness Alliance must report  
5.28 each year by February 15 to the committees  
5.29 of the house of representatives and the senate  
5.30 having jurisdiction over bioscience industry  
5.31 activity in Minnesota on the use of funds;  
5.32 the number of bioscience businesses and  
5.33 jobs created, recruited, retained, or expanded  
5.34 in the state since the last reporting period;  
5.35 the competitive position of the biobusiness

6.1 industry; and utilization rates and results of  
6.2 the business and scenario-planning models  
6.3 and outcomes resulting from utilization of  
6.4 the business and scenario-planning models.

6.5 (g) Notwithstanding Minnesota Statutes,  
6.6 section 268.18, subdivision 2, \$500,000 of  
6.7 funds collected for unemployment insurance  
6.8 administration under this subdivision is  
6.9 appropriated as follows: \$250,000 to the city  
6.10 of Hugo for reimbursement of tornado relief  
6.11 efforts and \$250,000 to Lake County for ice  
6.12 storm damage.

6.13 (h) \$1,000,000 in the first year is from the  
6.14 21st Century Minerals Fund to the Board of  
6.15 Trustees of the Minnesota State Colleges  
6.16 and Universities for a grant to the Northeast  
6.17 Higher Education District for planning,  
6.18 design, and construction of classrooms and  
6.19 housing facilities for upper division students  
6.20 in the engineering program.

6.21 (i)(1) \$189,000 each year is appropriated  
6.22 from the general fund for grants of \$63,000  
6.23 to eligible organizations each year to assist in  
6.24 the development of entrepreneurs and small  
6.25 businesses. Each state grant dollar must be  
6.26 matched with \$1 of nonstate funds. Any  
6.27 balance in the first year does not cancel but is  
6.28 available in the second year.

6.29 (2) Three grants must be awarded to  
6.30 continue or to develop a program. One  
6.31 grant must be awarded to the Riverbend  
6.32 Center for Entrepreneurial Facilitation  
6.33 in Blue Earth County, and two to other  
6.34 organizations serving Faribault and Martin  
6.35 Counties. Grant recipients must report to the

7.1 commissioner by February 1 of each year  
 7.2 that the organization receives a grant with the  
 7.3 number of customers served; the number of  
 7.4 businesses started, stabilized, or expanded;  
 7.5 the number of jobs created and retained; and  
 7.6 business success rates. The commissioner  
 7.7 must report to the house of representatives  
 7.8 and senate committees with jurisdiction  
 7.9 over economic development finance on the  
 7.10 effectiveness of these programs for assisting  
 7.11 in the development of entrepreneurs and  
 7.12 small businesses.

7.13 **Subd. 3. Workforce Development** 54,603,000 53,753,000

	<u>Appropriations by Fund</u>	
7.14		
7.15	<u>General</u>	<u>29,813,000</u> <u>29,813,000</u>
7.16	<u>Workforce</u>	
7.17	<u>Development</u>	<u>24,790,000</u> <u>23,940,000</u>

7.18 (a) \$4,562,000 each year is from the general  
 7.19 fund for the Minnesota job skills partnership  
 7.20 program under Minnesota Statutes, sections  
 7.21 116L.01 to 116L.17. If the appropriation for  
 7.22 either year is insufficient, the appropriation  
 7.23 for the other year is available. This  
 7.24 appropriation is available until spent.

7.25 (b) \$8,800,000 each year is from the general  
 7.26 fund for the state's vocational rehabilitation  
 7.27 program under Minnesota Statutes, chapter  
 7.28 268A.

7.29 (c) \$5,986,000 each year is from the general  
 7.30 fund for the state services for the blind  
 7.31 activities.

7.32 (d) \$2,380,000 each year is from the general  
 7.33 fund for grants to centers for independent  
 7.34 living under Minnesota Statutes, section  
 7.35 268A.11.

8.1 (e) \$350,000 each year is from the general  
8.2 fund and \$105,000 each year is from the  
8.3 workforce development fund for a grant  
8.4 under Minnesota Statutes, section 116J.8747,  
8.5 to Twin Cities RISE! to provide training to  
8.6 hard-to-train individuals. Funds unexpended  
8.7 in the first year are available for expenditure  
8.8 in the second year.

8.9 (f) \$150,000 each year is from the general  
8.10 fund and \$50,000 each year is from the  
8.11 workforce development fund for a grant  
8.12 to Northern Connections in Perham to  
8.13 implement and operate a pilot workforce  
8.14 program that provides one-stop supportive  
8.15 services to individuals as they transition into  
8.16 the workforce.

8.17 (g) \$150,000 each year is from the general  
8.18 fund for a grant to Advocating Change  
8.19 Together for training, technical assistance,  
8.20 and resource materials for persons with  
8.21 developmental and mental illness disabilities.

8.22 (h) \$5,627,000 each year is from the general  
8.23 fund and \$6,920,000 each year is from the  
8.24 workforce development fund for extended  
8.25 employment services for persons with severe  
8.26 disabilities or related conditions under  
8.27 Minnesota Statutes, section 268A.15. Of  
8.28 the general fund appropriation, \$125,000  
8.29 each year is to supplement funds paid for  
8.30 wage incentives for the community support  
8.31 fund established in Minnesota Rules, part  
8.32 3300.2045.

8.33 (i) \$1,613,000 each year is from the general  
8.34 fund for grants to programs that provide  
8.35 employment support services to persons with

9.1 mental illness under Minnesota Statutes,  
9.2 sections 268A.13 and 268A.14. Grants  
9.3 may be used for special projects for young  
9.4 people with mental illness transitioning from  
9.5 school to work and people with serious  
9.6 mental illness receiving services through  
9.7 a mental health court or civil commitment  
9.8 court. Special projects must demonstrate  
9.9 interagency collaboration.

9.10 (j) \$145,000 each year is from the general  
9.11 fund and \$175,000 each year is from the  
9.12 workforce development fund for a grant  
9.13 under Minnesota Statutes, section 268A.03,  
9.14 to Rise, Inc. for the Minnesota Employment  
9.15 Center for People Who are Deaf or Hard of  
9.16 Hearing. Money not expended the first year  
9.17 is available the second year.

9.18 (k) \$50,000 each year is from the general  
9.19 fund and \$250,000 each year is from the  
9.20 workforce development fund for a grant to  
9.21 Lifetrack Resources for its immigrant and  
9.22 refugee collaborative program, including  
9.23 those related to job-seeking skills and  
9.24 workplace orientation, intensive job  
9.25 development, functional work English, and  
9.26 on-site job coaching. This appropriation may  
9.27 also be used in Rochester.

9.28 (l) \$3,500,000 each year is from the  
9.29 workforce development fund for the  
9.30 Minnesota youth program under Minnesota  
9.31 Statutes, sections 116L.56 and 116L.561.

9.32 (m) \$1,375,000 each year is from the  
9.33 workforce development fund for the  
9.34 Opportunities Industrialization Center  
9.35 programs.

10.1 (n) \$1,250,000 each year is from the  
10.2 workforce development fund for grants for  
10.3 the Minneapolis summer youth employment  
10.4 program. The grants shall be used to fund  
10.5 up to 500 jobs for youth each summer. Of  
10.6 this appropriation, \$310,000 each year is for  
10.7 a grant to the learn-to-earn summer youth  
10.8 employment program. The commissioner  
10.9 shall establish criteria for awarding the  
10.10 grants. This appropriation is available in  
10.11 either year of the biennium and is available  
10.12 until spent.

10.13 (o) \$575,000 each year is from the workforce  
10.14 development fund for grants to fund summer  
10.15 youth employment in St. Paul. The grants  
10.16 shall be used to fund up to 500 jobs for  
10.17 youth each summer. The commissioner shall  
10.18 establish criteria for awarding the grants.  
10.19 This appropriation is available in either year  
10.20 of the biennium and is available until spent.

10.21 (p) \$1,000,000 each year is from the  
10.22 workforce development fund for the  
10.23 youthbuild program under Minnesota  
10.24 Statutes, sections 116L.361 to 116L.366.

10.25 (q) \$100,000 each year is from the  
10.26 workforce development fund for grants  
10.27 for the indigenous earthkeepers program  
10.28 for American Indian youth environmental  
10.29 education and training. Funds must be  
10.30 used to provide programming for up to  
10.31 80 American Indian youth ages 14 to 19.  
10.32 The indigenous earthkeepers program must  
10.33 use the environment, with native language  
10.34 as its primary core, to develop student  
10.35 academic skills and knowledge at Center

11.1 School and Healthy Nations Program of the  
11.2 Minneapolis American Indian Center. The  
11.3 program must foster a sense of civic and  
11.4 environmental responsibility by providing  
11.5 youth the opportunity to serve on small,  
11.6 natural, and urban resource crews in the  
11.7 Twin Cities metropolitan area and outside of  
11.8 the metropolitan area. In addition, it must  
11.9 build the capacity of these youths to improve  
11.10 their lives in an indigenous-inspired and  
11.11 culturally relevant manner. At a minimum,  
11.12 the program curriculum must include water  
11.13 studies, identification of waterway cleanup  
11.14 sites, cleanup of waterways significant to  
11.15 indigenous culture and education, plant  
11.16 identification, gardening, and indigenous  
11.17 language components. This is a onetime  
11.18 appropriation.

11.19 (r) \$340,000 each year is from the workforce  
11.20 development fund for grants to provide  
11.21 interpreters for a regional transition program  
11.22 that specializes in providing culturally  
11.23 appropriate transition services leading to  
11.24 employment for deaf, hard-of-hearing, and  
11.25 deaf-blind students.

11.26 (s) The first \$1,450,000 deposited in each  
11.27 year of the biennium into the contingent  
11.28 account created under Minnesota Statutes,  
11.29 section 268.199, shall be transferred  
11.30 before the closing of each fiscal year to  
11.31 the workforce development fund created  
11.32 under Minnesota Statutes, section 116L.20.  
11.33 Deposits in excess of \$1,450,000 shall be  
11.34 transferred before the closing of each fiscal  
11.35 year to the general fund.

- 12.1 (t) \$75,000 each year is from the workforce  
12.2 development fund for a grant to the Ramsey  
12.3 County Workforce Investment Board for the  
12.4 development of the building lives program.  
12.5 This is a onetime appropriation.
- 12.6 (u) \$75,000 each year is from the workforce  
12.7 development fund for a grant to a nonprofit  
12.8 organization. The nonprofit organization  
12.9 must work on behalf of all licensed  
12.10 vendors to coordinate their efforts to  
12.11 respond to solicitations or other requests  
12.12 from private and governmental units as  
12.13 defined in Minnesota Statutes, section  
12.14 471.59, subdivision 1, in order to increase  
12.15 employment opportunities for persons with  
12.16 disabilities. This is a onetime appropriation.
- 12.17 (v) \$500,000 each year from the workforce  
12.18 development fund is for a grant to the  
12.19 Minnesota Alliance of Boys and Girls  
12.20 Clubs to administer a statewide project  
12.21 of youth job skills development. This  
12.22 project, which may have career guidance  
12.23 components, including health and life skills,  
12.24 is to encourage, train, and assist youth in  
12.25 job-seeking skills, workplace orientation,  
12.26 and job site knowledge through coaching.  
12.27 This grant requires a 25 percent match from  
12.28 nonstate resources.
- 12.29 (w) \$100,000 in the first year is from the  
12.30 workforce development fund for a grant to the  
12.31 Southeast Asian Collaborative in Hennepin  
12.32 County for an intensive intervention  
12.33 transitional employment training project  
12.34 to move refugee and immigrant welfare  
12.35 recipients into unsubsidized employment

13.1 leading to economic self-sufficiency. One  
13.2 of the five partners in the collaborative  
13.3 shall be chosen as the fiscal agent by the  
13.4 commissioner of employment and economic  
13.5 development. The primary effort must be  
13.6 on intensive employment skills training,  
13.7 including workplace English and overcoming  
13.8 cultural barriers, and on specialized training  
13.9 in fields of work which involve a credit-based  
13.10 curriculum. For recipients without a high  
13.11 school diploma or a GED, extra effort shall  
13.12 be made to help the recipient meet the ability  
13.13 to benefit test so the recipient can receive  
13.14 financial aid for further training. During  
13.15 the specialized training, efforts should be  
13.16 made to involve the recipients with an  
13.17 internship program and retention specialist.  
13.18 This appropriation is not available until the  
13.19 commissioner of finance has determined that  
13.20 at least an equal amount has been committed  
13.21 from nonstate funds.  
13.22 (x) \$7,500,000 each year is from the  
13.23 workforce development fund for grants to  
13.24 establish two emergency employment pilot  
13.25 projects in counties with high unemployment  
13.26 rates. The grants may be used for wage  
13.27 subsidies of up to 50 percent of the wage  
13.28 paid. The maximum wage subsidy shall be  
13.29 \$5 per hour. This is a onetime appropriation.  
13.30 (y) \$1,000,000 each year is from reserve  
13.31 funds allocated to the Department of  
13.32 Employment and Economic Development  
13.33 under the American Recovery and  
13.34 Reinvestment Act, Public Law 115-5,  
13.35 for Workforce Investment Act adult and  
13.36 displaced worker programs for on-the-job

- 14.1 training for eligible persons in counties  
14.2 with high unemployment. This is a onetime  
14.3 appropriation.
- 14.4 (z) \$750,000 the first year is from the  
14.5 workforce development fund to Enterprise  
14.6 Minnesota, Inc. for the small business  
14.7 growth acceleration program established  
14.8 under Minnesota Statutes, section 116O.115.
- 14.9 (aa) \$150,000 each year is for a grant to the  
14.10 nonprofit organization selected to administer  
14.11 the demonstration project for high-risk adults  
14.12 under Laws 2007, chapter 54, article 1,  
14.13 section 19, in order to continue the project  
14.14 for a second biennium. This is a onetime  
14.15 appropriation.
- 14.16 (bb) Of the money available to Minnesota  
14.17 from the American Recovery and  
14.18 Reinvestment Act of 2009, Public Law  
14.19 111-5, and allocated to the Department of  
14.20 Employment and Economic Development for  
14.21 state employment programs, \$250,000 is for  
14.22 a grant to Minnesota Diversified Industries  
14.23 to provide progressive development and  
14.24 employment opportunities in competitive  
14.25 business enterprises for people with  
14.26 disabilities. The appropriation in this section  
14.27 must be used to provide employee and  
14.28 program services eligible for funding under  
14.29 the American Recovery and Reinvestment  
14.30 Act. This appropriation is available until  
14.31 expended. No nonstate match is required for  
14.32 this grant.
- 14.33 (cc) All Wagner-Peyser funds available to  
14.34 the state for job seeker services under the  
14.35 American Recovery and Reinvestment Act of

15.1 2009, Public Law 111-5, must be allocated to  
15.2 workforce development centers for universal  
15.3 job seeker services.

15.4 (dd) All Workforce Investment Act  
15.5 discretionary funds available to the  
15.6 commissioner for workforce development  
15.7 under the American Recovery and  
15.8 Reinvestment Act of 2009, Public Law  
15.9 111-5, must first be allocated to replace  
15.10 reductions in state general fund or workforce  
15.11 development fund resources for employment  
15.12 and training or youth programs.

15.13 The commissioner shall not use any  
15.14 unallocated discretionary funds available  
15.15 to the department under the American  
15.16 Recovery and Reinvestment Act, Public Law  
15.17 111-5, to hire full-time or part-time staff or  
15.18 enter into professional or technical contracts  
15.19 for any purpose other than administration  
15.20 of the unemployment insurance program  
15.21 or to provide direct services to job  
15.22 seekers, including assistance in filing for  
15.23 unemployment benefits.

15.24 Subd. 4. **State-Funded Administration** 2,446,000 2,446,000

15.25 Sec. 4. **PUBLIC FACILITIES AUTHORITY** \$ 100,000 \$ 100,000

15.26 \$100,000 the first year and \$100,000 the  
15.27 second year are for the small community  
15.28 wastewater treatment program under  
15.29 Minnesota Statutes, chapter 446A. This  
15.30 appropriation is available until spent.

15.31 Sec. 5. **EXPLORE MINNESOTA TOURISM** \$ 10,311,000 \$ 10,311,000

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

16.1 (b) To develop maximum private sector  
16.2 involvement in tourism, \$500,000 the first  
16.3 year and \$500,000 the second year must  
16.4 be matched by Explore Minnesota Tourism  
16.5 from nonstate sources. Each \$1 of state  
16.6 incentive must be matched with \$3 of private  
16.7 sector funding. Cash match is defined as  
16.8 revenue to the state or documented cash  
16.9 expenditures directly expended to support  
16.10 Explore Minnesota Tourism programs. Up  
16.11 to one-half of the private sector contribution  
16.12 may be in-kind or soft match. The incentive  
16.13 in the first year shall be based on fiscal  
16.14 year 2009 private sector contributions. The  
16.15 incentive in the second year will be based on  
16.16 fiscal year 2010 private sector contributions.  
16.17 This incentive is ongoing.

16.18 Funding for the marketing grants is available  
16.19 either year of the biennium. Unexpended  
16.20 grant funds from the first year are available  
16.21 in the second year.

16.22 Unexpended money from the general fund  
16.23 appropriations made under this section  
16.24 does not cancel but must be placed in a  
16.25 special marketing account for use by Explore  
16.26 Minnesota Tourism for additional marketing  
16.27 activities.

16.28 (c) \$325,000 the first year and \$325,000 the  
16.29 second year are for the Minnesota Film and  
16.30 TV Board. The appropriation in each year  
16.31 is available only upon receipt by the board  
16.32 of \$1 in matching contributions of money or  
16.33 in-kind contributions from nonstate sources  
16.34 for every \$3 provided by this appropriation.



**S.F. No. 2081, 1st Unofficial Engrossment - 86th Legislative Session (2009-2010)**  
**[UES2081-1]**

18.1	<u>For deposit in the housing trust fund account</u>		
18.2	<u>created under Minnesota Statutes, section</u>		
18.3	<u>462A.201, and used for the purposes</u>		
18.4	<u>provided in that section.</u>		
18.5	<b><u>Subd. 4. Rental Assistance for Mentally Ill</u></b>	<u>2,638,000</u>	<u>2,638,000</u>
18.6	<u>For a rental housing assistance program for</u>		
18.7	<u>persons with a mental illness or families with</u>		
18.8	<u>an adult member with a mental illness under</u>		
18.9	<u>Minnesota Statutes, section 462A.2097.</u>		
18.10	<b><u>Subd. 5. Family Homeless Prevention</u></b>	<u>7,465,000</u>	<u>7,465,000</u>
18.11	<u>For the family homeless prevention and</u>		
18.12	<u>assistance programs under Minnesota</u>		
18.13	<u>Statutes, section 462A.204.</u>		
18.14	<b><u>Subd. 6. Home Ownership Assistance Fund</u></b>	<u>385,000</u>	<u>385,000</u>
18.15	<u>For the home ownership assistance program</u>		
18.16	<u>under Minnesota Statutes, section 462A.21,</u>		
18.17	<u>subdivision 8. In fiscal years 2012 and 2013,</u>		
18.18	<u>the base shall be \$885,000 each year.</u>		
18.19	<b><u>Subd. 7. Affordable Rental Investment Fund</u></b>	<u>8,996,000</u>	<u>8,996,000</u>
18.20	<u>For the affordable rental investment fund</u>		
18.21	<u>program under Minnesota Statutes, section</u>		
18.22	<u>462A.21, subdivision 8b. The appropriation</u>		
18.23	<u>is to finance the acquisition, rehabilitation,</u>		
18.24	<u>and debt restructuring of federally assisted</u>		
18.25	<u>rental property and for making equity</u>		
18.26	<u>take-out loans under Minnesota Statutes,</u>		
18.27	<u>section 462A.05, subdivision 39.</u>		
18.28	<u>The owner of federally assisted rental</u>		
18.29	<u>property must agree to participate in</u>		
18.30	<u>the applicable federally assisted housing</u>		
18.31	<u>program and to extend any existing</u>		
18.32	<u>low-income affordability restrictions on the</u>		
18.33	<u>housing for the maximum term permitted.</u>		
18.34	<u>The owner must also enter into an agreement</u>		

19.1 that gives local units of government,  
 19.2 housing and redevelopment authorities,  
 19.3 and nonprofit housing organizations the  
 19.4 right of first refusal if the rental property  
 19.5 is offered for sale. Priority must be given  
 19.6 among comparable federally assisted rental  
 19.7 properties to properties with the longest  
 19.8 remaining term under an agreement for  
 19.9 federal assistance. Priority must also be  
 19.10 given among comparable rental housing  
 19.11 developments to developments that are or  
 19.12 will be owned by local government units, a  
 19.13 housing and redevelopment authority, or a  
 19.14 nonprofit housing organization.

19.15 The appropriation also may be used to finance  
 19.16 the acquisition, rehabilitation, and debt  
 19.17 restructuring of existing supportive housing  
 19.18 properties. For purposes of this subdivision,  
 19.19 "supportive housing" means affordable rental  
 19.20 housing with links to services necessary for  
 19.21 individuals, youth, and families with children  
 19.22 to maintain housing stability.

19.23	<b><u>Subd. 8. Housing Rehabilitation</u></b>	<b><u>4,287,000</u></b>	<b><u>4,287,000</u></b>
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19.24 For the housing rehabilitation program  
 19.25 under Minnesota Statutes, section 462A.05,  
 19.26 subdivision 14, for rental housing  
 19.27 developments.

19.28	<b><u>Subd. 9. Homeownership Education,</u></b>		
19.29	<b><u>Counseling, and Training</u></b>	<b><u>865,000</u></b>	<b><u>865,000</u></b>

19.30 For the homeownership education,  
 19.31 counseling, and training program under  
 19.32 Minnesota Statutes, section 462A.209.

19.33	<b><u>Subd. 10. Capacity Building Grants</u></b>	<b><u>250,000</u></b>	<b><u>250,000</u></b>
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22.1	<u>(b) \$150,000 each year is from the workforce</u>		
22.2	<u>development fund for prevailing wage</u>		
22.3	<u>enforcement.</u>		
22.4	<u>(c) \$200,000 the first year and \$200,000</u>		
22.5	<u>the second year are from the assigned risk</u>		
22.6	<u>safety account for independent contractor</u>		
22.7	<u>investigator services to ensure compliance</u>		
22.8	<u>with the state's independent contractor</u>		
22.9	<u>exemption certificate program under</u>		
22.10	<u>Minnesota Statutes, section 181.723.</u>		
22.11	<b>Subd. 4. <u>General Support</u></b>	<u>5,981,000</u>	<u>5,981,000</u>
22.12	<u>This appropriation is from the workers'</u>		
22.13	<u>compensation fund.</u>		
22.14	<b>Sec. 9. <u>BUREAU OF MEDIATION</u></b>		
22.15	<b><u>SERVICES</u></b>		
22.16	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b><u>\$ 1,683,000</u></b>	<b><u>\$ 1,683,000</u></b>
22.17	<u>The amounts that may be spent for each</u>		
22.18	<u>purpose are specified in the following</u>		
22.19	<u>subdivisions.</u>		
22.20	<b>Subd. 2. <u>Mediation Services</u></b>	<u>1,583,000</u>	<u>1,583,000</u>
22.21	<b>Subd. 3. <u>Labor Management Cooperation</u></b>		
22.22	<b><u>Grants</u></b>	<u>100,000</u>	<u>100,000</u>
22.23	<u>\$100,000 each year is for grants to area labor</u>		
22.24	<u>management committees. Grants may be</u>		
22.25	<u>awarded for a 12-month period beginning</u>		
22.26	<u>July 1 each year. Any unencumbered balance</u>		
22.27	<u>remaining at the end of the first year does not</u>		
22.28	<u>cancel but is available for the second year.</u>		
22.29	<b>Sec. 10. <u>WORKERS' COMPENSATION</u></b>		
22.30	<b><u>COURT OF APPEALS</u></b>	<b><u>\$ 1,703,000</u></b>	<b><u>\$ 1,703,000</u></b>
22.31	<u>This appropriation is from the workers'</u>		
22.32	<u>compensation fund.</u>		



24.1	<u>subdivisions 2 and 3 for any program</u>			
24.2	<u>purposes and the appropriations are available</u>			
24.3	<u>in either year of the biennium.</u>			
24.4	Sec. 12. <b><u>BOARD OF ACCOUNTANCY</u></b>	<b>\$</b>	<b><u>505,000</u></b>	<b>\$</b> <b><u>505,000</u></b>
24.5	Sec. 13. <b><u>BOARD OF ARCHITECTURE,</u></b>			
24.6	<b><u>ENGINEERING, LAND SURVEYING,</u></b>			
24.7	<b><u>LANDSCAPE ARCHITECTURE,</u></b>			
24.8	<b><u>GEOSCIENCE, AND INTERIOR DESIGN</u></b>	<b>\$</b>	<b><u>815,000</u></b>	<b>\$</b> <b><u>815,000</u></b>
24.9	Sec. 14. <b><u>BOARD OF BARBER AND</u></b>			
24.10	<b><u>COSMETOLOGIST EXAMINERS</u></b>	<b>\$</b>	<b><u>839,000</u></b>	<b>\$</b> <b><u>839,000</u></b>
24.11	Sec. 15. <b><u>COMBATIVE SPORTS</u></b>			
24.12	<b><u>COMMISSION</u></b>	<b>\$</b>	<b><u>125,000</u></b>	<b>\$</b> <b><u>125,000</u></b>
24.13	<u>The appropriation is to transition the</u>			
24.14	<u>commission to being a self-funded entity.</u>			
24.15	Sec. 16. <b><u>LEGISLATIVE COORDINATING</u></b>			
24.16	<b><u>COMMISSION</u></b>	<b>\$</b>	<b><u>70,000</u></b>	<b>\$</b> <b><u>0</u></b>
24.17	<u>From the general fund to the Legislative</u>			
24.18	<u>Coordinating Commission under Minnesota</u>			
24.19	<u>Statutes, section 3.303, for fiscal year 2010</u>			
24.20	<u>for the economic development strategy</u>			
24.21	<u>working group established in article 2,</u>			
24.22	<u>section 41.</u>			
24.23	Sec. 17. <b><u>BOARD OF THE ARTS</u></b>			
24.24	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>9,530,000</u></b>	<b>\$</b> <b><u>9,530,000</u></b>
24.25	<u>The amounts that may be spent for each</u>			
24.26	<u>purpose are specified in the following</u>			
24.27	<u>subdivisions.</u>			
24.28	<b><u>Subd. 2. Operations and Services</u></b>		<b><u>600,000</u></b>	<b><u>600,000</u></b>
24.29	<b><u>Subd. 3. Grants Program</u></b>		<b><u>6,202,000</u></b>	<b><u>6,202,000</u></b>
24.30	<b><u>Subd. 4. Regional Arts Councils</u></b>		<b><u>2,728,000</u></b>	<b><u>2,728,000</u></b>

25.1	Sec. 18. <u>MINNESOTA HUMANITIES</u>			
25.2	<u>CENTER</u>	\$	<u>238,000</u>	\$ <u>238,000</u>
25.3	Sec. 19. <u>PUBLIC BROADCASTING</u>	\$	<u>1,955,000</u>	\$ <u>1,955,000</u>
25.4	<u>(a) \$1,161,000 the first year and \$1,161,000</u>			
25.5	<u>the second year are for matching grants for</u>			
25.6	<u>public television.</u>			
25.7	<u>(b) \$200,000 the first year and \$200,000</u>			
25.8	<u>the second year are for public television</u>			
25.9	<u>equipment grants. Equipment or matching</u>			
25.10	<u>grant allocations shall be made after</u>			
25.11	<u>considering the recommendations of the</u>			
25.12	<u>Minnesota Public Television Association.</u>			
25.13	<u>(c) \$17,000 the first year and \$17,000 the</u>			
25.14	<u>second year are for grants to the Twin Cities</u>			
25.15	<u>regional cable channel.</u>			
25.16	<u>(d) \$287,000 the first year and \$287,000 the</u>			
25.17	<u>second year are for community service grants</u>			
25.18	<u>to public educational radio stations.</u>			
25.19	<u>(e) \$100,000 the first year and \$100,000</u>			
25.20	<u>the second year are for equipment grants to</u>			
25.21	<u>public educational radio stations.</u>			
25.22	<u>(f) The grants in paragraphs (d) and (e)</u>			
25.23	<u>must be allocated after considering the</u>			
25.24	<u>recommendations of the Association of</u>			
25.25	<u>Minnesota Public Educational Radio Stations</u>			
25.26	<u>under Minnesota Statutes, section 129D.14.</u>			
25.27	<u>(g) \$190,000 the first year and \$190,000</u>			
25.28	<u>the second year are for equipment grants to</u>			
25.29	<u>Minnesota Public Radio, Inc.</u>			
25.30	<u>(h) Any unencumbered balance remaining</u>			
25.31	<u>the first year for grants to public television or</u>			
25.32	<u>radio stations does not cancel and is available</u>			
25.33	<u>for the second year.</u>			

26.1 Sec. 20. Laws 1998, chapter 404, section 23, subdivision 6, as amended by Laws 2002,  
26.2 chapter 220, article 10, section 35, subdivision 6, is amended to read:

26.3 Subd. 6. **St. Paul RiverCentre Arena** 65,000,000

26.4 This appropriation is from the general fund  
26.5 to the commissioner of finance for a loan to  
26.6 the city of St. Paul to demolish the existing  
26.7 St. Paul RiverCentre Arena and to design,  
26.8 construct, furnish, and equip a new arena.

26.9 This appropriation is not available until the  
26.10 lessee to whom the city has leased the arena  
26.11 has agreed to make rental or other payments  
26.12 to the city under the terms set forth in this  
26.13 subdivision. The loan is repayable solely  
26.14 from and secured by the payments made  
26.15 to the city by the lessee. The loan is not a  
26.16 public debt and the full faith, credit, and  
26.17 taxing powers of the city are not pledged for  
26.18 its repayment.

26.19 (a) ~~\$48,000,000~~ \$15,250,000 of the loan  
26.20 must be repaid to the commissioner, without  
26.21 interest, within ~~20~~ 12 years from the date  
26.22 of substantial completion of the arena in  
26.23 accordance with the following schedule:

26.24 (1) no repayments are due in the first two  
26.25 years from the date of substantial completion;

26.26 (2) in each of the years three to five, the  
26.27 lessee must pay \$1,250,000;

26.28 (3) in each of the years six to ten, the lessee  
26.29 must pay \$1,500,000; and

26.30 (4) in each of the years 11 to ~~13~~ 12, the lessee  
26.31 must pay \$2,000,000~~;~~

26.32 ~~(5) in year 14, the lessee must pay~~  
26.33 ~~\$3,000,000;~~

27.1 ~~(6) in year 15, the lessee must pay~~

27.2 ~~\$4,000,000, and~~

27.3 ~~(7) in each of the years 16 to 20, the lessee~~

27.4 ~~must pay \$4,750,000.~~

27.5 (b) The commissioner must deposit the  
27.6 repayments in the state treasury and credit  
27.7 them to the general fund.

27.8 (c) The loan may not be made until the  
27.9 commissioner has entered into an agreement  
27.10 with the city of St. Paul identifying the rental  
27.11 or other payments that will be made and  
27.12 establishing the dates on and the amounts  
27.13 in which the payments will be made to the  
27.14 city and by the city to the commissioner. The  
27.15 payments may include operating revenues  
27.16 and additional payments to be made by the  
27.17 lessee under agreements to be negotiated  
27.18 between the commissioner, the city, and the  
27.19 lessee. Those agreements may include, but  
27.20 are not limited to, an agreement whereby the  
27.21 lessee pledges to provide each year a letter  
27.22 of credit sufficient to guarantee the payment  
27.23 of the amount due for the next succeeding  
27.24 year; an agreement whereby the lessee  
27.25 agrees to maintain a net worth, certified each  
27.26 year by a financial institution or accounting  
27.27 firm satisfactory to the commissioner, that  
27.28 is greater than the balance due under the  
27.29 payment schedule in paragraph (a); and any  
27.30 other agreements the commissioner may  
27.31 deem necessary to ensure that the payments  
27.32 are made as scheduled.

27.33 (d) The agreements must provide that the  
27.34 failure of the lessee to make a payment due  
27.35 to the city under the agreement is an event

28.1 of default under the lease between the city  
28.2 and the lessee and that the state is entitled to  
28.3 enforce the remedies of the lessor under the  
28.4 lease in the event of default. Those remedies  
28.5 must include, but need not be limited to, the  
28.6 obligation of the lessee to pay the balance due  
28.7 for the remainder of the payment schedule  
28.8 in the event the lessee ceases to operate a  
28.9 National Hockey League team in the arena.

28.10 (e) By January 1, 1999, the commissioner  
28.11 shall report to the chair of the senate  
28.12 committee on state government finance  
28.13 and the chair of the house committee on  
28.14 ways and means the terms of an agreement  
28.15 between the lessee and the amateur sports  
28.16 commission whereby the lessee agrees to  
28.17 make the facilities of the arena available to  
28.18 the commission on terms satisfactory to the  
28.19 commission for amateur sports activities  
28.20 consistent with the purposes of Minnesota  
28.21 Statutes, chapter 240A, each year during the  
28.22 time the loan is outstanding. The amateur  
28.23 sports commission must negotiate in good  
28.24 faith and may be required to pay no more  
28.25 than actual out-of-pocket expenses for the  
28.26 time it uses the arena. The agreement may  
28.27 not become effective before February 1,  
28.28 1999. During any calendar year after 1999  
28.29 that an agreement under this paragraph is  
28.30 not in effect and a payment is due under  
28.31 the schedule, the lessee must pay to the  
28.32 commissioner a penalty of \$750,000 for that  
28.33 year. If the amateur sports commission has  
28.34 not negotiated in good faith, no penalty is  
28.35 due.



- 30.1 manufacturer each year. The commissioner may further provide for the use of motor  
30.2 vehicles without marking by:
- 30.3 (1) the governor;
  - 30.4 (2) the lieutenant governor;
  - 30.5 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling  
30.6 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of  
30.7 Public Safety;
  - 30.8 (4) the Financial Institutions Division and investigative staff of the Department  
30.9 of Commerce;
  - 30.10 (5) the Division of Disease Prevention and Control of the Department of Health;
  - 30.11 (6) the State Lottery;
  - 30.12 (7) criminal investigators of the Department of Revenue;
  - 30.13 (8) state-owned community service facilities in the Department of Human Services;
  - 30.14 ~~(9) the investigative staff of the Department of Employment and Economic~~  
30.15 ~~Development;~~
  - 30.16 ~~(10)~~ (9) the Office of the Attorney General; and
  - 30.17 ~~(11)~~ (10) the investigative staff of the Gambling Control Board.

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

30.19 Subd. 3. **Identification and classification.** The Department of Natural Resources,  
30.20 with the cooperation of the state Geological Survey, ~~Departments~~ the Department of  
30.21 Transportation, and ~~Energy, Planning and Development~~ the Department of Employment  
30.22 and Economic Development, outside of the metropolitan area as defined in section  
30.23 473.121, shall conduct a program of identification and classification of potentially valuable  
30.24 publicly or privately owned aggregate lands located outside of urban or developed areas  
30.25 where aggregate mining is restricted, without consideration of their present land use. The  
30.26 program shall give priority to identification and classification in areas of the state where  
30.27 urbanization or other factors are or may be resulting in a loss of aggregate resources to  
30.28 development. Lands shall be classified as:

- 30.29 (1) identified resources, being those containing significant aggregate deposits;
- 30.30 (2) potential resources, being those containing potentially significant deposits and  
30.31 meriting further evaluation; or
- 30.32 (3) subeconomic resources, being those containing no significant deposits.

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

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

31.3 Sec. 4. Minnesota Statutes 2008, section 115C.08, subdivision 4, is amended to read:

31.4 Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

31.5 (1) to administer the petroleum tank release cleanup program established in this  
31.6 chapter;

31.7 (2) for agency administrative costs under sections 116.46 to 116.50, sections  
31.8 115C.03 to 115C.06, and costs of corrective action taken by the agency under section  
31.9 115C.03, including investigations;

31.10 (3) for costs of recovering expenses of corrective actions under section 115C.04;

31.11 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

31.12 (5) for agency administrative costs of enforcing rules governing the construction,  
31.13 installation, operation, and closure of aboveground and underground petroleum storage  
31.14 tanks;

31.15 (6) for reimbursement of the environmental response, compensation, and compliance  
31.16 account under subdivision 5 and section 115B.26, subdivision 4;

31.17 (7) for administrative and staff costs as set by the board to administer the petroleum  
31.18 tank release program established in this chapter;

31.19 (8) for corrective action performance audits under section 115C.093;

31.20 (9) for contamination cleanup grants, as provided in paragraph (c); and

31.21 (10) to assess and remove abandoned underground storage tanks under section  
31.22 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor  
31.23 services costs necessary to complete the tank removal project, including, but not limited  
31.24 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an  
31.25 excavation report.

31.26 (b) Except as provided in paragraph (c), money in the fund is appropriated to the  
31.27 board to make reimbursements or payments under this section.

31.28 (c) \$6,200,000 is annually appropriated from the fund to the commissioner of  
31.29 employment and economic development for contamination cleanup grants under section  
31.30 116J.554. Of this amount, the commissioner may spend up to ~~\$180,000~~ \$225,000 annually  
31.31 for administration of the contamination cleanup grant program. The appropriation does  
31.32 not cancel and is available until expended. The appropriation shall not be withdrawn from  
31.33 the fund nor the fund balance reduced until the funds are requested by the commissioner  
31.34 of employment and economic development. The commissioner shall schedule requests  
31.35 for withdrawals from the fund to minimize the necessity to impose the fee authorized by

32.1 subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be  
32.2 used for:

32.3 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable  
32.4 to petroleum contamination or new and used tar and tar-like substances, including but not  
32.5 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist  
32.6 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,  
32.7 fractions or residues from the processing of petroleum crude or petroleum products as  
32.8 defined in section 296A.01; and

32.9 (2) the costs of performing contamination investigation if there is a reasonable basis  
32.10 to suspect the contamination is attributable to petroleum or new and used tar and tar-like  
32.11 substances, including but not limited to bitumen and asphalt, but excluding bituminous or  
32.12 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits  
32.13 in the earth or are distillates, fractions, or residues from the processing of petroleum crude  
32.14 or petroleum products as defined in section 296A.01.

32.15 Sec. 5. Minnesota Statutes 2008, section 116J.035, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

32.34 (c) All moneys received by the commissioner pursuant to this chapter shall be  
32.35 deposited in the state treasury and, subject to section 3.3005, are appropriated to the

33.1 commissioner for the purpose for which the moneys have been received. The money shall  
33.2 not cancel and shall be available until expended.

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

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

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

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

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

33.13 (b) Money received by the commissioner under this subdivision must be deposited  
33.14 in a separate account in the state treasury and invested by the State Board of Investment.

33.15 The amount deposited, including investment earnings, is appropriated to the commissioner  
33.16 to carry out duties under this section.

33.17 Sec. 7. Minnesota Statutes 2008, section 116J.401, subdivision 2, is amended to read:

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

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

33.23 (2) receive and administer the Small Cities Community Development Block Grant  
33.24 Program authorized by Congress under the Housing and Community Development Act of  
33.25 1974, as amended;

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

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

33.33 (5) receive applications for state and federal grants and grant programs for planning,  
33.34 community affairs, and community development purposes, and other state and federal

34.1 programs assigned to the department by law or by the governor in accordance with section  
34.2 4.07;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35.13 (25) locate markets for manufacturers and processors and aid merchants in locating  
35.14 and contacting markets;

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

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

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

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

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

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

35.32 (32) make recommendations regarding circumstances promoting or hampering  
35.33 business and industrial development;

35.34 (33) serve as a clearinghouse for business and industrial problems of the state;

35.35 (34) advise small business enterprises regarding improved methods of accounting  
35.36 and bookkeeping;

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

36.4           (36) cooperate with other state departments and with boards, commissions, and  
36.5 other state agencies in the preparation and coordination of plans and policies for the  
36.6 development of the state and for the use and conservation of its resources insofar as the  
36.7 use, conservation, and development may be appropriately directed or influenced by a  
36.8 state agency;

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

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

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

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

36.22           (41) confer and cooperate with the executive, legislative, or planning authorities of  
36.23 the United States, neighboring states and provinces, and the counties and municipalities  
36.24 of neighboring states, for the purpose of bringing about a coordination between the  
36.25 development of neighboring provinces, states, counties, and municipalities and the  
36.26 development of this state;

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

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

36.35           (44) annually convene conferences of providers of economic development-related  
36.36 financial and technical assistance for the purposes of exchanging information on economic

37.1 development assistance, coordinating economic development activities, and formulating  
37.2 economic development strategies;

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

37.5 (46) as part of the biennial budget process, prepare performance measures for each  
37.6 business loan or grant program within the jurisdiction of the commissioner. Measures  
37.7 include source of funds for each program, number of jobs proposed or promised at the  
37.8 time of application and the number of jobs created, estimated number of jobs retained, the  
37.9 average salary and benefits for the jobs resulting from the program, and the number of  
37.10 projects approved;

37.11 (47) provide a continuous program of education for business people;

37.12 (48) publish, disseminate, and distribute information and statistics;

37.13 (49) promote and encourage the expansion and development of markets for  
37.14 Minnesota products;

37.15 (50) promote and encourage the location and development of new businesses in the  
37.16 state as well as the maintenance and expansion of existing businesses and for that purpose  
37.17 cooperate with state and local agencies and individuals, both within and outside the state;

37.18 (51) advertise and disseminate information as to natural resources, desirable  
37.19 locations, and other advantages for the purpose of attracting businesses to locate in this  
37.20 state;

37.21 (52) aid the various communities in this state in attracting business to their  
37.22 communities;

37.23 (53) advise and cooperate with municipal, county, regional, and other planning  
37.24 agencies and planning groups within the state for the purpose of promoting coordination  
37.25 between the state and localities as to plans and development in order to maintain a high  
37.26 level of gainful employment in private profitable production and achieve commensurate  
37.27 advancement in social and cultural welfare;

37.28 (54) coordinate the activities of statewide and local planning agencies, correlate  
37.29 information secured from them and from state departments and disseminate information  
37.30 and suggestions to the planning agencies;

37.31 (55) encourage and assist in the organization and functioning of local planning  
37.32 agencies where none exist; and

37.33 (56) adopt measures calculated to promote public interest in and understanding of  
37.34 the problems of planning and, to that end, may publish and distribute copies of any plan  
37.35 or any report and may employ other means of publicity and education that will give full  
37.36 effect to the provisions of sections 116J.58 to 116J.63.

38.1 (b) At the request of any governmental subdivision in paragraph (a), clause (53),  
38.2 the commissioner may provide planning assistance, which includes but is not limited to  
38.3 surveys, land use studies, urban renewal plans, technical services and other planning  
38.4 work to any city or other municipality in the state or perform similar planning work in  
38.5 any county, metropolitan area, or regional area in the state. The commissioner must not  
38.6 perform the planning work with respect to a metropolitan or regional area which is under  
38.7 the jurisdiction for planning purposes of a county, metropolitan, regional, or joint planning  
38.8 body, except at the request or with the consent of the respective county, metropolitan,  
38.9 regional, or joint planning body.

38.10 (c) The commissioner is authorized to:

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

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

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

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

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

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

38.27 Sec. 8. Minnesota Statutes 2008, section 116J.431, subdivision 1, is amended to read:

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

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

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

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

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

39.8 Sec. 9. Minnesota Statutes 2008, section 116J.431, is amended by adding a subdivision  
39.9 to read:

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

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

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

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

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

39.21 Sec. 10. Minnesota Statutes 2008, section 116J.431, subdivision 2, is amended to read:

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

39.24 (1) manufacturing;

39.25 (2) technology;

39.26 (3) warehousing and distribution;

39.27 (4) research and development;

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

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

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

40.1 Sec. 11. Minnesota Statutes 2008, section 116J.431, subdivision 4, is amended to read:

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

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

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

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

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

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

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

40.20 Sec. 12. Minnesota Statutes 2008, section 116J.431, subdivision 6, is amended to read:

40.21 Subd. 6. **Maximum grant amount.** A county or city may receive no more than  
40.22 \$1,000,000 in two years for one or more projects.

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

40.24 Sec. 13. Minnesota Statutes 2008, section 116J.435, subdivision 3, is amended to read:

40.25 Subd. 3. **Grant program established.** (a) The commissioner shall make  
40.26 competitive grants to local governmental units to acquire and prepare land on which  
40.27 public infrastructure required to support an eligible project will be located, including  
40.28 demolition of structures and remediation of any hazardous conditions on the land, or to  
40.29 predesign, design, acquire, construct, furnish, and equip public infrastructure required to  
40.30 support an eligible project. The local governmental unit receiving a grant must provide  
40.31 for the remainder of the public infrastructure costs. The commissioner may waive  
40.32 the requirements related to an eligible project under subdivision 2 if a project would

41.1 be eligible under this section but for the fact that its location requires infrastructure  
41.2 improvements to residential development.

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

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

41.9 Sec. 14. **[116J.438] MINNESOTA GREEN ENTERPRISE ASSISTANCE.**

41.10 (a) The commissioner of employment and economic development shall lead a  
41.11 multiagency project to advise, promote, market, and coordinate state agency collaboration  
41.12 on green enterprise and green economy projects, as defined in section 116J.437. The  
41.13 multiagency project must include the commissioners of employment and economic  
41.14 development, natural resources, agriculture, transportation, and commerce, and the  
41.15 director of the Pollution Control Agency. The project must involve collaboration with  
41.16 state agencies, local governments, and the business and agricultural communities. The  
41.17 objective of the project is to utilize existing state resources to expedite the delivery of  
41.18 grants, licenses, permits, and other state authorizations and approvals for green economy  
41.19 projects. The commissioner shall appoint a lead person to coordinate green enterprise  
41.20 assistance activities.

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

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

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

41.29 Sec. 15. Minnesota Statutes 2008, section 116J.554, subdivision 1, is amended to read:

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

41.32 (b) The commissioner may also make a grant to an applicant development authority  
41.33 to pay up to 75 percent or \$50,000, whichever is less, toward the cost of performing

42.1 contaminant investigations and the development of a response action plan for a qualifying  
42.2 site.

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

42.6 (d) The determination of whether to make a grant for a qualifying site is within the  
42.7 sole discretion of the commissioner, subject to the process provided by this section, and  
42.8 available unencumbered money in the appropriation. The commissioner's decisions and  
42.9 application of the priorities under section 116J.555 are not subject to judicial review,  
42.10 except for abuse of discretion.

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

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

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

42.17 Sec. 16. Minnesota Statutes 2008, section 116J.555, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

43.7 The factors are not listed in a rank order of priority; rather the commissioner may  
43.8 weigh each factor, depending upon the facts and circumstances, as the commissioner  
43.9 considers appropriate. The commissioner may consider other factors that affect the net  
43.10 return of public benefits for completion of the response action plan. The commissioner,  
43.11 notwithstanding the listing of priorities and the goal of maximizing the return of public  
43.12 benefits, shall make grants that distribute available money to sites both within and outside  
43.13 of the metropolitan area. The commissioner shall provide a written statement of the  
43.14 supporting reasons for each grant. Unless sufficient applications are not received for  
43.15 qualifying sites outside of the metropolitan area, at least ~~25~~ 50 percent of the money  
43.16 provided as grants must be made for sites located outside of the metropolitan area.

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

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

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

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

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

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

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

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

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

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

44.14 ~~(h)~~ (8) establish and maintain a toll free telephone number so that all small business  
44.15 persons anywhere in the state can call the bureau office for assistance. An outreach  
44.16 program shall be established to make the existence of the bureau well known to its  
44.17 potential clientele throughout the state. If the small business person requires a referral to  
44.18 another provider the bureau may use the business assistance referral system established by  
44.19 the Minnesota Project Outreach Corporation;

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

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

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

44.25 ~~(l)~~ (12) develop a public awareness program through the use of newsletters, personal  
44.26 contacts, and electronic and print news media advertising about state assistance programs  
44.27 for small businesses, including those programs specifically for socially disadvantaged  
44.28 small business persons;

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

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

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

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

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

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

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

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

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

45.28 Subdivision 1. **Accountability measurement.** By October 1, 2009, the  
45.29 commissioner of employment and economic development shall develop a uniform  
45.30 accountability report for economic development or workforce-related programs funded in  
45.31 whole or in part by state or federal funds. The commissioner shall also develop a formula  
45.32 for measuring the return on investment for each program and a comparison of the return  
45.33 on investment of all programs funded in whole or in part by state or federal funds. The  
45.34 requirements of this section apply to programs administered directly by the commissioner

46.1 or administered by other organizations under a grant made by the department. The report  
46.2 and formula required by this subdivision shall be submitted to the chairs of the committees  
46.3 of the house of representatives and senate having jurisdiction over economic development  
46.4 and workforce policy and finance by October 15, 2009, for review and comment.

46.5 Subd. 2. **Report to the legislature.** By December 31 of each even-numbered year  
46.6 the commissioner must report to the committees of the house of representatives and the  
46.7 senate having jurisdiction over economic development and workforce policy and finance  
46.8 the following information for each program subject to the requirements of subdivision 1:

46.9 (1) the target population;

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

46.12 (3) the number of individuals leaving the unemployment compensation program as  
46.13 a result of the program;

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

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

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

46.18 (7) the return on investment as calculated by the formula developed by the  
46.19 commissioner.

46.20 Subd. 3. **Report to the commissioner.** Before receiving additional state funds, a  
46.21 recipient of a grant made by or through the department must report to the commissioner by  
46.22 September 1 of each even-numbered year on each of the clauses in subdivision 2 for each  
46.23 program it administers. The report must be in a format prescribed by the commissioner.

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

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

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

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

46.33 Subd. 5. **Terms.** The terms of appointed members shall be for four years ~~except for~~  
46.34 ~~the initial appointments. The initial appointments of the governor shall have the following~~  
46.35 ~~terms: two members each for one, two, three, and four years.~~ No member shall serve

47.1 more than two terms, and no person shall be appointed after December 31, 2001, for any  
47.2 term that would cause that person to serve a total of more than eight years on the board.  
47.3 Compensation for board members is as provided in section 15.0575, subdivision 3.

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

47.5 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,  
47.6 the board may use workforce development funds for the purposes outlined in sections  
47.7 116L.02, 116L.04, and 116L.10 to 116L.14, or to provide incumbent worker training  
47.8 services under section 116L.18 if the following conditions have been met:

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

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

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

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

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

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

47.25 Subdivision 1. **Determination and collection of special assessment.** (a) In addition  
47.26 to amounts due from an employer under the Minnesota unemployment insurance program,  
47.27 each employer, except an employer making reimbursements is liable for a special  
47.28 assessment levied at the rate of ~~+.10~~ .12 percent per year on all taxable wages, as defined in  
47.29 section 268.035, subdivision 24, except that effective July 1, 2009, until June 30, 2011, the  
47.30 special assessment shall be levied at a rate of .14 percent per year on all taxable wages as  
47.31 defined in section 268.035, subdivision 24. The assessment shall become due and be paid  
47.32 by each employer on the same schedule and in the same manner as other amounts due  
47.33 from an employer under section 268.051, subdivision 1.

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

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

48.5 Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible  
48.6 organizations for programs to provide education and training services to targeted youth.  
48.7 The purpose of these programs is to provide specialized training and work experience for  
48.8 targeted youth who have not been served effectively by the current educational system.  
48.9 The programs are to include a work experience component with work projects that  
48.10 result in the rehabilitation, improvement, or construction of (1) residential units for the  
48.11 homeless, ~~or~~; (2) improvements to the energy efficiency and environmental health of  
48.12 residential units and other green jobs purposes; (3) facilities to support community garden  
48.13 projects; or (4) education, social service, or health facilities which are owned by a public  
48.14 agency or a private nonprofit organization.

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

- 48.17 (1) Head Start or day care centers;  
48.18 (2) homeless, battered women, or other shelters;  
48.19 (3) transitional housing;  
48.20 (4) youth or senior citizen centers; ~~and~~  
48.21 (5) community health centers; and  
48.22 (6) community garden facilities.

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

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

48.26 Subd. 3. **Work experience component.** A work experience component must be  
48.27 included in each program. The work experience component must provide vocational skills  
48.28 training in an industry where there is a viable expectation of job opportunities. A training  
48.29 subsidy, living allowance, or stipend, not to exceed an amount equal to 100 percent of the  
48.30 poverty line for a family of two as defined in United States Code, title 42, section 673,  
48.31 paragraph (2), may be provided to program participants. The wage or stipend must be  
48.32 provided to participants who are recipients of public assistance in a manner or amount  
48.33 which will not reduce public assistance benefits. The work experience component must be  
48.34 designed so that work projects result in (1) the expansion or improvement of residential

49.1 units for homeless persons and very low income families; ~~or~~; (2) improvements to the  
49.2 energy efficiency and environmental health of residential units; (3) facilities to support  
49.3 community garden projects; or (4) rehabilitation, improvement, or construction of eligible  
49.4 education, social service, or health facilities that principally serve homeless or very low  
49.5 income individuals and families. Any work project must include direct supervision by  
49.6 individuals skilled in each specific vocation. Program participants may earn credits  
49.7 toward the completion of their secondary education from their participation in the work  
49.8 experience component.

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

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

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

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

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

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

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

49.29 (4) demonstrated administrative capabilities, including adequate fiscal and  
49.30 accounting procedures, financial management systems, participant data systems, and  
49.31 record retention procedures.

49.32 (d) When the only service provider that meets the criterion in paragraph (c), clause  
49.33 (1), has been decertified, according to subdivision 1a, in that local service unit, the  
49.34 following criteria shall be substituted: past experience in direct delivery of multiple,  
49.35 coordinated, nonduplicative services, including outreach, assessments, identification of

50.1 client barriers, employability development plans, and provision or referral to support  
50.2 services.

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

50.4 **116L.96 DISPLACED HOMEMAKER PROGRAMS.**

50.5 The commissioner of ~~economic security~~ employment and economic development  
50.6 may enter into arrangements with existing private or nonprofit organizations and agencies  
50.7 with experience in dealing with displaced homemakers to provide counseling and  
50.8 training services. The commissioner shall assist displaced homemakers in applying for  
50.9 appropriate welfare programs and shall take welfare allowances received into account  
50.10 in setting the stipend level. Income received as a stipend under these programs shall  
50.11 be totally disregarded for purposes of determining eligibility for and the amount of a  
50.12 general assistance grant.

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

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

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

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

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

50.30 (c) Any funds awarded to a qualified (c) company under the small business growth  
50.31 acceleration program must be used for business services and products that will enhance the  
50.32 operation of the company. These business services and products must come either directly  
50.33 from the corporation or from a network of expert providers identified and approved by

51.1 the corporation. No company receiving small business growth acceleration program  
51.2 funds may use the funds for refinancing, overhead costs, new construction, renovation,  
51.3 equipment, or computer hardware.

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

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

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

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

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

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

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

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

51.17 (2) resources from ~~Job Training Partnership Act~~ Workforce Investment Act of 1998,  
51.18 Public Law 105-220 programs, including funding for jobs skills training for various  
51.19 groups and the percentage reserved for education;

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

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

51.22 (5) private resources, foundation grants, gifts, corporate contributions, and other  
51.23 grants.

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

51.25 Subd. 3. **Local education and employment transitions systems.** A local education  
51.26 and employment transitions partnership must assess the needs of employers, employees,  
51.27 and learners, and develop a plan for implementing and achieving the objectives of a local  
51.28 or regional education and employment transitions system. The plan must provide for a  
51.29 comprehensive local system for assisting learners and workers in making the transition  
51.30 from school to work or for retraining in a new vocational area. The objectives of a local  
51.31 education and employment transitions system include:

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

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

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

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

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

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

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

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

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

52.23 (10) improving the coordination and effectiveness of local vocational and job  
52.24 training programs, including vocational education, adult basic education, tech prep,  
52.25 apprenticeship, service-learning, youth entrepreneur, youth training and employment  
52.26 programs administered by the commissioner of employment and economic development,  
52.27 and local job training programs under the ~~Job Training Partnership Act, United States~~  
52.28 ~~Code, title 29, section 1501, et seq.~~ Workforce Investment Act of 1998, Public Law  
52.29 105-220;

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

52.32 (12) providing students with current information and counseling about career  
52.33 opportunities, potential employment, educational opportunities in postsecondary  
52.34 institutions, workplaces, and the community, and the skills and knowledge necessary to  
52.35 succeed;

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

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

53.7 (15) providing a warranty to employers, postsecondary education programs, and  
53.8 other postsecondary training programs, that learners successfully completing a high school  
53.9 work-based or applied learning program will be able to apply the knowledge and work  
53.10 skills included in the program outcomes or graduation requirements. The warranty shall  
53.11 require education and training programs to continue to work with those learners that need  
53.12 additional skill development until they can demonstrate achievement of the program  
53.13 outcomes or graduation requirements.

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

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

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

53.22 Subdivision 1. **Establishment of Minnesota correctional industries; MINNCOR**  
53.23 **industries.** For the purpose of providing adequate, regular and suitable employment,  
53.24 educational training, and to aid the inmates of state correctional facilities, the  
53.25 commissioner of corrections may establish, equip, maintain and operate at any correctional  
53.26 facility under the commissioner's control such industrial and commercial activities as may  
53.27 be deemed necessary and suitable to the profitable employment, educational training and  
53.28 development of proper work habits of the inmates of state correctional facilities. The  
53.29 industrial and commercial activities authorized by this section are designated MINNCOR  
53.30 industries and shall be for the primary purpose of sustaining and ensuring MINNCOR  
53.31 industries' self-sufficiency, providing educational training, meaningful employment  
53.32 and the teaching of proper work habits to the inmates of correctional facilities under  
53.33 the control of the commissioner of corrections, and not solely as competitive business  
53.34 ventures. The net profits from these activities shall be used for the benefit of the inmates

54.1 as it relates to education, self-sufficiency skills, and transition services and not to fund  
54.2 non-inmate-related activities or mandates. Prior to the establishment of any industrial and  
54.3 commercial activity, the commissioner of corrections may consult with representatives  
54.4 of business, industry, organized labor, the state Department of Education, the state  
54.5 Apprenticeship Council, the state Department of Labor and Industry, the Department of  
54.6 Employment ~~Security~~ and Economic Development, the Department of Administration,  
54.7 and such other persons and bodies as the commissioner may feel are qualified to determine  
54.8 the quantity and nature of the goods, wares, merchandise and services to be made or  
54.9 provided, and the types of processes to be used in their manufacture, processing, repair,  
54.10 and production consistent with the greatest opportunity for the reform and educational  
54.11 training of the inmates, and with the best interests of the state, business, industry and labor.

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

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

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

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

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

54.28 Subd. 7. **Blind, vending stands and machines on governmental property;**  
54.29 **liability limited.** (a) Notwithstanding any other law, for the rehabilitation of blind persons  
54.30 the commissioner shall have exclusive authority to establish and to operate vending  
54.31 stands and vending machines in all buildings and properties owned or rented exclusively  
54.32 by the Minnesota State Colleges and Universities at a state university, a community  
54.33 college, a consolidated community technical college, or a technical college served by  
54.34 the commissioner before January 1, 1996, or by any department or agency of the state

55.1 of Minnesota except the Department of Natural Resources properties operated directly  
55.2 by the Division of State Parks and not subject to private leasing. ~~The merchandise to be~~  
55.3 ~~dispensed by such~~ Vending stands and machines authorized under this subdivision may  
55.4 ~~include~~ dispense nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and  
55.5 related items. ~~Such vending stands and vending machines herein authorized shall and~~  
55.6 must be operated on the same basis as other vending stands for the blind established and  
55.7 supervised by the commissioner under federal law. The commissioner shall waive this  
55.8 authority to displace any present private individual concessionaire in any state-owned or  
55.9 rented building or property who is operating under a contract with a specific renewal or  
55.10 termination date, until the renewal or termination date. With the consent of the governing  
55.11 body of a governmental subdivision of the state, the commissioner may establish and  
55.12 supervise vending stands and vending machines for the blind in any building or property  
55.13 exclusively owned or rented by the governmental subdivision.

55.14 (b) The Department of Employment and Economic Development is not liable  
55.15 under chapter 176 for any injury sustained by a blind vendor's employee or agent. The  
55.16 Department of Employment and Economic Development, its officers, and its agents are  
55.17 not liable for the acts or omissions of a blind vendor or of a blind vendor's employee or  
55.18 agent that may result in the blind vendor's liability to third parties. The Department of  
55.19 Employment and Economic Development, its officers, and its agents are not liable for  
55.20 negligence based on any theory of liability for claims arising from the relationship created  
55.21 under this subdivision with the blind vendor.

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

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

55.33 ~~Authority is hereby given to~~ (b) The commissioner is authorized to use the money  
55.34 available in the revolving fund that originated as operational charges to individuals

56.1 licensed under this subdivision for the establishment, operation, and supervision of  
56.2 vending stands by blind persons for the following purposes:

56.3 (1) purchase, upkeep and replacement of equipment;

56.4 (2) expenses incidental to the setting up of new stands and improvement of old  
56.5 stands;

56.6 (3) reimbursement under section 15.059 to individual blind vending operators  
56.7 for reasonable expenses incurred in attending supervisory meetings as called by the  
56.8 commissioner and other expenditures for management services consistent with federal  
56.9 law; and

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

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

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

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

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

56.32 Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1,  
56.33 2004, and each two-year period thereafter, each county and tribe must have in place an  
56.34 approved biennial service agreement related to the services and programs in this chapter.  
56.35 In counties with a city of the first class with a population over 300,000, the county must

57.1 consider a service agreement that includes a jointly developed plan for the delivery of  
57.2 employment services with the city. Counties may collaborate to develop multicounty,  
57.3 multitribal, or regional service agreements.

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

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

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

57.11 (3) strategies the county or tribe will pursue to achieve the outcome targets.

57.12 Strategies must include specification of how funds under this section will be used and may  
57.13 include community partnerships that will be established or strengthened;

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

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

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

57.21 (d) The service agreement must be submitted to the commissioner by October 15,  
57.22 2003, and October 15 of each second year thereafter. The county or tribe must allow  
57.23 a period of not less than 30 days prior to the submission of the agreement to solicit  
57.24 comments from the public on the contents of the agreement.

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

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

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

57.32 Subdivision 1. **Establishing the on-the-job training program.** (a) County agencies  
57.33 may develop on-the-job training programs for MFIP caregivers who are participating in  
57.34 employment and training services. A county agency that chooses to provide on-the-job  
57.35 training may make payments to employers for on-the-job training costs that, during the

58.1 period of the training, must not exceed 50 percent of the wages paid by the employer to  
58.2 the participant. The payments are deemed to be in compensation for the extraordinary  
58.3 costs associated with training participants under this section and in compensation for the  
58.4 costs associated with the lower productivity of the participants during training.

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

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

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

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

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

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

58.32 (b) By October 1 of each year, the commissioner shall submit to the Legislative  
58.33 Advisory Commission a list of the areas eligible for designation as enterprise zones,  
58.34 along with recommendations for designation and supporting documentation. In making

59.1 recommendations for designation, the commissioner shall consider and evaluate the  
59.2 applications pursuant to the following criteria:

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

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

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

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

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

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

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

59.19 (8) other relevant factors that the commissioner specifies in the commissioner's  
59.20 recommendations.

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

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

59.25 (a) An 18-member bipartisan working group to develop an economic development  
59.26 strategy to guide job and business growth in Minnesota and to strengthen the state's  
59.27 economy is established. The working group consists of six members of the house of  
59.28 representatives and three members of the public appointed by the speaker of the house and  
59.29 six members of the senate and three members of the public appointed by the subcommittees  
59.30 on committees of the senate. The working group is responsible to review and analyze  
59.31 Minnesota's current economic development strategy and make recommendations on  
59.32 improvements according to this section. The Legislative Coordinating Commission under  
59.33 Minnesota Statutes, section 3.303, must provide staff support for the working group.

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

60.1           (1) perform best practices research on economic development principles to apply  
60.2 to Minnesota;

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

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

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

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

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

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

60.18           The remaining balance of the fiscal year 2009 special revenue fund appropriation for  
60.19 the Green Jobs Task Force under Laws 2008, chapter 363, article 6, section 3, subdivision  
60.20 4, is transferred and appropriated to the commissioner of employment and economic  
60.21 development for the purposes of green enterprise assistance under Minnesota Statutes,  
60.22 section 116J.438. This appropriation is available until spent.

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

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

60.27           Sec. 44. **REPEALER.**

60.28           Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431, subdivision 5;  
60.29 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; and 116U.65, are  
60.30 repealed.

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

61.1 **ARTICLE 3**

61.2 **UNEMPLOYMENT INSURANCE POLICY**

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

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

61.5 (a) The state or political subdivision may elect to be a taxpaying employer for any  
61.6 calendar year if a notice of election is filed within 30 calendar days following January 1 of  
61.7 that calendar year. Upon election, the state or political subdivision must be assigned the  
61.8 new employer tax rate under section 268.051, subdivision 5, for the calendar year of the  
61.9 election and unless or until it qualifies for an experience rating under section 268.051,  
61.10 subdivision 3.

61.11 (b) An election is for a minimum period of two calendar years following the effective  
61.12 date of the election and continue unless a notice terminating the election is filed not later  
61.13 than 30 calendar days before the beginning of the calendar year. The termination is  
61.14 effective at the beginning of the next calendar year. ~~Upon election, the commissioner shall~~  
61.15 ~~establish a reimbursable account for the state or political subdivision. A termination of~~  
61.16 ~~election is allowed only if the state or political subdivision has, since the beginning of the~~  
61.17 ~~experience rating period under section 268.051, subdivision 3, paid taxes equal to or more~~  
61.18 ~~than 125 percent of the unemployment benefits used in computing the experience rating. In~~  
61.19 ~~addition, any unemployment benefits paid after the experience rating period are transferred~~  
61.20 ~~to the new reimbursable account of the state or political subdivision. If the amount of taxes~~  
61.21 ~~paid since the beginning of the experience rating period exceeds 125 percent of the amount~~  
61.22 ~~of unemployment benefits paid during the experience rating period, that amount in excess~~  
61.23 ~~is applied against any unemployment benefits paid after the experience rating period.~~

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

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

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

61.30 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in  
61.31 covered employment must pay taxes on a quarterly basis in accordance with section  
61.32 268.051 unless it elects to make reimbursements to the trust fund the amount of  
61.33 unemployment benefits charged to its reimbursable account under section 268.047.

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

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

62.8 (c) A nonprofit organization that has been making reimbursements that files a notice  
62.9 of termination of election must be assigned the new employer tax rate under section  
62.10 268.051, subdivision 5, for the calendar year of the termination of election and unless or  
62.11 until it qualifies for an experience rating under section 268.051, subdivision 3.

62.12 (d) Any nonprofit organization that has been paying taxes may elect to make  
62.13 reimbursements by filing no less than 30 calendar days before January 1 of any calendar  
62.14 year a notice of election. ~~Upon election, the commissioner shall establish a reimbursable~~  
62.15 ~~account for the nonprofit organization. An election is allowed only if the nonprofit~~  
62.16 ~~organization has, since the beginning of the experience rating period under section~~  
62.17 ~~268.051, subdivision 3, paid taxes equal to or more than 125 percent of the unemployment~~  
62.18 ~~benefits used in computing the experience rating. In addition, any unemployment benefits~~  
62.19 ~~paid after the experience rating period are transferred to the new reimbursable account~~  
62.20 ~~of the nonprofit organization. If the amount of taxes paid since the beginning of the~~  
62.21 ~~experience rating period exceeds 125 percent of the amount of unemployment benefits~~  
62.22 ~~paid during the experience rating period, that amount in excess is applied against any~~  
62.23 ~~unemployment benefits paid after the experience rating period. The election is not~~  
62.24 terminable by the organization for that and the next calendar year.

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

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

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

62.30 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

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

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

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

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

63.10 **268.067 COMPROMISE.**

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

63.16 (b) The commissioner may at any time compromise any ~~amount~~ unemployment  
63.17 insurance tax or reimbursement due from an employer under this chapter or section  
63.18 116L.20.

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

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

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

63.24 Subd. 2. **Unemployment benefits paid from state funds.** Unemployment benefits  
63.25 are paid from state funds and are not considered paid from any special insurance plan,  
63.26 nor as paid by an employer. An application for unemployment benefits is not considered  
63.27 a claim against an employer but is considered a request for unemployment benefits  
63.28 from the trust fund. The commissioner has the responsibility for the proper payment of  
63.29 unemployment benefits regardless of the level of interest or participation by an applicant or  
63.30 an employer in any determination or appeal. An applicant's entitlement to unemployment  
63.31 benefits must be determined based upon that information available ~~without regard to any~~  
63.32 ~~burden of proof,~~ and any agreement between an applicant and an employer is not binding  
63.33 on the commissioner in determining an applicant's entitlement. ~~There is no presumption of~~  
63.34 ~~entitlement or nonentitlement to unemployment benefits.~~

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

64.2 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for  
64.3 unemployment benefits is effective the Sunday of the calendar week that the application  
64.4 was filed. ~~Upon specific request of an applicant,~~ An application for unemployment benefits  
64.5 may be backdated one calendar week before the Sunday of the week the application was  
64.6 actually filed if the applicant requests the backdating at the time the application is filed.  
64.7 An application may be backdated only if the applicant ~~was unemployed throughout~~ had  
64.8 no employment during the period of the backdating. If an individual attempted to file an  
64.9 application for unemployment benefits, but was prevented from filing an application by  
64.10 the department, the application is effective the Sunday of the calendar week the individual  
64.11 first attempted to file an application.

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

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

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

64.17 (2) a new application for unemployment benefits is filed and a new benefit account is  
64.18 established at the time of the withdrawal; and

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

64.21 A determination or amended determination of eligibility or ineligibility issued under  
64.22 section 268.101, that was ~~issued~~ sent before the withdrawal of the benefit account, remains  
64.23 in effect and is not voided by the withdrawal of the benefit account. A determination of  
64.24 ineligibility requiring subsequent earnings to satisfy the period of ineligibility under  
64.25 section 268.095, subdivision 10, applies to the weekly unemployment benefit amount on  
64.26 the new benefit account.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

67.1 Sec. 10. Minnesota Statutes 2008, section 268.095, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

68.14 (iii) documentation that the perpetrator of the domestic abuse has been convicted  
68.15 of the offense of domestic abuse;

68.16 (iv) medical documentation of domestic abuse; or

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

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

68.22 Sec. 11. Minnesota Statutes 2008, section 268.095, subdivision 2, is amended to read:

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

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

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

68.31 (d) An applicant who, within five calendar days after completion of a suitable  
68.32 temporary job assignment from a staffing service employer, (1) fails without good cause  
68.33 to affirmatively request an additional job assignment, ~~or~~ (2) refuses without good cause  
68.34 an additional suitable job assignment offered, or (3) accepts employment with the client  
68.35 of the staffing service, is considered to have quit employment with the staffing service.

69.1 Accepting employment with the client of the staffing service meets the requirements of the  
69.2 exception to ineligibility under subdivision 1, clause (2).

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

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

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

69.14 Sec. 12. Minnesota Statutes 2008, section 268.103, is amended by adding a subdivision  
69.15 to read:

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

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

69.23 Sec. 13. Minnesota Statutes 2008, section 268.18, subdivision 4a, is amended to read:

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

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

69.32 (c) If the Internal Revenue Service assesses the commissioner a fee for offsetting  
69.33 from a federal tax refund the amount of any fraud overpayment, including penalties and  
69.34 interest, the amount of the fee may be added to the total amount due. The offset amount

70.1 must be put in the trust fund and that amount credited to the total amount due from the  
70.2 applicant.

70.3 Sec. 14. Minnesota Statutes 2008, section 268.186, is amended to read:

70.4 **268.186 RECORDS; AUDITS.**

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

70.12 (b) Any employer that refuses to allow an audit of its records by the department, or  
70.13 that fails to make all necessary records available for audit in Minnesota upon request of  
70.14 the commissioner, may be assessed an administrative penalty of \$500. An employer that  
70.15 fails to provide a weekly breakdown of money earned by an applicant upon request of the  
70.16 commissioner, information necessary for the detection of applicant fraud under section  
70.17 268.18, subdivision 2, may be assessed an administrative penalty of \$100. Any notice  
70.18 requesting a weekly breakdown must clearly state that a \$100 penalty may be assessed for  
70.19 failure to provide the information. The penalty collected is credited to the ~~administration~~  
70.20 ~~account to be used by the commissioner to ensure integrity in the administration of the~~  
70.21 ~~unemployment insurance program trust fund.~~

70.22 (c) The commissioner may make summaries, compilations, photographs,  
70.23 duplications, or reproductions of any records, or reports that the commissioner considers  
70.24 advisable for the preservation of the information contained therein. Any summaries,  
70.25 compilations, photographs, duplications, or reproductions is admissible in any proceeding  
70.26 under this chapter. The commissioner may duplicate records, reports, summaries,  
70.27 compilations, instructions, determinations, or any other written or recorded matter  
70.28 pertaining to the administration of this chapter.

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



72.1 determining eligibility or ineligibility for benefits, any statutory provision that would  
72.2 preclude an applicant from receiving benefits must be narrowly construed.

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

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

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

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

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

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

72.18 (3) in connection with the production or harvesting of any commodity defined as  
72.19 an agricultural product in United States Code, title 7, section 1626 of the Agricultural  
72.20 Marketing Act, or in connection with cotton ginning, or in connection with the operation  
72.21 or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for  
72.22 profit, used exclusively for supplying and storing water for farming purposes;

72.23 (4) in the employ of the operator of a farm in handling, planting, drying, packing,  
72.24 packaging, processing, freezing, grading, storing, or delivering to storage or to market  
72.25 or to a carrier for transportation to market, in its unmanufactured state, any agricultural  
72.26 or horticultural commodity; but only if the operator produced more than one-half of  
72.27 the commodity with respect to which the employment is performed, or in the employ  
72.28 of a group of operators of farms or a cooperative organization of which the operators  
72.29 are members, but only if the operators produced more than one-half of the commodity  
72.30 with respect to which the employment is performed; however, this clause ~~shall~~ is not  
72.31 ~~be~~ applicable to employment performed in connection with commercial canning or  
72.32 commercial freezing or in connection with any agricultural or horticultural commodity  
72.33 after its delivery to a terminal market for distribution for consumption; or

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

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

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

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

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

73.15 Subd. 12c. **Determination.** "Determination" means a document sent to an applicant  
73.16 or employer by mail or electronic transmission that is an initial department ruling on a  
73.17 specific issue. All documents that are determinations under this chapter use that term in  
73.18 the title of the document and are appealable to an unemployment law judge under section  
73.19 268.105, subdivision 1.

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

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

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

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

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

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

74.5           Subd. 3. **Election to have noncovered employment considered covered**  
74.6 **employment.** (a) Any employer that has employment performed for it that is noncovered  
74.7 employment under section 268.035, subdivision 20, may file with the commissioner, by  
74.8 electronic transmission in a format prescribed by the commissioner, an election that all  
74.9 employees in that class of employment, in one or more distinct establishments or places  
74.10 of business, is considered covered employment for not less than two calendar years.  
74.11 The commissioner has discretion on the approval of any election. Upon the approval of  
74.12 the commissioner, sent by mail or electronic transmission, the employment constitutes  
74.13 covered employment beginning the calendar quarter after the date of approval or  
74.14 beginning a later calendar quarter if requested by the employer. The employment ceases to  
74.15 be considered covered employment as of the first day of January of any calendar year only  
74.16 if at least 30 calendar days before the first day of January the employer has filed with the  
74.17 commissioner, by electronic transmission in a format prescribed by the commissioner, a  
74.18 notice to that effect.

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

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

74.23           **268.043 DETERMINATIONS OF COVERAGE.**

74.24           (a) The commissioner, upon the commissioner's own motion or upon application  
74.25 of a person, ~~shall~~ must determine if that person is an employer or whether services  
74.26 performed for it constitute employment and covered employment, or whether ~~the~~ any  
74.27 compensation ~~for services~~ constitutes wages, and notify the person of the determination.  
74.28 The determination is final unless the person; files an appeal within 20 calendar days  
74.29 ~~after sending of the determination~~ the commissioner sends the determination by mail  
74.30 or electronic transmission, ~~files an appeal~~. Proceedings on the appeal are conducted in  
74.31 accordance with section 268.105.

74.32           (b) No person may be initially determined an employer, or that services performed  
74.33 for it were in employment or covered employment, for periods more than four years

75.1 before the year in which the determination is made, unless the commissioner finds that  
75.2 there was fraudulent action to avoid liability under this chapter.

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

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

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

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

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

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

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

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

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

75.24 Subdivision 1. **General rule.** Unemployment benefits paid to an applicant,  
75.25 including extended and shared work benefits, will be used in computing the future  
75.26 tax rate of a taxpaying base period employer or charged to the reimbursable account  
75.27 of a base period nonprofit or government employer that has elected to be liable for  
75.28 reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment  
75.29 benefits used in computing the future tax rate of taxpaying employers or charged to the  
75.30 reimbursable account of a nonprofit or government employer that has elected to be liable  
75.31 for reimbursements is the same percentage of the total amount of unemployment benefits  
75.32 paid as the percentage of wage credits from the employer is of the total amount of wage  
75.33 credits from all the applicant's base period employers.

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

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

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

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

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

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

76.17 ~~(4)~~ (3) the employer provided regularly scheduled part-time employment to the  
76.18 applicant during the applicant's base period and continues to provide the applicant with  
76.19 regularly scheduled part-time employment during the benefit year of at least 90 percent  
76.20 of the part-time employment provided in the base period, and is an involved employer  
76.21 because of the applicant's loss of other employment. This exception terminates effective  
76.22 the first week that the employer fails to meet the benefit year employment requirements.  
76.23 This exception applies to educational institutions without consideration of the period  
76.24 between academic years or terms;

76.25 ~~(5)~~ (4) the employer is a fire department or firefighting corporation or operator  
76.26 of a life-support transportation service, and continues to provide employment for the  
76.27 applicant as a volunteer firefighter or a volunteer ambulance service personnel during the  
76.28 benefit year on the same basis that employment was provided in the base period. This  
76.29 exception terminates effective the first week that the employer fails to meet the benefit  
76.30 year employment requirements;

76.31 ~~(6)~~ (5) the applicant's unemployment from this employer was a direct result of  
76.32 the condemnation of property by a governmental agency, a fire, flood, or act of nature,  
76.33 where 25 percent or more of the employees employed at the affected location, including  
76.34 the applicant, became unemployed as a result. This exception does not apply where the

77.1 unemployment was a direct result of the intentional act of the employer or a person acting  
77.2 on behalf of the employer;

77.3 ~~(7)~~ (6) the unemployment benefits were paid by another state as a result of the  
77.4 transferring of wage credits under a combined wage arrangement provided for in section  
77.5 268.131;

77.6 ~~(8)~~ (7) the applicant stopped working because of a labor dispute at the applicant's  
77.7 primary place of employment if the employer was not a party to the labor dispute;

77.8 ~~(9)~~ (8) the unemployment benefits were determined overpaid unemployment benefits  
77.9 under section 268.18;

77.10 ~~(10)~~ (9) the applicant was employed as a replacement worker, for a period of six  
77.11 months or longer, for an employee who is in the military reserve and was called for active  
77.12 duty during the time the applicant worked as a replacement, and the applicant was laid off  
77.13 because the employee returned to employment after active duty; or

77.14 ~~(11)~~ (10) the trust fund was reimbursed for the unemployment benefits by the  
77.15 federal government.

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

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

77.21 (1) nonprofit organizations that elect to make reimbursements as provided in section  
77.22 268.053; and

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

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

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

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

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

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

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

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

78.8 (b) When:

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

78.11 (2) there is 25 percent or more common ownership or there is substantially common  
78.12 management or control between the predecessor and successor, the successor employer  
78.13 acquires, as of the date of acquisition, the experience rating history attributable to the  
78.14 portion it acquired, and the predecessor employer retains the experience rating history  
78.15 attributable to the portion that it has retained. If the commissioner determines that  
78.16 sufficient information is not available to substantiate that a distinct severable portion  
78.17 was acquired and to assign the appropriate distinct severable portion of the experience  
78.18 rating history, the commissioner ~~shall~~ must assign the successor employer that percentage  
78.19 of the predecessor employer's experience rating history equal to that percentage of  
78.20 the employment positions it has obtained, and the predecessor employer retains that  
78.21 percentage of the experience rating history equal to the percentage of the employment  
78.22 positions it has retained.

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

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

78.34 (e) If the successor employer under paragraphs (a) and (b) had an experience rating  
78.35 at the time of the acquisition, the transferred experience rating history of the predecessor

79.1 is combined with the successor's experience rating history for purposes of recomputing  
79.2 a tax rate.

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

79.6 (g) The commissioner, upon notification of an employer, or upon the commissioner's  
79.7 own motion if the employer fails to provide the required notification, ~~shall~~ must determine  
79.8 if an employer is a successor within the meaning of this subdivision. The commissioner  
79.9 ~~shall~~ must, after determining the issue of succession or nonsuccession, recompute the tax  
79.10 rate under subdivision 6 of all employers affected. The commissioner ~~shall~~ must send the  
79.11 recomputed tax rate to all affected employers by mail or electronic transmission. Any  
79.12 affected employer may appeal the recomputed tax rate in accordance with the procedures  
79.13 in subdivision 6, paragraph (c).

79.14 (h) The "experience rating history" for purposes of this subdivision and subdivision  
79.15 4a means the amount of unemployment benefits paid and the taxable wages that are being  
79.16 used and would be used in computing the current and any future experience rating.

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

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

79.22 (i) Regardless of the ownership, management, or control requirements of paragraph  
79.23 (a), if there is an acquisition or merger of a publicly held corporation by or with another  
79.24 publicly held corporation the experience rating histories of the corporations are combined  
79.25 as of the date of acquisition or merger for the purpose of recomputing a tax rate.

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

79.27 Subd. 4. **Costs.** (a) Any person employer, and any applicant subject to section  
79.28 268.18, subdivision 2, that fails to pay any amount when due under this chapter is liable  
79.29 for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public  
79.30 or private collection agency, or litigation costs, including attorney fees, incurred in the  
79.31 collection of the amounts due.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

81.1           Subdivision 1. **Application for unemployment benefits; determination of benefit**  
81.2 **account.** (a) An application for unemployment benefits may be filed in person, by mail,  
81.3 or by electronic transmission as the commissioner may require. The applicant must be  
81.4 unemployed at the time the application is filed and must provide all requested information  
81.5 in the manner required. If the applicant is not unemployed at the time of the application  
81.6 or fails to provide all requested information, the communication is not considered an  
81.7 application for unemployment benefits.

81.8           (b) The commissioner ~~shall~~ must examine each application for unemployment  
81.9 benefits to determine the base period and the benefit year, and based upon all  
81.10 the covered employment in the base period the commissioner shall determine the  
81.11 weekly unemployment benefit amount available, if any, and the maximum amount of  
81.12 unemployment benefits available, if any. The determination ~~is known as the,~~ which is a  
81.13 document separate and distinct from a document titled a determination of eligibility or  
81.14 determination of ineligibility issued under section 268.101, must be titled determination of  
81.15 benefit account. A determination of benefit account must be sent to the applicant and all  
81.16 base period employers, by mail or electronic transmission.

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

81.21           (d) The commissioner may, at any time within 24 months from the establishment  
81.22 of a benefit account, reconsider any determination of benefit account and make an  
81.23 amended determination if the commissioner finds that the determination was incorrect  
81.24 for any reason. An amended determination of benefit account must be promptly sent  
81.25 to the applicant and all base period employers, by mail or electronic transmission.  
81.26 This subdivision does not apply to documents titled determinations of eligibility or  
81.27 determinations of ineligibility issued under section 268.101.

81.28           (e) If an amended determination of benefit account reduces the weekly  
81.29 unemployment benefit amount or maximum amount of unemployment benefits available,  
81.30 any unemployment benefits that have been paid greater than the applicant was entitled  
81.31 is considered an overpayment of unemployment benefits. A determination or amended  
81.32 determination issued under this section that results in an overpayment of unemployment  
81.33 benefits must set out the amount of the overpayment and the requirement under section  
81.34 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

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

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

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

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

82.8 (1) 50 percent of the applicant's average weekly wage during the base period, to a  
82.9 maximum of 66-2/3 percent of the state's average weekly wage; or

82.10 (2) 50 percent of the applicant's average weekly wage during the high quarter, to a  
82.11 maximum of 43 percent of the state's average weekly wage.

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

82.15 (c) ~~The state's maximum weekly unemployment benefit amount and an applicant's~~  
82.16 ~~weekly unemployment benefit amount and maximum amount of unemployment benefits~~  
82.17 ~~available is rounded down to the next lower whole dollar.~~ The state's maximum weekly  
82.18 benefit amount, computed in accordance with section 268.035, subdivision 23, applies  
82.19 to a benefit account established effective on or after the last Sunday in October. Once  
82.20 established, an applicant's weekly unemployment benefit amount is not affected by the last  
82.21 Sunday in October change in the state's maximum weekly unemployment benefit amount.

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

- 82.24 (1) 33-1/3 percent of the applicant's total wage credits; or  
82.25 (2) 26 times the applicant's weekly unemployment benefit amount.

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

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

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

83.2 **268.084 PERSONAL IDENTIFICATION NUMBER; PRESUMPTION.**

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

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

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

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

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

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

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

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

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

83.23 weekly unemployment benefit amount is reduced one-fifth for each day the applicant  
83.24 is ~~unable to work or is~~ unavailable for suitable employment. ~~If the computation of the~~

83.25 ~~reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower~~  
83.26 ~~whole dollar~~. This clause does not apply to an applicant who is in reemployment assistance

83.27 training, or each day the applicant is on jury duty or serving as an election judge;

83.28 (5) the applicant was actively seeking suitable employment as defined in subdivision

83.29 16. This clause does not apply to an applicant who is in reemployment assistance training

83.30 or who was on jury duty throughout the week;

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

84.1 ~~(6)~~ (7) the applicant has been participating in reemployment assistance services,  
84.2 such as job search and resume writing classes, if the applicant has been determined in  
84.3 need of reemployment assistance services by the commissioner, unless the applicant  
84.4 has good cause for failing to participate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

85.18 ~~If the effective date of the applicant's Social Security claim for old age benefits is,~~  
85.19 ~~or will be, after the start of the base period, there must be deducted from an applicant's~~  
85.20 ~~weekly unemployment benefit amount~~ Unless paragraph (b) applies, 50 percent of the  
85.21 weekly equivalent of the primary Social Security old age benefit the applicant has  
85.22 received, has filed for, or intends to file for, with respect to that week must be deducted  
85.23 from an applicant's weekly unemployment benefit amount.

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

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

85.32 (1) the Social Security Administration approved the collecting of primary Social  
85.33 Security disability benefits each month the applicant was employed during the base  
85.34 period; or

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

86.4 If an applicant meets the requirements of clause (1) there is no deduction from the  
86.5 applicant's weekly benefit amount for any Social Security disability benefits. If only  
86.6 clause (2) applies, then there must be deducted from the applicant's weekly unemployment  
86.7 benefit amount 50 percent of the weekly equivalent of the primary Social Security  
86.8 disability benefits the applicant is receiving, has received, or has filed for, with respect  
86.9 to that week; provided, however, that if the Social Security Administration determines  
86.10 that an individual is not entitled to receive primary Social Security disability benefits for  
86.11 any week the applicant has applied for those benefits, the 50 percent deduction does not  
86.12 apply to that week.

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

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

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

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

86.19 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday  
86.20 pay, with respect to any week, from employment, covered employment, noncovered  
86.21 employment, self-employment, or volunteer work, equal to or in excess of the applicant's  
86.22 weekly unemployment benefit amount, the applicant is ineligible for unemployment  
86.23 benefits for that week.

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

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

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

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

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

87.7 Sec. 28. **[268.0865] CONTINUED REQUEST FOR UNEMPLOYMENT**  
87.8 **BENEFITS.**

87.9 **Subdivision 1. Continued request for unemployment benefits defined.** A  
87.10 continued request for unemployment benefits is a certification by an applicant, done  
87.11 on a weekly basis, that the applicant is unemployed and meets the ongoing eligibility  
87.12 requirements for unemployment benefits under section 268.085. A continued request  
87.13 must include information on possible issues of ineligibility in accordance with section  
87.14 268.101, subdivision 1, paragraph (c).

87.15 **Subd. 2. Filing continued requests for unemployment benefits.** (a) The  
87.16 commissioner must designate to each applicant one of the following methods for filing a  
87.17 continued request:

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

87.19 (2) by mail under subdivision 4.

87.20 (b) The method designated by the commissioner is the only method allowed for  
87.21 filing a continued request by that applicant. An applicant may ask that the other allowed  
87.22 method be designated and the commissioner must consider inconvenience to the applicant  
87.23 as well as administrative capacity in determining whether to allow an applicant to change  
87.24 the designated method for filing a continued request for unemployment benefits.

87.25 **Subd. 3. Continued request for unemployment benefits by electronic**  
87.26 **transmission.** (a) A continued request for unemployment benefits by electronic  
87.27 transmission must be filed to that electronic mail address, telephone number, or Internet  
87.28 address prescribed by the commissioner for that applicant. In order to constitute a  
87.29 continued request, all information asked for, including information authenticating that the  
87.30 applicant is sending the transmission, must be provided in the format required. If all of the  
87.31 information asked for is not provided, the communication does not constitute a continued  
87.32 request for unemployment benefits.

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

88.1 (c) If the electronic transmission continued request is not filed on the date and  
88.2 during the time of day designated, a continued request by electronic transmission must be  
88.3 accepted if the applicant files the continued request by electronic transmission within two  
88.4 calendar weeks following the week in which the date designated occurred. If the continued  
88.5 request by electronic transmission is not filed within two calendar weeks following the  
88.6 week in which the date designated occurred, the electronic continued request will not be  
88.7 accepted and the applicant is ineligible for unemployment benefits for the period covered  
88.8 by the continued request, unless the applicant shows good cause for failing to file the  
88.9 continued request by electronic transmission within the time period required.

88.10 **Subd. 4. Continued request for unemployment benefits by mail.** (a) A  
88.11 continued request for unemployment benefits by mail must be on a form prescribed by  
88.12 the commissioner. The form, in order to constitute a continued request, must be totally  
88.13 completed and signed by the applicant. The form must be filed on the date required for  
88.14 the applicant for filing a continued request by mail, in an envelope with postage prepaid,  
88.15 and sent to the address designated.

88.16 (b) If the mail continued request for unemployment benefits is not filed on the date  
88.17 designated, a continued request must be accepted if the form is filed by mail within two  
88.18 calendar weeks following the week in which the date designated occurred. If the form  
88.19 is not filed within two calendar weeks following the week in which the date designated  
88.20 occurred, the form will not be accepted and the applicant is ineligible for unemployment  
88.21 benefits for the period covered by the continued request for unemployment benefits,  
88.22 unless the applicant shows good cause for failing to file the form by mail within the time  
88.23 period required.

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

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

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

89.1            (b) "Good cause" does not include forgetfulness, loss of the continued request form  
89.2 if filing by mail, having returned to work, having an appeal pending, or inability to file a  
89.3 continued request for unemployment benefits by the method designated if the applicant  
89.4 was aware of the inability and did not make diligent effort to have the method of filing a  
89.5 continued request changed by the commissioner. "Good cause" does not include having  
89.6 previously made an attempt to file a continued request for unemployment benefits but  
89.7 where the communication was not considered a continued request because the applicant  
89.8 failed to submit all required information.

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

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

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

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

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

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

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

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

89.30           Subdivision 1. **Notification.** (a) In an application for unemployment benefits, each  
89.31 applicant must report the name and the reason for no longer working for the applicant's  
89.32 most recent employer, as well as the names of all employers and the reasons for no  
89.33 longer working for all employers during the six calendar months before the date of the

90.1 application. If the reason reported for no longer working for any of those employers is  
90.2 other than a layoff because of lack of work, that raises an issue of ineligibility that the  
90.3 department must determine. An applicant must report any offers of employment refused  
90.4 during the eight calendar weeks before the date of the application for unemployment  
90.5 benefits and the name of the employer that made the offer. An applicant's failure to report  
90.6 the name of an employer, or giving an incorrect reason for no longer working for an  
90.7 employer, or failing to disclose an offer of employment that was refused, is a violation of  
90.8 section 268.182, subdivision 2.

90.9 In an application, the applicant must also provide all information necessary to  
90.10 determine the applicant's eligibility for unemployment benefits under this chapter. If the  
90.11 applicant fails or refuses to provide information necessary to determine the applicant's  
90.12 eligibility for unemployment benefits, the applicant is ineligible for unemployment  
90.13 benefits under section 268.085, subdivision 2, until the applicant provides this required  
90.14 information.

90.15 (b) Upon establishment of a benefit account under section 268.07, subdivision 2,  
90.16 the commissioner shall notify, by mail or electronic transmission, all employers the  
90.17 applicant was required to report on the application and all base period employers and  
90.18 determined successors to those employers under section 268.051, subdivision 4, in order  
90.19 to provide the employer an opportunity to raise, in a manner and format prescribed by the  
90.20 commissioner, any issue of ineligibility. An employer must be informed of the effect that  
90.21 failure to raise an issue of ineligibility as a result of a quit or discharge of the applicant,  
90.22 ~~within ten calendar days after sending of the notice,~~ as provided for under subdivision 2,  
90.23 paragraph (b), may have on the employer under section 268.047.

90.24 (c) Each applicant must report any employment, and loss of employment, and offers  
90.25 of employment refused, during those weeks the applicant filed continued requests for  
90.26 unemployment benefits under section ~~268.086~~ 268.0865. Each applicant who stops filing  
90.27 continued requests during the benefit year and later begins filing continued requests during  
90.28 that same benefit year must report the name of any employer the applicant worked for  
90.29 during the period between the filing of continued requests and the reason the applicant  
90.30 stopped working for the employer. The applicant must report any offers of employment  
90.31 refused during the period between the filing of continued requests for unemployment  
90.32 benefits. Those employers from which the applicant has reported a loss of employment  
90.33 under this paragraph must be notified by mail or electronic transmission and provided an  
90.34 opportunity to raise, in a manner prescribed by the commissioner, any issue of ineligibility.  
90.35 An employer must be informed of the effect that failure to raise an issue of ineligibility as

91.1 a result of a quit or a discharge of the applicant may have on the employer under section  
91.2 268.047.

91.3 (d) The purpose for requiring the applicant to report the name of employers and the  
91.4 reason for no longer working for those employers, or offers of employment refused, under  
91.5 paragraphs (a) and (c) is for the commissioner to obtain information from an applicant  
91.6 raising all issues that may result in the applicant being ineligible for unemployment  
91.7 benefits under section 268.095, because of a quit or discharge, or the applicant being  
91.8 ineligible for unemployment benefits under section 268.085, subdivision 13c. If the  
91.9 reason given by the applicant for no longer working for an employer is other than a layoff  
91.10 because of lack of work, that raises an issue of ineligibility and the applicant is required,  
91.11 as part of the determination process under subdivision 2, paragraph (a), to state all the  
91.12 facts about the cause for no longer working for the employer, if known. If the applicant  
91.13 fails or refuses to provide any required information, the applicant is ineligible for  
91.14 unemployment benefits under section 268.085, subdivision 2, until the applicant provides  
91.15 this required information.

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

91.17 Subd. 2. **Determination.** (a) The commissioner ~~shall~~ must determine any issue  
91.18 of ineligibility raised by information required from an applicant under subdivision 1,  
91.19 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or  
91.20 electronic transmission, a document titled a determination of eligibility or a determination  
91.21 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result  
91.22 of a quit or a discharge of the applicant must state the effect on the employer under section  
91.23 268.047. A determination must be made in accordance with this paragraph even if a  
91.24 notified employer has not raised the issue of ineligibility.

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

91.30 If a base period employer:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

93.16 Subdivision 1. **Evidentiary hearing by unemployment law judge.** (a) Upon  
93.17 a timely appeal having been filed, the department must send, by mail or electronic  
93.18 transmission, a notice of appeal to all involved parties that an appeal has been filed, and  
93.19 that a de novo due process evidentiary hearing will be scheduled, ~~and that the parties~~  
93.20 ~~have certain.~~ The notice must set out the parties' rights and responsibilities regarding the  
93.21 hearing. The notice must explain that the facts will be determined by the unemployment  
93.22 law judge based upon a preponderance of the evidence. The notice must explain in clear  
93.23 and simple language the meaning of the term "preponderance of the evidence." The  
93.24 department must set a time and place for a de novo due process evidentiary hearing and  
93.25 send notice to any involved applicant and any involved employer, by mail or electronic  
93.26 transmission, not less than ten calendar days before the date of the hearing.

93.27 (b) The evidentiary hearing is conducted by an unemployment law judge ~~without~~  
93.28 ~~regard to any burden of proof~~ as an evidence gathering inquiry ~~and not an adversarial~~  
93.29 ~~proceeding.~~ At the beginning of the hearing the unemployment law judge must fully  
93.30 explain how the hearing will be conducted, that the applicant has the right to request  
93.31 that the hearing be rescheduled so that documents or witnesses can be subpoenaed,  
93.32 that the facts will be determined based on a preponderance of the evidence, and, in  
93.33 clear and simple language, the meaning of the term "preponderance of the evidence."  
93.34 The unemployment law judge must ensure that all relevant facts are clearly and fully  
93.35 developed. The department may adopt rules on evidentiary hearings. The rules need

94.1 not conform to common law or statutory rules of evidence and other technical rules of  
94.2 procedure. The department has discretion regarding the method by which the evidentiary  
94.3 hearing is conducted. A report of any employee of the department, except a determination,  
94.4 made in the regular course of the employee's duties, is competent evidence of the facts  
94.5 contained in it. An affidavit or written statement based on personal knowledge and signed  
94.6 under penalty of perjury is competent evidence of the facts contained in it; however, the  
94.7 veracity of statements contained within the document or the credibility of the witness  
94.8 making the statement may be disputed with other documents or testimony and production  
94.9 of such documents or testimony may be compelled by subpoena.

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

94.17 (d) Regardless of paragraph (c), if the appealing party fails to participate in the  
94.18 evidentiary hearing, the unemployment law judge has the discretion to dismiss the appeal  
94.19 by summary order. By failing to participate, the appealing party is considered to have  
94.20 failed to exhaust available administrative remedies unless the appealing party files a  
94.21 request for reconsideration under subdivision 2 and establishes good cause for failing to  
94.22 participate in the evidentiary hearing under subdivision 2, paragraph (d). Submission  
94.23 of a written statement does not constitute participation. The applicant must participate  
94.24 personally and appearance solely by a representative does not constitute participation.

94.25 (e) Only employees of the department who are attorneys licensed to practice law  
94.26 in Minnesota may serve as the chief unemployment law judge, senior unemployment  
94.27 law judges who are supervisors, or unemployment law judges. The commissioner  
94.28 must designate a chief unemployment law judge. The chief unemployment law judge  
94.29 may transfer to another unemployment law judge any proceedings pending before an  
94.30 unemployment law judge.

94.31 (f) A full-time unemployment law judge hired after July 1, 2009, must be paid a  
94.32 salary of 75 percent of the salary set under section 15A.083, subdivision 7, for a workers'  
94.33 compensation judge. A full-time senior unemployment law judge hired after July 1, 2009,  
94.34 must be paid a salary of 80 percent of the salary set under section 15A.083, subdivision 7,  
94.35 for a workers' compensation judge. The chief unemployment law judge must be paid a

95.1 salary of 85 percent of the salary set under section 15A.083, subdivision 7, for a workers'  
95.2 compensation judge.

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

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

95.10 (1) modifying the findings of fact and decision issued under subdivision 1;

95.11 (2) setting aside the ~~findings of fact and~~ decision issued under subdivision 1 and  
95.12 directing that an additional evidentiary hearing be conducted under subdivision 1; or

95.13 (3) affirming the findings of fact and decision issued under subdivision 1.

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

95.17 (1) of the opportunity to provide comment on the request for reconsideration, and  
95.18 the right under subdivision 5 to obtain a copy of any recorded testimony and exhibits  
95.19 offered or received into evidence at the evidentiary hearing;

95.20 (2) that providing specific comments as to a perceived factual or legal error in the  
95.21 decision, or a perceived error in procedure during the evidentiary hearing, will assist the  
95.22 unemployment law judge in deciding the request for reconsideration;

95.23 (3) of the right to obtain any comments and submissions provided by the other  
95.24 involved party regarding the request for reconsideration; and

95.25 (4) of the provisions of paragraph (c) regarding additional evidence.

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

95.27 (c) In deciding a request for reconsideration, the unemployment law judge must not,  
95.28 except for purposes of determining whether to order an additional evidentiary hearing,  
95.29 consider any evidence that was not submitted at the evidentiary hearing conducted under  
95.30 subdivision 1.

95.31 The unemployment law judge must order an additional evidentiary hearing if an  
95.32 involved party shows that evidence which was not submitted at the evidentiary hearing:

95.33 (1) would likely change the outcome of the decision and there was good cause for not

95.34 having previously submitted that evidence; or (2) would show that the evidence that was

96.1 submitted at the evidentiary hearing was likely false and that the likely false evidence had  
96.2 an effect on the outcome of the decision.

96.3 (d) If the involved applicant or involved employer who filed the request for  
96.4 reconsideration failed to participate in the evidentiary hearing conducted under subdivision  
96.5 1, an order setting aside the ~~findings of fact and~~ decision and directing that an additional  
96.6 evidentiary hearing be conducted must be issued if the party who failed to participate had  
96.7 good cause for failing to do so. In the notice that a request for reconsideration has been  
96.8 filed, the party who failed to participate must be informed of the requirement, and provided  
96.9 the opportunity, to show good cause for failing to participate. If the unemployment  
96.10 law judge determines that good cause for failure to participate has not been shown, the  
96.11 unemployment law judge must state that in the order issued under paragraph (a).

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

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

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

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

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

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

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

97.1 (b) If an unemployment law judge's decision or order modifies or reverses a  
97.2 determination, or prior decision of the unemployment law judge, allowing unemployment  
97.3 benefits to an applicant, any benefits paid in accordance with the determination, or  
97.4 prior decision of the unemployment law judge, is considered an overpayment of those  
97.5 unemployment benefits. A decision or order issued under this section that results in an  
97.6 overpayment of unemployment benefits must set out the amount of the overpayment and  
97.7 the requirement under section 268.18, subdivision 1, that the overpaid unemployment  
97.8 benefits must be repaid.

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

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

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

97.21 Subd. 4. **Oaths; subpoenas.** An unemployment law judge has authority to  
97.22 administer oaths and affirmations, take depositions, and issue subpoenas to compel the  
97.23 attendance of witnesses and the production of documents and other personal property  
97.24 considered necessary as evidence in connection with the subject matter of an evidentiary  
97.25 hearing.

97.26 The unemployment law judge must give full consideration to a request for a  
97.27 subpoena and must not unreasonably deny a request for a subpoena. If a subpoena request  
97.28 is initially denied, the unemployment law judge must, on the unemployment law judge's  
97.29 own motion, reconsider that request during the evidentiary hearing and rule on whether  
97.30 the request was properly denied. If the request was not properly denied, the evidentiary  
97.31 hearing must be continued for issuance of the subpoena. The subpoenas are enforceable  
97.32 through the district court in Ramsey County. Witnesses subpoenaed, other than an involved  
97.33 applicant or involved employer or officers and employees of an involved employer, must  
97.34 be paid by the department the same witness fees as in a civil action in district court.

98.1 Sec. 38. Minnesota Statutes 2008, section 268.105, subdivision 5, is amended to read:

98.2 Subd. 5. **Use of evidence; data privacy.** (a) All testimony at any evidentiary  
98.3 hearing conducted under subdivision 1 must be recorded. A copy of any recorded  
98.4 testimony and exhibits offered or received into evidence at the hearing must, upon  
98.5 request, be furnished to a party at no cost during the time period for filing a request for  
98.6 reconsideration or while a request for reconsideration is pending.

98.7 (b) Regardless of any provision of law to the contrary, if recorded testimony and  
98.8 exhibits received into evidence at the evidentiary hearing are not requested during the time  
98.9 period for filing a request for reconsideration, ~~or~~ while a request for reconsideration is  
98.10 pending, during the time for filing any appeal under subdivision 7, or during the pendency  
98.11 thereof, that testimony and other evidence may later be made available only under a  
98.12 district court order. A subpoena is not considered a district court order.

98.13 (c) Testimony obtained under subdivision 1, may not be used or considered for any  
98.14 purpose, including impeachment, in any civil, administrative, or contractual proceeding,  
98.15 except by a local, state, or federal human rights agency with enforcement powers, unless  
98.16 the proceeding is initiated by the department.

98.17 Sec. 39. Minnesota Statutes 2008, section 268.115, subdivision 5, is amended to read:

98.18 Subd. 5. **Maximum amount of extended unemployment benefits.** The maximum  
98.19 amount of extended unemployment benefits available to an applicant is 50 percent of the  
98.20 maximum amount of regular unemployment benefits available in the benefit year, ~~rounded~~  
98.21 ~~down to the next lower whole dollar.~~ If the total rate of unemployment computed under  
98.22 subdivision 1, clause (2)(ii), equaled or exceeded eight percent, the maximum amount  
98.23 of extended unemployment benefits available is 80 percent of the maximum amount of  
98.24 regular unemployment benefits available in the benefit year.

98.25 Sec. 40. Minnesota Statutes 2008, section 268.125, subdivision 5, is amended to read:

98.26 Subd. 5. **Maximum amount of unemployment benefits.** The maximum amount  
98.27 of additional unemployment benefits available in the applicant's benefit year is one-half  
98.28 of the applicant's maximum amount of regular unemployment benefits available under  
98.29 section 268.07, subdivision 2, ~~rounded down to the next lower whole dollar.~~ Extended  
98.30 unemployment benefits paid and unemployment benefits paid under any federal law other  
98.31 than regular unemployment benefits must be deducted from the maximum amount of  
98.32 additional unemployment benefits available.

98.33 Sec. 41. Minnesota Statutes 2008, section 268.135, subdivision 4, is amended to read:

99.1 Subd. 4. **Weekly benefit amount.** (a) An applicant who is eligible for shared work  
99.2 benefits is paid an amount equal to the regular weekly unemployment benefit amount  
99.3 multiplied by the nearest full percentage of reduction of the applicant's regular weekly  
99.4 hours of work as set in the plan. ~~The benefit payment, if not a whole dollar must be~~  
99.5 ~~rounded down to the next lower whole dollar.~~

99.6 (b) The deductible earnings provisions of section 268.085, subdivision 5, must not  
99.7 apply to earnings from the shared work employer of an applicant eligible for shared work  
99.8 benefits unless the resulting amount would be less than the regular weekly unemployment  
99.9 benefit amount the applicant would otherwise be eligible for without regard to shared  
99.10 work benefits.

99.11 (c) An applicant is not eligible for shared work benefits for any week that  
99.12 employment is performed for the shared work employer in excess of the reduced hours  
99.13 set forth in the plan.

99.14 Sec. 42. Minnesota Statutes 2008, section 268.145, subdivision 1, is amended to read:

99.15 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment  
99.16 benefits, the applicant must be informed that:

99.17 (1) unemployment benefits are subject to federal and state income tax;

99.18 (2) there are requirements for filing estimated tax payments;

99.19 (3) the applicant may elect to have federal income tax withheld from unemployment  
99.20 benefits;

99.21 (4) if the applicant elects to have federal income tax withheld, the applicant may, in  
99.22 addition, elect to have Minnesota state income tax withheld; and

99.23 (5) at any time during the benefit year the applicant may change a prior election.

99.24 (b) If an applicant elects to have federal income tax withheld, the commissioner  
99.25 ~~shall~~ must deduct ten percent for federal income tax, ~~rounded down to the next lower~~

99.26 ~~whole dollar.~~ If an applicant also elects to have Minnesota state income tax withheld, the

99.27 commissioner ~~shall~~ must make an additional five percent deduction for state income

99.28 tax, ~~rounded down to the next lower whole dollar.~~ Any amounts deducted or offset under

99.29 sections 268.155, 268.18, and 268.184 have priority over any amounts deducted under this  
99.30 section. Federal income tax withholding has priority over state income tax withholding.

99.31 (c) An election to have income tax withheld may not be retroactive and only applies  
99.32 to unemployment benefits paid after the election.

99.33 Sec. 43. Minnesota Statutes 2008, section 268.18, subdivision 1, is amended to read:

100.1 Subdivision 1. **Nonfraud overpayment.** (a) Any applicant who (1) because of a  
100.2 determination or amended determination issued under section 268.07 or 268.101, or any  
100.3 other section of this chapter, or (2) because of an appeal decision or order under section  
100.4 268.105, has received any unemployment benefits that the applicant was held not entitled  
100.5 to, must promptly repay the unemployment benefits to the trust fund.

100.6 (b) If the applicant fails to repay the unemployment benefits overpaid, the  
100.7 commissioner may offset from any future unemployment benefits otherwise payable the  
100.8 amount of the overpayment. Except when the overpayment resulted because the applicant  
100.9 failed to report deductible earnings or deductible or benefit delaying payments, no single  
100.10 offset may exceed 50 percent of the amount of the payment from which the offset is made.  
100.11 The overpayment may also be collected by the ~~same methods as delinquent payments~~  
100.12 ~~from an employer~~ allowed under state and federal law.

100.13 (c) If an applicant has been overpaid unemployment benefits under the law of  
100.14 another state, because of a reason other than fraud, and that state certifies that the applicant  
100.15 is liable under its law to repay the unemployment benefits and requests the commissioner  
100.16 to recover the overpayment, the commissioner may offset from future unemployment  
100.17 benefits otherwise payable the amount of overpayment, except that no single offset may  
100.18 exceed 50 percent of the amount of the payment from which the offset is made.

100.19 ~~(d) If under paragraph (b) or (c) the reduced unemployment benefits as a result of~~  
100.20 ~~a 50 percent offset is not a whole dollar amount, it is rounded down to the next lower~~  
100.21 ~~whole dollar.~~

100.22 Sec. 44. Minnesota Statutes 2008, section 268.18, subdivision 2, is amended to read:

100.23 Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives  
100.24 unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose  
100.25 any material fact, or who makes a false statement or representation without a good faith  
100.26 belief as to the correctness of the statement or representation, has committed fraud. After  
100.27 the discovery of facts indicating fraud, the commissioner ~~shall~~ must make a determination  
100.28 that the applicant obtained unemployment benefits by fraud and that the applicant must  
100.29 promptly repay the unemployment benefits to the trust fund. In addition, the commissioner  
100.30 ~~shall~~ must assess a penalty equal to 40 percent of the amount fraudulently obtained. This  
100.31 penalty is in addition to penalties under section 268.182.

100.32 (b) Unless the applicant files an appeal within 20 calendar days after the sending  
100.33 of the determination of overpayment by fraud to the applicant by mail or electronic  
100.34 transmission, the determination is final. Proceedings on the appeal are conducted in  
100.35 accordance with section 268.105.

101.1 (c) If the applicant fails to repay the unemployment benefits, penalty, and interest  
101.2 assessed, the total due may be collected by the ~~same methods as delinquent payments~~  
101.3 ~~from an employer~~ allowed under state and federal law. A determination of overpayment  
101.4 by fraud must state the methods of collection the commissioner may use to recover the  
101.5 overpayment. Money received in repayment of fraudulently obtained unemployment  
101.6 benefits, penalties, and interest is first applied to the unemployment benefits overpaid, then  
101.7 to the penalty amount due, then to any interest due. 62.5 percent of the payments made  
101.8 toward the penalty are credited to the contingent account and 37.5 percent credited to the  
101.9 administration account ~~for deterring, detecting, or collecting overpayments~~.

101.10 (d) If an applicant has been overpaid unemployment benefits under the law of  
101.11 another state because of fraud and that state certifies that the applicant is liable to repay  
101.12 the unemployment benefits and requests the commissioner to recover the overpayment,  
101.13 the commissioner may offset from future unemployment benefits otherwise payable the  
101.14 amount of overpayment.

101.15 (e) Unemployment benefits paid for weeks more than four years before the date of a  
101.16 determination of overpayment by fraud issued under this subdivision are not considered  
101.17 overpaid unemployment benefits.

101.18 Sec. 45. Minnesota Statutes 2008, section 268.196, subdivision 1, is amended to read:

101.19 Subdivision 1. **Administration account.** (a) There is created in the state treasury a  
101.20 special account to be known as the administration account. All money that is deposited  
101.21 ~~or paid~~ into this account is continuously available to the commissioner for expenditure to  
101.22 administer the Minnesota unemployment insurance program, and does not lapse at any  
101.23 time. The administration account consists of:

101.24 (1) all money received from the federal government to administer the Minnesota  
101.25 unemployment insurance program, any federal unemployment insurance program, or  
101.26 assistance provided to any other state to administer that state's unemployment insurance  
101.27 program;

101.28 (2) five percent of any money recovered on overpaid unemployment benefits as  
101.29 provided for in section 268.194, subdivision 1, clause (7), which must be used for  
101.30 deterring, detecting, and collecting overpaid unemployment benefits;

101.31 (3) any money received as compensation for services or facilities supplied to the  
101.32 federal government or any other state;

101.33 (4) any money credited to this account under this chapter;

101.34 (5) any amounts received for losses sustained by this account or by reason of  
101.35 damage to equipment or supplies; and

102.1 ~~(5)~~ (6) any proceeds from the sale or disposition of any equipment or supplies that  
102.2 may no longer be necessary for the proper administration of those sections.

102.3 (b) All money in this account must be deposited, administered, and disbursed in the  
102.4 same manner and under the same conditions and requirements as are provided by law for  
102.5 the other special accounts in the state treasury. The commissioner of finance, as treasurer  
102.6 and custodian of this account, is liable for the faithful performance of duties in connection  
102.7 with this account.

102.8 ~~(c) All money in this account must be spent for the purposes and in the amounts~~  
102.9 ~~found necessary by the United States Secretary of Labor for the proper and efficient~~  
102.10 ~~administration of the Minnesota unemployment insurance program.~~

102.11 Sec. 46. Minnesota Statutes 2008, section 268.196, subdivision 2, is amended to read:

102.12 Subd. 2. **State to replace money wrongfully used.** If any money received under  
102.13 United States Code, title 42, section 501 of the Social Security Act ~~or the Wagner-Peyser~~  
102.14 ~~Act~~, is found by the United States Secretary of Labor to have been spent for purposes  
102.15 other than, ~~or in amounts in excess of, those necessary~~ for the proper administration of the  
102.16 Minnesota unemployment insurance program, ~~the commissioner may replace the money~~  
102.17 ~~from the contingent account. If the money is not replaced from the contingent account,~~  
102.18 ~~it is the policy of this state that the money be replaced by money appropriated for that~~  
102.19 ~~purpose from the general funds of this state. If not replaced from the contingent account,~~  
102.20 the commissioner ~~shall~~ must, at the earliest opportunity, submit to the legislature a request  
102.21 for the appropriation of that amount.

102.22 Sec. 47. Minnesota Statutes 2008, section 268.199, is amended to read:

102.23 **268.199 CONTINGENT ACCOUNT.**

102.24 (a) There is created in the state treasury a special account, to be known as the  
102.25 contingent account, that does not lapse nor revert to any other fund or account. This  
102.26 account consists of ~~all money appropriated by the legislature~~, all money collected under  
102.27 this chapter that is required to be placed in this account; and any interest earned on the  
102.28 account. All money in this account is ~~supplemental to all federal money available to the~~  
102.29 ~~commissioner. Money in this account is appropriated to the commissioner and is available~~  
102.30 ~~to the commissioner~~ for administration of the Minnesota unemployment insurance  
102.31 program unless otherwise appropriated by session law.

102.32 (b) All money in this account must be deposited, administered, and disbursed in the  
102.33 same manner and under the same conditions and requirements as is provided by law for

103.1 the other special accounts in the state treasury. ~~On June 30 of each year, all amounts in~~  
103.2 ~~excess of \$300,000 in this account must be paid over to the trust fund.~~

103.3 Sec. 48. Minnesota Statutes 2008, section 268.211, is amended to read:

103.4 **268.211 UNEMPLOYMENT INSURANCE BENEFITS TELEPHONE**  
103.5 **SYSTEM.**

103.6 The commissioner must ensure that ~~the~~ any automated telephone system used  
103.7 for unemployment insurance benefits provides an option for any caller to speak to an  
103.8 unemployment insurance specialist. An individual who calls any of the publicized  
103.9 telephone numbers seeking information about applying for unemployment benefits or on  
103.10 the status of a ~~claim~~ benefit account must have the option to speak on the telephone to a  
103.11 specialist who can provide direct assistance or can direct the caller to the ~~person~~ individual  
103.12 or office that is able to respond to the caller's needs.

103.13 Sec. 49. **REVISOR'S INSTRUCTION.**

103.14 In Minnesota Statutes, chapter 268, the revisor shall change "shall" to "must," except  
103.15 in Minnesota Statutes, sections 268.035 and 268.103.

103.16 Sec. 50. **REPEALER.**

103.17 Minnesota Statutes 2008, sections 268.085, subdivision 14; and 268.086,  
103.18 subdivisions 1, 2, 3, 5, 6, 7, 8, and 9, are repealed.

103.19 Sec. 51. **EFFECTIVE DATE.**

103.20 Sections 1 to 49 are effective August 2, 2009, and apply to all department  
103.21 determinations and unemployment law judge decisions issued on or after that date.

103.22 **ARTICLE 5**  
103.23 **LABOR STANDARDS AND WAGES**

103.24 Section 1. Minnesota Statutes 2008, section 177.30, is amended to read:

103.25 **177.30 KEEPING RECORDS; PENALTY.**

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

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

103.29 (2) the rate of pay, and the amount paid each pay period to each employee;

103.30 (3) the hours worked each day and each workweek by the employee;

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

104.12 (5) other information the commissioner finds necessary and appropriate to enforce  
104.13 sections 177.21 to ~~177.35~~ 177.435. The records must be kept for three years in or near the  
104.14 premises where an employee works except each employer subject to sections 177.41 to  
104.15 177.44, and while performing work on public works projects funded in whole or in part  
104.16 with state funds, the records must be kept for three years after the contracting authority  
104.17 has made final payment on the public works project.

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

104.23 Sec. 2. Minnesota Statutes 2008, section 177.31, is amended to read:

104.24 **177.31 POSTING OF LAW AND RULES; PENALTY.**

104.25 Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must obtain and keep  
104.26 a summary of those sections, approved by the department, and copies of any applicable  
104.27 rules adopted under those sections, or a summary of the rules. The employer must post the  
104.28 summaries in a conspicuous and accessible place in or about the premises in which any  
104.29 person covered by sections 177.21 to ~~177.35~~ 177.44 is employed. The department shall  
104.30 furnish copies of the summaries and rules to employers without charge.

104.31 The commissioner may fine an employer up to \$200 for each failure to comply with  
104.32 this section. This penalty is in addition to any penalties provided by section 177.32,  
104.33 subdivision 1.

105.1 Sec. 3. Minnesota Statutes 2008, section 177.32, is amended to read:

105.2 **177.32 PENALTIES.**

105.3 Subdivision 1. **Misdemeanors.** An employer who does any of the following is  
105.4 guilty of a misdemeanor:

105.5 (1) hinders or delays the commissioner in the performance of duties required under  
105.6 sections 177.21 to ~~177.35~~ 177.435;

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

105.9 (3) repeatedly fails to make, keep, and preserve records as required by section  
105.10 177.30;

105.11 (4) falsifies any record;

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

105.14 (6) repeatedly fails to post a summary of sections 177.21 to ~~177.35~~ 177.44 or a copy  
105.15 or summary of the applicable rules as required by section 177.31;

105.16 (7) pays or agrees to pay wages at a rate less than the rate required under sections  
105.17 177.21 to ~~177.35~~ 177.44;

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

105.19 (9) otherwise violates any provision of sections 177.21 to ~~177.35~~ 177.44.

105.20 Subd. 2. **Fine.** An employer shall be fined not less than \$700 nor more than \$3,000  
105.21 if convicted of discharging or otherwise discriminating against any employee because:

105.22 (1) the employee has complained to the employer or to the department that wages  
105.23 have not been paid in accordance with sections 177.21 to ~~177.35~~ 177.435;

105.24 (2) the employee has instituted or will institute a proceeding under or related to  
105.25 sections 177.21 to ~~177.35~~ 177.435; or

105.26 (3) the employee has testified or will testify in any proceeding.

105.27 Sec. 4. Minnesota Statutes 2008, section 177.42, subdivision 6, is amended to read:

105.28 Subd. 6. **Prevailing wage rate.** "Prevailing wage rate" means the hourly basic rate  
105.29 of pay plus the contribution ~~for health and welfare benefits, vacation benefits, pension~~  
105.30 ~~benefits, and any other economic benefit~~ paid to or for the largest number of workers  
105.31 engaged in the same class of labor within the area ~~and~~ for medical or hospital care,  
105.32 pensions on retirement or death, compensation for injuries or illness resulting from  
105.33 occupational activity, or insurance to provide any of the foregoing, for unemployment  
105.34 benefits, life insurance, disability and sickness insurance, or accident insurance, for  
105.35 vacation and holiday pay, for defraying the costs of apprenticeship or other similar

106.1 programs, or for other bona fide fringe benefits, but only where the contractor or  
106.2 subcontractor is not required by other federal, state, or local law to provide any of those  
106.3 benefits, the amount of:

106.4 (1) the rate of contribution irrevocably made by a contractor or subcontractor to a  
106.5 trustee or to a third person under a fund, plan, or program; and

106.6 (2) the rate of costs to the contractor or subcontractor that may be reasonably  
106.7 anticipated in providing benefits to laborers and mechanics pursuant to an enforceable  
106.8 commitment to carry out a financially responsible plan or program which was  
106.9 communicated in writing to the laborers and mechanics affected.

106.10 "Prevailing wage rate" includes, for the purposes of section 177.44, rental rates for  
106.11 truck hire paid to those who own and operate the truck.

106.12 The prevailing wage rate may not be less than a reasonable and living wage.

106.13 Sec. 5. Minnesota Statutes 2008, section 177.42, is amended by adding a subdivision  
106.14 to read:

106.15 Subd. 7. **Employer.** "Employer" means an individual, partnership, association,  
106.16 corporation, business trust, or other business entity that hires a laborer, worker, or  
106.17 mechanic.

106.18 Sec. 6. Minnesota Statutes 2008, section 177.43, subdivision 3, is amended to read:

106.19 **Subd. 3. Contract requirements.** The contract must specifically state the prevailing  
106.20 wage rates, prevailing hours of labor, and hourly basic rates of pay. The contracting  
106.21 authority shall incorporate into its proposals and all contracts the applicable wage  
106.22 determinations for the contract along with contract language provided by the commissioner  
106.23 of labor and industry to notify the contractor and all subcontractors of the applicability of  
106.24 sections 177.41 to 177.44. Failure to incorporate the determination or provided contract  
106.25 language into the contracts shall make the contracting authority liable for making whole  
106.26 the contractor or subcontractor for any increases in the wages paid, including employment  
106.27 taxes and reasonable administrative costs based on the appropriate prevailing wage due to  
106.28 the laborers or mechanics working on the project. The contract must also provide that  
106.29 the contracting agency shall demand, and the contractor and subcontractor shall furnish  
106.30 to the contracting agency, copies of any or all payrolls not more than 14 days after the  
106.31 end of each pay period. The payrolls must contain all the data required by section 177.30.  
106.32 The contracting authority may examine all records relating to wages paid laborers or  
106.33 mechanics on work to which sections 177.41 to 177.44 apply.

107.1 Sec. 7. Minnesota Statutes 2008, section 177.43, subdivision 6a, is amended to read:

107.2 Subd. 6a. **Prevailing wage violations.** (a) If an employer is found by the  
107.3 commissioner to have violated this section prior to the issuance of a compliance order  
107.4 under section 177.27, subdivision 4, the commissioner shall order the employer to cease  
107.5 and desist from engaging in the violative practice and to take affirmative steps that in  
107.6 the judgment of the commissioner will effectuate the purposes of the section or rule  
107.7 violated. The commissioner shall require any employer that has violated this section to  
107.8 pay the aggrieved parties back pay, less any amount actually paid to the employee by the  
107.9 employer, and, if the employer has repeatedly violated this section, for an additional equal  
107.10 amount as liquidated damages. For the purposes of this subdivision, "repeatedly" means  
107.11 to be found by the commissioner to have violated this section more than once within a  
107.12 two-year period. An employer who is found by the commissioner to have repeatedly or  
107.13 willfully violated this section is subject to a civil penalty of up to \$1,000 for each violation  
107.14 for each employee. In determining the amount of a civil penalty under this subdivision,  
107.15 the appropriateness of the penalty to the size of the employer's business and the gravity of  
107.16 the violation shall be considered.

107.17 (b) Upon issuing a compliance order to an employer pursuant to section 177.27,  
107.18 subdivision 4, for violation of sections 177.41 to 177.44, the commissioner shall issue  
107.19 a withholding order to the contracting authority ordering the contracting authority to  
107.20 withhold payment of sufficient sum to the prime or general contractor on the project  
107.21 to satisfy the back wages assessed or otherwise cure the violation, and the contracting  
107.22 authority must withhold the sum ordered until the compliance order has become a final  
107.23 order of the commissioner and has been fully paid or otherwise resolved by the employer.

107.24 (c) During an investigation of a violation of sections 177.41 to 177.44 which the  
107.25 commissioner reasonably determines is likely to result in the finding of a violation of  
107.26 sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section  
107.27 177.27, subdivision 4, the commissioner may notify the contracting authority of the  
107.28 determination and the amount expected to be assessed and the contracting authority shall  
107.29 give the commissioner 90 days' prior notice of the date the contracting authority intends to  
107.30 make final payment.

107.31 Sec. 8. **[181.305] MINING EQUIPMENT OPERATORS, HOURS.**

107.32 Subdivision 1. **Required hours.** No employer may require an employee to operate  
107.33 mining equipment or other mobile equipment used in the mining process for more than  
107.34 16 cumulative hours following eight consecutive hours off duty. "Mining equipment or

108.1 other mobile equipment" includes but is not limited to haul trucks, off-road dump trucks,  
108.2 front-end loaders, graders, or plows. Nothing in this subdivision shall:

108.3 (1) prohibit an employee from working longer than 16 cumulative hours on duty  
108.4 if they so desire; or

108.5 (2) supersede the terms of a valid collective bargaining agreement.

108.6 Subd. 2. Penalties. An employer who violates this section is guilty of a  
108.7 misdemeanor and is liable to an employee for injuries sustained in consequence of the  
108.8 violation.

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

108.10 Sec. 9. [181.986] REQUIRED EQUIPMENT AND APPAREL.

108.11 Notwithstanding any other law or rule to the contrary, a public employer is  
108.12 prohibited from purchasing or acquiring, furnishing, or requiring an employee to purchase  
108.13 or acquire for wear or use while on duty, any of the following items if the item is not  
108.14 manufactured in the United States of America:

108.15 (1) any uniform or other item of wearing apparel over which an employee has no  
108.16 discretion in selecting except for selecting the proper size; or

108.17 (2) safety equipment or protective accessories.

108.18 Preference must be given to purchases from manufacturers who pay an average  
108.19 annual income, including wages and benefits, equal to at least 150 percent of the federal  
108.20 poverty guideline adjusted for a family size of four. For purposes of this section, "public  
108.21 employer" means a county, home rule charter or statutory city, town, school district,  
108.22 metropolitan or regional agency, public corporation, political subdivision, special district  
108.23 as defined in section 6.465, subdivision 3, municipal fire department, independent  
108.24 nonprofit firefighting corporation, the University of Minnesota, the Minnesota State  
108.25 Colleges and Universities, and the state of Minnesota and its agencies.

108.26 **EFFECTIVE DATE.** This section is effective January 1, 2010.

## 108.27 **ARTICLE 6**

### 108.28 **LICENSING AND FEES**

108.29 Section 1. [326B.153] BUILDING PERMIT FEES.

108.30 Subdivision 1. Building permits. (a) Fees for building permits submitted as  
108.31 required in section 326B.106 include:

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

- 109.1           (2) the surcharge required by section 326B.148.
- 109.2           (b) The total valuation and fee schedule is:
- 109.3           (1) \$1 to \$500, \$29.50;
- 109.4           (2) \$501 to \$2,000, \$28 for the first \$500 plus \$3.70 for each additional \$100 or  
109.5 fraction thereof, to and including \$2,000;
- 109.6           (3) \$2,001 to \$25,000, \$83.50 for the first \$2,000 plus \$16.55 for each additional  
109.7 \$1,000 or fraction thereof, to and including \$25,000;
- 109.8           (4) \$25,001 to \$50,000, \$464.15 for the first \$25,000 plus \$12 for each additional  
109.9 \$1,000 or fraction thereof, to and including \$50,000;
- 109.10          (5) \$50,001 to \$100,000, \$764.15 for the first \$50,000 plus \$8.45 for each additional  
109.11 \$1,000 or fraction thereof, to and including \$100,000;
- 109.12          (6) \$100,001 to \$500,000, \$1,186.65 for the first \$100,000 plus \$6.75 for each  
109.13 additional \$1,000 or fraction thereof, to and including \$500,000;
- 109.14          (7) \$500,001 to \$1,000,000, \$3,886.65 for the first \$500,000 plus \$5.50 for each  
109.15 additional \$1,000 or fraction thereof, to and including \$1,000,000; and
- 109.16          (8) \$1,000,001 and up, \$6,636.65 for the first \$1,000,000 plus \$4.50 for each  
109.17 additional \$1,000 or fraction thereof.
- 109.18          (c) Other inspections and fees are:
- 109.19          (1) inspections outside of normal business hours (minimum charge two hours),  
109.20 \$63.25 per hour;
- 109.21          (2) reinspection fees, \$63.25 per hour;
- 109.22          (3) inspections for which no fee is specifically indicated (minimum charge one-half  
109.23 hour), \$63.25 per hour; and
- 109.24          (4) additional plan review required by changes, additions, or revisions to approved  
109.25 plans (minimum charge one-half hour), \$63.25 per hour.
- 109.26          (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than  
109.27 \$63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead,  
109.28 equipment, hourly wages, and fringe benefits of the employees involved.
- 109.29          Subd. 2. **Plan review.** Fees for the review of building plans, specifications, and  
109.30 related documents submitted as required by section 326B.106 must be paid based on 65  
109.31 percent of the building permit fee required in subpart 1.
- 109.32          Subd. 3. **Surcharge.** Surcharge fees are required for permits issued on all buildings  
109.33 including public buildings and state-licensed facilities as required by section 326B.148.
- 109.34          Subd. 4. **Distribution.** (a) This subdivision establishes the fee distribution between  
109.35 the state and municipalities contracting for plan review and inspection of public buildings  
109.36 and state-licensed facilities.

110.1 (b) If plan review and inspection services are provided by the state building official,  
110.2 all fees for those services must be remitted to the state.

110.3 (c) If plan review services are provided by the state building official and inspection  
110.4 services are provided by a contracting municipality:

110.5 (1) the state shall charge 75 percent of the plan review fee required by the state's fee  
110.6 schedule in this part; and

110.7 (2) the municipality shall charge 25 percent of the plan review fee required by the  
110.8 municipality's adopted fee schedule, for orientation to the plans, in addition to the permit  
110.9 and other customary fees charged by the municipality.

110.10 (d) If plan review and inspection services are provided by the contracting  
110.11 municipality, all fees for those services must be remitted to the municipality according to  
110.12 their adopted fee schedule.

110.13 Sec. 2. Minnesota Statutes 2008, section 326B.33, subdivision 19, is amended to read:

110.14 Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless  
110.15 revoked or suspended under this chapter, all licenses issued or renewed under this section  
110.16 expire on the date specified in this subdivision. Master licenses expire March 1 of each  
110.17 odd-numbered year after issuance or renewal. Electrical contractor licenses expire March  
110.18 1 of each even-numbered year after issuance or renewal. Technology system contractor  
110.19 licenses expire August 1 of each even-numbered year after issuance or renewal. All  
110.20 other personal licenses expire two years from the date of original issuance and every two  
110.21 years thereafter. Registrations of unlicensed individuals expire one year from the date of  
110.22 original issuance and every year thereafter.

110.23 (b) Fees for application and examination, and for the original issuance and each  
110.24 subsequent renewal, are:

110.25 (1) For each personal license application and examination: \$35;

110.26 (2) For original issuance and each subsequent renewal of:

110.27 Class A Master or master special electrician, including master elevator constructor:  
110.28 \$40 per year;

110.29 Class B Master: \$25 per year;

110.30 Power Limited Technician: \$15 per year;

110.31 Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman,  
110.32 or Maintenance Electrician other than master special electrician: \$15 per year;

110.33 Contractor: \$100 per year;

110.34 Unlicensed individual registration: \$15 per year.

111.1 (c) If any new license is issued in accordance with this subdivision for less than two  
111.2 years, the fee for the license shall be prorated on an annual basis.

111.3 (d) A license fee may not be refunded after a license is issued or renewed. However,  
111.4 if the fee paid for a license was not prorated in accordance with this subdivision, the  
111.5 amount of the overpayment shall be refunded.

111.6 (e) Any contractor who seeks reissuance of a license after it has been revoked or  
111.7 suspended under this chapter shall submit a reissuance fee of \$100 before the license is  
111.8 reinstated.

111.9 ~~(f) The fee for the issuance of each duplicate license is \$15.~~

111.10 ~~(g)~~ (f) An individual or contractor who fails to renew a license before 30 days after  
111.11 the expiration or registration of the license must submit a late fee equal to one year's  
111.12 license fee in addition to the full renewal fee. Fees for renewed licenses or registrations  
111.13 are not prorated. An individual or contractor that fails to renew a license or registration by  
111.14 the expiration date is unlicensed until the license or registration is renewed.

111.15 Sec. 3. Minnesota Statutes 2008, section 326B.46, subdivision 4, is amended to read:

111.16 Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay  
111.17 the department ~~an annual~~ a bond registration fee of \$40 for one year or \$80 for two years.

111.18 (b) The commissioner shall in a manner determined by the commissioner, without  
111.19 the need for any rulemaking under chapter 14, phase in the bond registration from one year  
111.20 to two years so that the expiration of bond registration corresponds with the expiration of  
111.21 the license issued under section 326B.49, subdivision 1, or 326B.475.

111.22 Sec. 4. Minnesota Statutes 2008, section 326B.475, subdivision 4, is amended to read:

111.23 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and  
111.24 restricted journeyman plumber license must be renewed ~~annually~~ for as long as that  
111.25 licensee engages in the plumbing trade. Failure to renew a restricted master plumber and  
111.26 restricted journeyman plumber license within 12 months after the expiration date will  
111.27 result in permanent forfeiture of the restricted master plumber and restricted journeyman  
111.28 plumber license.

111.29 (b) The commissioner shall in a manner determined by the commissioner, without  
111.30 the need for any rulemaking under chapter 14, phase in the renewal of restricted master  
111.31 plumber and restricted journeyman plumber licenses from one year to two years. By  
111.32 June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses  
111.33 shall be two-year licenses.

112.1 Sec. 5. Minnesota Statutes 2008, section 326B.475, subdivision 7, is amended to read:

112.2 Subd. 7. **Fee.** The ~~annual~~ renewal fee for the restricted master plumber and  
112.3 restricted journeyman plumber licenses is the same fee as for a master or journeyman  
112.4 plumber license, respectively.

112.5 Sec. 6. Minnesota Statutes 2008, section 326B.49, subdivision 1, is amended to read:

112.6 Subdivision 1. **Application.** (a) Applications for plumber's license shall be made to  
112.7 the commissioner, with fee. Unless the applicant is entitled to a renewal, the applicant  
112.8 shall be licensed by the commissioner only after passing a satisfactory examination  
112.9 developed and administered by the commissioner, based upon rules adopted by the  
112.10 Plumbing Board, showing fitness. Examination fees for both journeyman and master  
112.11 plumbers shall be \$50 for each examination. Upon being notified of having successfully  
112.12 passed the examination for original license the applicant shall submit an application,  
112.13 with the license fee herein provided. The license fee for each initial ~~and renewal~~ master  
112.14 plumber's license shall be ~~\$120~~ \$240. The license fee for each initial ~~and renewal~~  
112.15 journeyman plumber's license shall be ~~\$55~~ \$110. ~~The commissioner may by rule prescribe~~  
112.16 ~~for the expiration and renewal of licenses.~~

112.17 (b) All initial master and journeyman plumber's licenses shall be effective for more  
112.18 than one calendar year and shall expire on December 31 of the year after the year in which  
112.19 the application is made. The license fee for each renewal master plumber's license shall be  
112.20 \$120 for one year or \$240 for two years. The license fee for each renewal journeyman  
112.21 plumber's license shall be \$55 for one year or \$110 for two years. The commissioner  
112.22 shall in a manner determined by the commissioner, without the need for any rulemaking  
112.23 under chapter 14, phase in the renewal of master and journeyman plumber's licenses from  
112.24 one year to two years. By June 30, 2011, all renewed master and journeyman plumber's  
112.25 licenses shall be two-year licenses.

112.26 (c) Any licensee who does not renew a license within two years after the license  
112.27 expires is no longer eligible for renewal. Such an individual must retake and pass the  
112.28 examination before a new license will be issued. A journeyman or master plumber who  
112.29 submits a license renewal application after the time specified in rule but within two years  
112.30 after the license expired must pay all past due renewal fees plus a late fee of \$25.

112.31 Sec. 7. Minnesota Statutes 2008, section 326B.56, subdivision 4, is amended to read:

112.32 Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for  
112.33 one year or \$80 for two years from each applicant for issuance or renewal of a water

113.1 conditioning contractor or installer license who elects to proceed under subdivisions  
113.2 1 and 2.

113.3 (b) The commissioner shall in a manner determined by the commissioner, without  
113.4 the need for any rulemaking under chapter 14, phase in the bond registration from one year  
113.5 to two years so that the expiration of bond registration corresponds with the expiration of  
113.6 the license issued under section 326B.55.

113.7 Sec. 8. Minnesota Statutes 2008, section 326B.58, is amended to read:

113.8 **326B.58 FEES.**

113.9 (a) Examination fees for both water conditioning contractors and water conditioning  
113.10 installers shall be \$50 for each examination. Each initial water conditioning contractor  
113.11 and installer license shall be effective for more than one calendar year and shall expire on  
113.12 December 31 of the year for which it was issued after the year in which the application  
113.13 is made. The license fee for each initial water conditioning contractor's license shall be  
113.14 ~~\$70~~ \$140, except that the license fee shall be ~~\$35~~ \$105 if the application is submitted  
113.15 during the last three months of the calendar year. The license fee for each renewal water  
113.16 conditioning contractor's license shall be \$70 for one year or \$140 for two years. The  
113.17 license fee for each initial water conditioning installer license shall be ~~\$35~~ \$70, except  
113.18 that the license fee shall be ~~\$17.50~~ \$52.50 if the application is submitted during the last  
113.19 three months of the calendar year. The license fee for each renewal water conditioning  
113.20 installer license shall be \$35 for one year or \$70 for two years.

113.21 (b) The commissioner shall in a manner determined by the commissioner, without  
113.22 the need for any rulemaking under chapter 14, phase in the renewal of water conditioning  
113.23 contractor and installer licenses from one year to two years. By June 30, 2011, all renewed  
113.24 water conditioning contractor and installer licenses shall be two-year licenses. The  
113.25 commissioner may by rule prescribe for the expiration and renewal of licenses.

113.26 (c) Any licensee who does not renew a license within two years after the license  
113.27 expires is no longer eligible for renewal. Such an individual must retake and pass the  
113.28 examination before a new license will be issued. A water conditioning contractor or water  
113.29 conditioning installer who submits a license renewal application after the time specified  
113.30 in rule but within two years after the license expired must pay all past due renewal fees  
113.31 plus a late fee of \$25.

113.32 Sec. 9. Minnesota Statutes 2008, section 326B.815, subdivision 1, is amended to read:

113.33 Subdivision 1. **Licensing fee.** (a) The licensing fee for persons licensed pursuant  
113.34 to sections 326B.802 to 326B.885, except for manufactured home installers, is ~~\$100~~ per

114.1 ~~year~~ \$200 for a two-year period. The licensing fee for manufactured home installers under  
114.2 section 327B.041 is \$300 for a three-year period.

114.3 (b) All initial licenses, except for manufactured home installer licenses, shall be  
114.4 effective for two years and shall expire on March 31 of the year after the year in which the  
114.5 application is made. The license fee for each renewal of a residential contractor, residential  
114.6 remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.

114.7 (c) The commissioner shall in a manner determined by the commissioner, without  
114.8 the need for any rulemaking under chapter 14, phase in the renewal of residential  
114.9 contractor, residential remodeler, and residential roofer licenses from one year to two  
114.10 years. By June 30, 2011, all renewed residential contractor, residential remodeler, and  
114.11 residential roofer licenses shall be two-year licenses.

114.12 Sec. 10. Minnesota Statutes 2008, section 326B.821, subdivision 2, is amended to read:

114.13 Subd. 2. **Hours.** A qualifying person of a licensee must provide proof of completion  
114.14 of ~~seven~~ 14 hours of continuing education per ~~year~~ two-year licensure period in the  
114.15 regulated industry in which the licensee is licensed.

114.16 Credit may not be earned if the licensee has previously obtained credit for the same  
114.17 course as either a student or instructor during the same licensing period.

114.18 Sec. 11. Minnesota Statutes 2008, section 326B.86, subdivision 1, is amended to read:

114.19 Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed  
114.20 residential roofers must post a surety bond in the name of the licensee with the  
114.21 commissioner, conditioned that the applicant shall faithfully perform the duties and  
114.22 in all things comply with all laws, ordinances, and rules pertaining to the license or  
114.23 permit applied for and all contracts entered into. The ~~annual~~ bond must be continuous  
114.24 and maintained for so long as the licensee remains licensed. The aggregate liability of  
114.25 the surety on the bond to any and all persons, regardless of the number of claims made  
114.26 against the bond, may not exceed the amount of the bond. The bond may be canceled as  
114.27 to future liability by the surety upon 30 days' written notice mailed to the commissioner  
114.28 by regular mail.

114.29 (b) A licensed residential roofer must post a bond of at least \$15,000.

114.30 (c) A licensed manufactured home installer must post a bond of at least \$2,500.

114.31 Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts  
114.32 for purposes of sections 8.05 and 16C.05, subdivision 2.

114.33 Sec. 12. Minnesota Statutes 2008, section 326B.885, subdivision 2, is amended to read:

115.1 Subd. 2. **Annual Renewal period.** ~~Any license issued or renewed after August~~  
115.2 ~~1, 1993, must be renewed annually except for~~ (a) Residential contractor, residential  
115.3 remodeler, and residential roofer licenses shall have a renewal period of two years. The  
115.4 commissioner shall in a manner determined by the commissioner, without the need for any  
115.5 rulemaking under chapter 14, phase in the renewal of residential contractor, residential  
115.6 remodeler, and residential roofer licenses from one year to two years. By June 30, 2011,  
115.7 all renewed residential contractor, residential remodeler, and residential roofer licenses  
115.8 shall be two-year licenses.

115.9 (b) A manufactured home installer's license ~~which~~ shall have a renewal period of  
115.10 three years, effective for all renewals and new licenses issued after December 31, 2008.

115.11 Sec. 13. Minnesota Statutes 2008, section 326B.89, subdivision 3, is amended to read:

115.12 Subd. 3. **Fund fees.** In addition to any other fees, a person who applies for or  
115.13 renews a license under sections 326B.802 to 326B.885 shall pay a fee to the fund. The  
115.14 person shall pay, in addition to the appropriate application or renewal fee, the following  
115.15 additional fee that shall be deposited in the fund. The amount of the fee shall be based on  
115.16 the person's gross annual receipts for the person's most recent fiscal year preceding the  
115.17 application or renewal, on the following scale:

115.18	Fee	Gross Annual Receipts
115.19	<del>\$160</del> <u>\$320</u>	under \$1,000,000
115.20	<del>\$210</del> <u>\$420</u>	\$1,000,000 to \$5,000,000
115.21	<del>\$260</del> <u>\$520</u>	over \$5,000,000

115.22 Sec. 14. Minnesota Statutes 2008, section 326B.89, subdivision 16, is amended to read:

115.23 Subd. 16. **Additional assessment.** If the balance in the fund is at any time less  
115.24 than the commissioner determines is necessary to carry out the purposes of this section,  
115.25 every licensee, when renewing a license, shall pay, in addition to the annual renewal  
115.26 fee and the fee set forth in subdivision 3, an assessment not to exceed ~~\$100~~ \$200. The  
115.27 commissioner shall set the amount of assessment based on a reasonable determination  
115.28 of the amount that is necessary to restore a balance in the fund adequate to carry out the  
115.29 purposes of this section.

115.30 Sec. 15. Minnesota Statutes 2008, section 326B.94, subdivision 4, is amended to read:

115.31 Subd. 4. **Examinations, licensing.** The commissioner shall develop and administer  
115.32 an examination for all masters of boats carrying passengers for hire on the inland waters of  
115.33 the state as to their qualifications and fitness. If found qualified and competent to perform

116.1 their duties as a master of a boat carrying passengers for hire, they shall be issued a license  
116.2 authorizing them to act as such on the inland waters of the state. ~~The license shall be~~  
116.3 ~~renewed annually.~~ All initial master's licenses shall be for two years. The commissioner  
116.4 shall in a manner determined by the commissioner, without the need for any rulemaking  
116.5 under chapter 14, phase in the renewal of master's licenses from one year to two years.  
116.6 By June 30, 2011, all renewed master's licenses shall be two-year licenses. Fees for the  
116.7 original issue and renewal of the license authorized under this section shall be pursuant to  
116.8 section 326B.986, subdivision 2.

116.9 Sec. 16. Minnesota Statutes 2008, section 326B.972, is amended to read:

116.10 **326B.972 LICENSE REQUIREMENT.**

116.11 (a) To operate a boiler, steam engine, or turbine an individual must have received a  
116.12 license for the grade covering that boiler, steam engine, or turbine. ~~The license must be~~  
116.13 ~~renewed annually, except as provided~~ Except for licenses described in section 326B.956  
116.14 and except for provisional licenses described in paragraphs (d) to (g):

116.15 (1) all initial licenses shall be for two years;

116.16 (2) the commissioner shall in a manner determined by the commissioner, without  
116.17 the need for any rulemaking under chapter 14, phase in the renewal of licenses from  
116.18 one year to two years; and

116.19 (3) by June 30, 2011, all licenses shall be two-year licenses.

116.20 (b) For purposes of sections 326B.952 to 326B.998, "operation" does not include  
116.21 monitoring of an automatic boiler, either through on premises inspection of the boiler or  
116.22 by remote electronic surveillance, provided that no operations are performed upon the  
116.23 boiler other than emergency shut down in alarm situations.

116.24 (c) No individual under the influence of illegal drugs or alcohol may operate a boiler,  
116.25 steam engine, or turbine or monitor an automatic boiler.

116.26 (d) The commissioner may issue a provisional license to allow an employee of a  
116.27 high pressure boiler plant to operate boilers greater than 500 horsepower at only that  
116.28 boiler plant if:

116.29 (1) the boiler plant has a designated chief engineer in accordance with Minnesota  
116.30 Rules, part 5225.0410;

116.31 (2) the boiler plant employee holds a valid license as a second-class engineer,  
116.32 Grade A or B;

116.33 (3) the chief engineer in charge of the boiler plant submits an application to the  
116.34 commissioner on a form prescribed by the commissioner to elicit information on whether  
116.35 the requirements of this paragraph have been met;

117.1 (4) the chief engineer in charge of the boiler plant and an authorized representative  
117.2 of the owner of the boiler plant both sign the application for the provisional license;

117.3 (5) the owner of the boiler plant has a documented training program with examination  
117.4 for boilers and equipment at the boiler plant to train and test the boiler plant employee; and

117.5 (6) if the application were to be granted, the total number of provisional licenses  
117.6 for employees of the boiler plant would not exceed the total number of properly licensed  
117.7 first-class engineers and chief engineers responsible for the safe operation of the boilers  
117.8 at the boiler plant.

117.9 (e) A public utility, cooperative electric association, generation and transmission  
117.10 cooperative electric association, municipal power agency, or municipal electric utility  
117.11 that employs licensed boiler operators who are subject to an existing labor contract may  
117.12 use a provisional licensee as an operator only if using the provisional licensee does not  
117.13 violate the labor contract.

117.14 (f) Each provisional license expires 36 months after the date of issuance unless  
117.15 revoked less than 36 months after the date of issuance. A provisional license may not be  
117.16 renewed.

117.17 (g) The commissioner may issue no more than two provisional licenses to any  
117.18 individual within a four-year period.

117.19 Sec. 17. Minnesota Statutes 2008, section 326B.986, subdivision 2, is amended to read:

117.20 Subd. 2. **Fee amounts; master's.** The license and application fee for ~~a~~ an initial  
117.21 master's license is ~~\$50~~ \$70, or ~~\$20~~ \$40 if the applicant possesses a valid, unlimited, current  
117.22 United States Coast Guard master's license. ~~The annual renewal of fee for a master's~~  
117.23 ~~license is \$20 for one year or \$40 for two years. The annual renewal~~ If the renewal fee is  
117.24 paid later than 30 days after expiration is \$35. The fee for replacement of a current, valid  
117.25 license is \$20, then a late fee of \$15 will be added to the renewal fee.

117.26 Sec. 18. Minnesota Statutes 2008, section 326B.986, subdivision 5, is amended to read:

117.27 Subd. 5. **Boiler engineer license fees.** (a) For the following licenses, the  
117.28 nonrefundable license and application fee is:

117.29 (1) chief engineer's license, ~~\$50~~ \$70;

117.30 (2) first class engineer's license, ~~\$50~~ \$70;

117.31 (3) second class engineer's license, ~~\$50~~ \$70;

117.32 (4) special engineer's license, ~~\$20~~ \$40;

117.33 (5) traction or hobby boiler engineer's license, \$50; and

117.34 (6) provisional license, \$50.

118.1           (b) An engineer's license, except a provisional license, may be renewed upon  
118.2 application and payment of ~~an annual~~ a renewal fee of \$20 for one year or \$40 for two  
118.3 years. ~~The annual renewal.~~ If the renewal fee is paid later than 30 days after expiration,  
118.4 is \$35. ~~The fee for replacement of a current, valid license is \$20~~ then a late fee of \$15  
118.5 will be added to the renewal fee.

118.6           Sec. 19. Minnesota Statutes 2008, section 326B.986, subdivision 8, is amended to read:

118.7           Subd. 8. **Certificate of competency.** The fee for issuance of the original state  
118.8 of Minnesota certificate of competency for inspectors is ~~\$50. This fee is waived~~ \$85  
118.9 for inspectors who did not pay the examination fee or \$35 for inspectors who paid  
118.10 the examination fee. All initial certificates of competency shall be effective for more  
118.11 than one calendar year and shall expire on December 31 of the year after the year in  
118.12 which the application is made. The commissioner shall in a manner determined by the  
118.13 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal  
118.14 of certificates of competency from one calendar year to two calendar years. By June 30,  
118.15 2011, all renewed certificates of competency shall be valid for two calendar years. The fee  
118.16 for ~~an annual~~ renewal of the state of Minnesota certificate of competency is \$35 for one  
118.17 year or \$70 for two years, and is due January 1 of each year. ~~The fee for replacement of a~~  
118.18 ~~current, valid license is \$35~~ the day after the certificate expires.

118.19           Sec. 20. Minnesota Statutes 2008, section 327B.04, subdivision 7, is amended to read:

118.20           Subd. 7. ~~Fees; Licenses; when granted.~~ Each application for a license or license  
118.21 renewal must be accompanied by a fee in an amount established by ~~the commissioner by~~  
118.22 ~~rule pursuant to section 327B.10~~ subdivision 7a. The fees shall be set in an amount which  
118.23 over the fiscal biennium will produce revenues approximately equal to the expenses which  
118.24 the commissioner expects to incur during that fiscal biennium while administering and  
118.25 enforcing sections 327B.01 to 327B.12. The commissioner shall grant or deny a license  
118.26 application or a renewal application within 60 days of its filing. If the license is granted,  
118.27 the commissioner shall license the applicant as a dealer or manufacturer for the remainder  
118.28 of the ~~calendar year~~ licensure period. Upon application by the licensee, the commissioner  
118.29 shall renew the license for a two year period, if:

118.30           ~~(a)~~ (1) the renewal application satisfies the requirements of subdivisions 3 and 4;

118.31           ~~(b)~~ (2) the renewal applicant has made all listings, registrations, notices and reports  
118.32 required by the commissioner during the preceding ~~year~~ licensure period; and

118.33           ~~(c)~~ (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to  
118.34 327B.12 and all taxes, arrearages, and penalties owed to the state.

119.1 Sec. 21. Minnesota Statutes 2008, section 327B.04, is amended by adding a  
119.2 subdivision to read:

119.3 Subd. 7a. Fees. (a) Fees for licenses issued pursuant to this section are as follows:

119.4 (1) initial dealer license for principal location, \$400;

119.5 (2) initial dealer license for subagency location, \$80;

119.6 (3) dealer license biennial renewal, principal location, \$400; dealer subagency  
119.7 location biennial renewal, \$160, which must coincide with the principal license date;

119.8 (4) initial limited dealer license, \$200;

119.9 (5) change of bonding company, \$10;

119.10 (6) reinstatement of bond after cancellation notice has been received, \$10;

119.11 (7) checks returned without payment, \$15; and

119.12 (8) change of address, \$10.

119.13 (b) All initial limited dealer licenses shall be effective for more than one calendar  
119.14 year and shall expire on December 31 of the year after the year in which the application  
119.15 is made.

119.16 (c) The license fee for each renewed limited dealer license shall be \$100 for one  
119.17 year and \$200 for two years. The commissioner shall in a manner determined by the  
119.18 commissioner, without the need for any rulemaking under chapter 14, phase in the renewal  
119.19 of limited dealer licenses from one year to two years. By June 30, 2011, all renewed  
119.20 limited dealer licenses shall be two-year licenses.

119.21 (d) All fees are nonrefundable.

119.22 Sec. 22. Minnesota Statutes 2008, section 327B.04, subdivision 8, is amended to read:

119.23 **Subd. 8. Limited dealer's license.** The commissioner shall issue a limited dealer's  
119.24 license to an owner of a manufactured home park authorizing the licensee as principal  
119.25 only to engage in the sale, offering for sale, soliciting, or advertising the sale of used  
119.26 manufactured homes located in the owned manufactured home park. The licensee must  
119.27 be the title holder of the homes and may engage in no more than ten sales ~~annually~~  
119.28 during each year of the two-year licensure period. An owner may, upon payment of the  
119.29 applicable fee and compliance with this subdivision, obtain a separate license for each  
119.30 owned manufactured home park and is entitled to sell up to ~~ten~~ 20 homes per license  
119.31 period provided that only one limited dealer license may be issued for each park. The  
119.32 license shall be issued after:

119.33 (1) receipt of an application on forms provided by the commissioner containing  
119.34 the following information:

119.35 (i) the identity of the applicant;

- 120.1 (ii) the name under which the applicant will be licensed and do business in this state;
- 120.2 (iii) the name and address of the owned manufactured home park, including a copy
- 120.3 of the park license, serving as the basis for the issuance of the license;
- 120.4 (iv) the name, home, and business address of the applicant;
- 120.5 (v) the name, address, and telephone number of one individual that is designated
- 120.6 by the applicant to receive all communications and cooperate with all inspections and
- 120.7 investigations of the commissioner pertaining to the sale of manufactured homes in the
- 120.8 manufactured home park owned by the applicant;
- 120.9 (vi) whether the applicant or its designated individual has been convicted of a crime
- 120.10 within the previous ten years that is either related directly to the business for which the
- 120.11 license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a
- 120.12 judgment in a civil action involving fraud, misrepresentation, or conversion within the
- 120.13 previous five years or has had any government license or permit suspended or revoked
- 120.14 as a result of an action brought by a federal or state governmental agency in this or any
- 120.15 other state within the last five years; and
- 120.16 (vii) the applicant's qualifications and business history, including whether the
- 120.17 applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has
- 120.18 any unsatisfied court judgments outstanding against it or them;
- 120.19 (2) payment of ~~a \$100 annual~~ the license fee established by subdivision 7a; and
- 120.20 (3) provision of a surety bond in the amount of \$5,000. A separate surety bond
- 120.21 must be provided for each limited license.

120.22 The applicant need not comply with section 327B.04, subdivision 4, paragraph (e).

120.23 The holding of a limited dealer's license does not satisfy the requirement contained in

120.24 section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect

120.25 to obtaining a dealer license. The commissioner may, upon application for a renewal of

120.26 a license, require only a verification that copies of sales documents have been retained

120.27 and payment of ~~a \$100~~ the renewal fee established by subdivision 7a. "Sales documents"

120.28 mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a,

120.29 title of the home, financing agreements, and purchase agreements.

120.30 The license holder shall, upon request of the commissioner, make available for

120.31 inspection during business hours sales documents required to be retained under this

120.32 subdivision.

120.33 **Sec. 23. REPEALER.**

120.34 Minnesota Rules, part 1350.8300, is repealed.

**ARTICLE 7**

**MISCELLANEOUS**

121.1

121.2

121.3 Section 1. Minnesota Statutes 2008, section 85.0146, subdivision 1, is amended to read:

121.4 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation  
121.5 Area Citizens Advisory Council is established. Notwithstanding section 15.059, the  
121.6 council does not expire. Membership on the advisory council shall include:

121.7 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers  
121.8 Board;

121.9 (2) a representative of the Croft Mine Historical Park Joint Powers Board;

121.10 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has  
121.11 worked as a miner in the local area;

121.12 (4) a representative of the Crow Wing County Board;

121.13 (5) an elected state official;

121.14 (6) a representative of the Grand Rapids regional office of the Department of Natural  
121.15 Resources;

121.16 (7) a designee of the Iron Range Resources and Rehabilitation Board;

121.17 (8) a designee of the local business community selected by the area chambers of  
121.18 commerce;

121.19 (9) a designee of the local environmental community selected by the Crow Wing  
121.20 County District 5 commissioner;

121.21 (10) a designee of a local education organization selected by the Crosby-Ironton  
121.22 School Board;

121.23 (11) a designee of one of the recreation area user groups selected by the Cuyuna  
121.24 Range Chamber of Commerce; and

121.25 (12) a member of the Cuyuna Country Heritage Preservation Society.

121.26 Sec. 2. Minnesota Statutes 2008, section 89A.08, subdivision 1, is amended to read:

121.27 Subdivision 1. **Establishment.** The council shall appoint a Forest Resources  
121.28 Research Advisory Committee. Notwithstanding section 15.059, the council does not  
121.29 expire. The committee must consist of representatives of:

121.30 (1) the College of Natural Resources, University of Minnesota;

121.31 (2) the Natural Resources Research Institute, University of Minnesota;

121.32 (3) the department;

121.33 (4) the North Central Forest Experiment Station, United States Forest Service; and

121.34 (5) other organizations as deemed appropriate by the council.

122.1 Sec. 3. **[90.43] DUTY TO MAINTAIN WOOD PRODUCTS FACILITY.**

122.2 The owner or operator of a wood products facility shall maintain the facility in  
122.3 salable operating condition for at least two years after it permanently discontinues  
122.4 operation of the facility to ensure that public and utility investments in the facility are  
122.5 protected and that the facility's tax and other obligations to state and local governments  
122.6 and other residents of Minnesota created by contract or otherwise are satisfied. These  
122.7 obligations include, in addition to any other obligations, any obligation created by "the  
122.8 relief payment for timber sale permits" program created by Laws 2007, chapter 57, article  
122.9 1, section 158. Specifically, and in addition to other obligations on an owner or operator,  
122.10 this section prohibits the permanent removal from the facility of equipment necessary for  
122.11 the facility's operation during the two-year period. The requirements of this section are  
122.12 enforceable on all owners and operators and successors of owners and operators and shall  
122.13 be enforced by the state in any action brought by the state or others, including actions in  
122.14 bankruptcy. The attorney general shall bring an action to prevent a violation or threatened  
122.15 violation of this section. For the purpose of this section, "wood products facility" means a  
122.16 lumber or other company facility that employed more than 100 employees at the facility  
122.17 at any time in the five-year period immediately prior to discontinuing operations, had  
122.18 permits to harvest timber used in that operation, and manufactured products derived  
122.19 from wood at the facility.

122.20 **EFFECTIVE DATE.** This section is effective the day following final enactment  
122.21 and applies retroactively to the discontinuance of operation occurring on or after January  
122.22 1, 2008.

122.23 Sec. 4. Minnesota Statutes 2008, section 154.001, is amended to read:

122.24 **154.001 BOARD OF BARBER ~~AND COSMETOLOGIST~~ EXAMINERS**  
122.25 **CREATED; TERMS.**

122.26 Subdivision 1. **Definition.** For the purposes of this chapter, "board" means the  
122.27 Board of Barber Examiners.

122.28 Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber ~~and Cosmetologist~~  
122.29 Examiners is established to consist of three barber members, ~~three cosmetologist members,~~  
122.30 and one public member, as defined in section 214.02, appointed by the governor.

122.31 (b) The barber members shall be persons who have practiced as registered barbers in  
122.32 this state for at least five years immediately prior to their appointment; shall be graduates  
122.33 from the 12th grade of a high school or have equivalent education, and shall have  
122.34 knowledge of the matters to be taught in registered barber schools, as set forth in section

123.1 154.07. One of the barber members shall be a member of, or recommended by, a union of  
123.2 journeymen barbers that has existed at least two years, and one barber member shall be a  
123.3 member of, or recommended by, a professional organization of barbers.

123.4 ~~(e) All cosmetologist members must be currently licensed in the field of cosmetology~~  
123.5 ~~in Minnesota, have practiced in the licensed occupation for at least five years immediately~~  
123.6 ~~prior to their appointment, be graduates from the 12th grade of high school or have~~  
123.7 ~~equivalent education, and have knowledge of sections 154.40 to 154.54 and Minnesota~~  
123.8 ~~Rules, chapters 2642 and 2644. The cosmetologist members shall be members of,~~  
123.9 ~~or recommended by, a professional organization of cosmetologists, manicurists, or~~  
123.10 ~~estheticians.~~

123.11 ~~(d)~~ Subd. 3. Membership terms. (a) Membership terms, compensation of  
123.12 members, removal of members, the filling of membership vacancies, and fiscal year and  
123.13 reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of  
123.14 staff, administrative services and office space; the review and processing of complaints;  
123.15 the setting of board fees; and other provisions relating to board operations shall be as  
123.16 provided in chapter 214.

123.17 ~~(e)~~ (b) Members appointed to fill vacancies caused by death, resignation, or removal  
123.18 shall serve during the unexpired term of their predecessors.

123.19 ~~(f) The barber members of the board shall separately oversee administration,~~  
123.20 ~~enforcement, and regulation of, and adoption of rules under, sections 154.001, 154.002,~~  
123.21 ~~154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26. The cosmetologist~~  
123.22 ~~members of the board shall separately oversee administration, enforcement, and regulation~~  
123.23 ~~of, and adoption of rules under, sections 154.40 to 154.54. Staff hired by the board,~~  
123.24 ~~including inspectors, shall serve both professions.~~

123.25 Sec. 5. Minnesota Statutes 2008, section 154.19, is amended to read:

123.26 **154.19 VIOLATIONS.**

123.27 Each of the following constitutes a misdemeanor:

123.28 (1) The violation of any of the provisions of section 154.01;

123.29 (2) Permitting any person in one's employ, supervision, or control to practice as a  
123.30 registered barber or registered apprentice unless that person has a certificate of registration  
123.31 as a registered barber or registered apprentice;

123.32 (3) Obtaining or attempting to obtain a certificate of registration for money other  
123.33 than the required fee, or any other thing of value, or by fraudulent misrepresentation;

123.34 (4) Practicing or attempting to practice by fraudulent misrepresentation;

124.1 (5) The willful failure to display a certificate of registration as required by section  
124.2 154.14;

124.3 (6) The use of any room or place for barbering which is also used for residential or  
124.4 business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles,  
124.5 cigars, tobacco, candies in original package, and such commodities as are used and sold in  
124.6 barber shops, and except that shoeshining and an agency for the reception and delivery of  
124.7 laundry, or either, may be conducted in a barber shop without the same being construed  
124.8 as a violation of this section, unless a substantial partition of ceiling height separates the  
124.9 portion used for residential or business purposes, and where a barber shop is situated in a  
124.10 residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store,  
124.11 hardware store, or soft drink parlor, there must be an outside entrance leading into the  
124.12 barber shop independent of any entrance leading into such business establishment, except  
124.13 that this provision as to an outside entrance shall not apply to barber shops in operation at  
124.14 the time of the passage of this section and except that a barber shop and beauty parlor may  
124.15 be operated in conjunction, without the same being separated by partition of ceiling height;

124.16 (7) The failure or refusal of any barber or other person in charge of any barber shop,  
124.17 or any person in barber schools or colleges doing barber service work, to use separate  
124.18 and clean towels for each customer or patron, or to discard and launder each towel after  
124.19 once being used;

124.20 (8) The failure or refusal by any barber or other person in charge of any barber shop  
124.21 or barber school or barber college to supply clean hot and cold water in such quantities as  
124.22 may be necessary to conduct such shop, or the barbering service of such school or college,  
124.23 in a sanitary manner, or the failure or refusal of any such person to have water and sewer  
124.24 connections from such shop, or barber school or college, with municipal water and sewer  
124.25 systems where the latter are available for use, or the failure or refusal of any such person  
124.26 to maintain a receptacle for hot water of a capacity of not less than five gallons;

124.27 (9) For the purposes of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.161,~~  
124.28 ~~154.19 to 154.21, and 154.24 to 154.26~~ this section, barbers, students, apprentices, or  
124.29 the proprietor or manager of a barber shop, or barber school or barber college, shall be  
124.30 responsible for all violations of the sanitary provisions of ~~sections 154.001, 154.002,~~  
124.31 ~~154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26~~ this section, and if  
124.32 any barber shop, or barber school or barber college, upon inspection, shall be found to be  
124.33 in an unsanitary condition, the person making such inspection shall immediately issue an  
124.34 order to place the barber shop, or barber school, or barber college, in a sanitary condition,  
124.35 in a manner and within a time satisfactory to the Board of Barber and Cosmetologist  
124.36 Examiners, and for the failure to comply with such order the board shall immediately

125.1 file a complaint for the arrest of the persons upon whom the order was issued, and any  
125.2 registered barber who shall fail to comply with the rules adopted by the Board of Barber  
125.3 and Cosmetologist Examiners, with the approval of the state commissioner of health, or  
125.4 the violation or commission of any of the offenses described in this section and section  
125.5 ~~154.16~~ 154.161, subdivision 4, paragraph (a), clauses (1), (2), (3), and (4), (5), (6), (7),  
125.6 ~~(8), (9) to (12), and of clauses (1), (2), (3), (4), (5), (6), (7), (8), and (9) of this section,~~  
125.7 shall be fined not less than \$10 or imprisoned for ten days and not more than \$100 or  
125.8 imprisoned for 90 days.

125.9 Sec. 6. Minnesota Statutes 2008, section 154.44, subdivision 1, is amended to read:

125.10 Subdivision 1. **Schedule.** The fee schedule for licensees is as follows:

125.11 (a) Three-year license fees:

125.12 (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for  
125.13 each renewal;

125.14 (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;

125.15 (3) salon, \$130 for each initial license, and \$100 for each renewal; and

125.16 (4) school, \$1,500.

125.17 (b) Penalties:

125.18 (1) reinspection fee, variable; ~~and~~

125.19 (2) manager with lapsed practitioner, \$25;

125.20 (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and  
125.21 instructor license, \$45; and

125.22 (4) expired salon or school license, \$50.

125.23 (c) Administrative fees:

125.24 (1) certificate of identification, \$20; ~~and~~

125.25 (2) school original application, \$150;

125.26 (3) name change, \$20;

125.27 (4) letter of license verification, \$30;

125.28 (5) duplicate license, \$20; and

125.29 (6) processing fee, \$10.

125.30 (d) All fees established in this subdivision must be paid to the executive secretary  
125.31 of the board. The executive secretary of the board shall deposit the fees in the general  
125.32 fund in the state treasury.

125.33 Sec. 7. Minnesota Statutes 2008, section 154.51, is amended to read:

125.34 **154.51 ENFORCEMENT.**

126.1            Subdivision 1. **Proceedings.** ~~The provisions of section 154.161 apply to the~~  
126.2 ~~administration of sections 154.40 to 154.54.~~ If the board, or a complaint committee if  
126.3 authorized by the board, has a reasonable basis for believing that a person has engaged in  
126.4 or is about to engage in a violation of a statute, rule, or order that the board has adopted  
126.5 or issued or is empowered to enforce, the board or complaint committee may proceed as  
126.6 provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings  
126.7 must be conducted in accordance with the Administrative Procedure Act.

126.8            Subd. 2. **Legal actions.** (a) When necessary to prevent an imminent violation of a  
126.9 statute, rule, or order that the board has adopted or issued or is empowered to enforce, the  
126.10 board, or a complaint committee if authorized by the board, may bring an action in the  
126.11 name of the state in the District Court of Ramsey County in which jurisdiction is proper to  
126.12 enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a  
126.13 showing that a person has engaged in or is about to engage in an act or practice that  
126.14 constitutes a violation of a statute, rule, or order that the board has adopted or issued  
126.15 or is empowered to enforce, the court shall grant a permanent or temporary injunction,  
126.16 restraining order, or other appropriate relief.

126.17            (b) For purposes of injunctive relief under this subdivision, irreparable harm exists  
126.18 when the board shows that a person has engaged in or is about to engage in an act or  
126.19 practice that constitutes violation of a statute, rule, or order that the board has adopted or  
126.20 issued or is empowered to enforce.

126.21            (c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person  
126.22 from criminal prosecution by a competent authority, or from action by the board under  
126.23 subdivision 3, 4, 5, or 6 with respect to the person's license or registration, or application  
126.24 for examination, license, registration, or renewal.

126.25            Subd. 3. **Cease and desist orders.** (a) The board, or complaint committee if  
126.26 authorized by the board, may issue and have served upon an unlicensed or unregistered  
126.27 person, or a holder of a license or registration, an order requiring the person to cease and  
126.28 desist from an act or practice that constitutes a violation of a statute, rule, or order that  
126.29 the board has adopted or issued or is empowered to enforce. The order must (1) give  
126.30 reasonable notice of the rights of the person named in the order to request a hearing,  
126.31 and (2) state the reasons for the entry of the order. No order may be issued under this  
126.32 subdivision until an investigation of the facts has been conducted under section 214.10.

126.33            (b) Service of the order under this subdivision is effective when the order is  
126.34 personally served on the person or counsel of record, or served by certified mail to the  
126.35 most recent address provided to the board for the person or counsel of record.

127.1 (c) The board must hold a hearing under this subdivision not later than 30 days after  
127.2 the board receives the request for the hearing, unless otherwise agreed between the board,  
127.3 or complaint committee if authorized by the board, and the person requesting the hearing.

127.4 (d) Notwithstanding any rule to the contrary, the administrative law judge must issue  
127.5 a report within 30 days of the close of the contested case hearing. Within 30 days after  
127.6 receiving the report and subsequent exceptions and argument, the board shall issue a  
127.7 further order vacating, modifying, or making permanent the cease and desist order. If no  
127.8 hearing is requested within 30 days of service of the order, the order becomes final and  
127.9 remains in effect until modified or vacated by the board.

127.10 Subd. 4. **Licensing and registration actions.** (a) With respect to a person who is a  
127.11 holder of or applicant for a license or registration under this chapter, the board may by  
127.12 order deny, refuse to renew, suspend, temporarily suspend, or revoke the application,  
127.13 license, or registration, censure or reprimand the person, refuse to permit the person to  
127.14 sit for examination, or refuse to release the person's examination grades, if the board  
127.15 finds that such an order is in the public interest and that, based on a preponderance of the  
127.16 evidence presented, the person has:

127.17 (1) violated a statute, rule, or order that the board has adopted or issued or is  
127.18 empowered to enforce;

127.19 (2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether  
127.20 or not the conduct or acts relate to the practice of a profession regulated by this chapter, if  
127.21 the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's  
127.22 ability or fitness to engage in the practice of the profession;

127.23 (3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate  
127.24 incompetence, or are otherwise in violation of the standards in the rules of the board,  
127.25 where the conduct or acts relate to the practice of a profession regulated by this chapter;

127.26 (4) employed fraud or deception in obtaining a license, registration, renewal, or  
127.27 reinstatement, or in passing all or a portion of the examination;

127.28 (5) had a license, registration, right to examine, or other similar authority revoked in  
127.29 another jurisdiction;

127.30 (6) failed to meet any requirement for issuance or renewal of the person's license  
127.31 or registration;

127.32 (7) practiced in a profession regulated by this chapter while having an infectious or  
127.33 contagious disease;

127.34 (8) advertised by means of false or deceptive statements;

127.35 (9) demonstrated intoxication or indulgence in the use of drugs, including but not  
127.36 limited to narcotics as defined in section 152.01 or in United States Code, title 26, section

- 128.1 4731, barbiturates, amphetamines, Benzedrine, Dexedrine, or other sedatives, depressants,  
128.2 stimulants, or tranquilizers;
- 128.3 (10) demonstrated unprofessional conduct or practice;
- 128.4 (11) permitted an employee or other person under the person's supervision or control  
128.5 to practice as a licensee, registrant, or instructor of a profession regulated by this chapter  
128.6 unless that person has (i) a current license or registration issued by the board, (ii) a  
128.7 temporary apprentice permit, or (iii) a temporary permit as an instructor of a profession  
128.8 regulated by the board;
- 128.9 (12) practices, offered to practice, or attempted to practice by misrepresentation;
- 128.10 (13) failed to display a license or registration as required by rules adopted by the  
128.11 board;
- 128.12 (14) used any room or place of practice of a profession regulated by the board that  
128.13 is also used for any other purpose, or used any room or place of practice of a profession  
128.14 regulated by the board that violates the board's rules governing sanitation;
- 128.15 (15) failed to use separate and clean towels for each customer or patron, or to discard  
128.16 and launder each towel after being used once;
- 128.17 (16) in the case of a licensee, registrant, or other person in charge of any school or  
128.18 place of practice of a profession regulated by the board, (i) failed to supply in a sanitary  
128.19 manner clean hot and cold water in quantities necessary to conduct the service or practice  
128.20 of the profession regulated by the board, (ii) failed to have water and sewer connections  
128.21 from the place of practice or school with municipal water and sewer systems where they  
128.22 are available for use, or (iii) failed or refused to maintain a receptacle for hot water of a  
128.23 capacity of at least five gallons;
- 128.24 (17) refused to permit the board to make an inspection permitted or required by this  
128.25 chapter, or failed to provide the board or the attorney general on behalf of the board  
128.26 with any documents or records they request;
- 128.27 (18) failed promptly to renew a license or registration when remaining in practice,  
128.28 pay the required fee, or issue a worthless check;
- 128.29 (19) failed to supervise an apprentice, or permitted the practice of a profession  
128.30 regulated by the board by a person not registered or licensed with the board or not holding  
128.31 a temporary permit;
- 128.32 (20) refused to serve a customer because of race, color, creed, religion, disability,  
128.33 national origin, or sex;
- 128.34 (21) failed to comply with a provision of chapter 141 or a provision of another  
128.35 chapter that relates to schools; or

129.1 (22) with respect to temporary suspension orders, has committed an act, engaged  
129.2 in conduct, or committed practices that the board, or complaint committee if authorized  
129.3 by the board, has determined may result or may have resulted in an immediate threat  
129.4 to the public.

129.5 (b) In lieu of or in addition to any remedy under paragraph (a), the board may, as a  
129.6 condition of continued licensure or registration, termination of suspension, reinstatement  
129.7 of licensure or registration, examination, or release of examination results, require that  
129.8 the person:

129.9 (1) submit to a quality review of the person's ability, skills, or quality of work,  
129.10 conducted in a manner and by a person or entity that the board determines; or

129.11 (2) completes to the board's satisfaction continuing education as the board requires.

129.12 (c) Service of an order under this subdivision is effective if the order is served in  
129.13 person, or is served by certified mail to the most recent address provided to the board by  
129.14 the licensee, registrant, applicant, or counsel of record. The order must state the reason  
129.15 for the entry of the order.

129.16 (d) Except as provided in subdivision 5, paragraph (c), all hearings under this  
129.17 subdivision must be conducted in accordance with the Administrative Procedure Act.

129.18 Subd. 5. **Temporary suspension.** (a) When the board, or complaint committee if  
129.19 authorized by the board, issues a temporary suspension order, the suspension provided for  
129.20 in the order is effective on service of a written copy of the order on the licensee, registrant,  
129.21 or counsel of record. The order must specify the statute, rule, or order violated by the  
129.22 licensee or registrant. The order remains in effect until the board issues a final order in the  
129.23 matter after a hearing, or on agreement between the board and the licensee or registrant.

129.24 (b) An order under this subdivision may (1) prohibit the licensee or registrant from  
129.25 engaging in the practice of a profession regulated by the board in whole or in part, as the  
129.26 facts require, and (2) condition the termination of the suspension on compliance with a  
129.27 statute, rule, or order that the board has adopted or issued or is empowered to enforce.  
129.28 The order must state the reasons for entering the order and must set forth the right to  
129.29 a hearing as provided in this subdivision.

129.30 (c) Within ten days after service of an order under this subdivision, the licensee or  
129.31 registrant may request a hearing in writing. The board must hold a hearing before its own  
129.32 members within five working days of the request for a hearing. The sole issue at the  
129.33 hearing must be whether there is a reasonable basis to continue, modify, or terminate the  
129.34 temporary suspension. The hearing is not subject to the Administrative Procedure Act.  
129.35 Evidence presented to the board or the licensee or registrant may be in affidavit form only.  
129.36 The licensee, registrant, or counsel of record may appear for oral argument.

130.1 (d) Within five working days after the hearing, the board shall issue its order and, if  
130.2 the order continues the suspension, shall schedule a contested case hearing within 30 days  
130.3 of the issuance of the order. Notwithstanding any rule to the contrary, the administrative  
130.4 law judge shall issue a report within 30 days after the closing of the contested case hearing  
130.5 record. The board shall issue a final order within 30 days of receiving the report.

130.6 Subd. 6. **Violations; penalties; costs.** (a) The board may impose a civil penalty of  
130.7 up to \$2,000 per violation on a person who violates a statute, rule, or order that the board  
130.8 has adopted or issued or is empowered to enforce.

130.9 (b) In addition to any penalty under paragraph (a), the board may impose a fee  
130.10 to reimburse the board for all or part of the cost of (1) the proceedings resulting in  
130.11 disciplinary action authorized under this section, (2) the imposition of a civil penalty under  
130.12 paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a  
130.13 fee under this paragraph when the board shows that the position of the person who has  
130.14 violated a statute, rule, or order that the board has adopted or issued or is empowered to  
130.15 enforce is not substantially justified unless special circumstances make such a fee unjust,  
130.16 notwithstanding any rule to the contrary. Costs under this paragraph include, but are not  
130.17 limited to, the amount paid by the board for services from the Office of Administrative  
130.18 Hearings, attorney fees, court reporter costs, witness costs, reproduction of records, board  
130.19 members' compensation, board staff time, and expenses incurred by board members and  
130.20 staff.

130.21 (c) All hearings under this subdivision must be conducted in accordance with the  
130.22 Administrative Procedure Act.

130.23 Subd. 7. **Reinstatement.** Upon petition of the former or suspended licensee or  
130.24 registrant, the board may reinstate a suspended, revoked, or surrendered license or  
130.25 registration. The board may in its sole discretion place any conditions on reinstatement of  
130.26 a suspended, revoked, or surrendered license or registration that it finds appropriate and  
130.27 necessary to ensure that the purposes of this chapter are met. No license or registration  
130.28 may be reinstated until the former licensee or registrant has completed at least one-half  
130.29 of the suspension period.

130.30 **Sec. 8. [155A.20] BOARD OF COSMETOLOGIST EXAMINERS CREATED;**  
130.31 **TERMS.**

130.32 (a) A Board of Cosmetologist Examiners is established to consist of three  
130.33 cosmetologist members and one public member, as defined in section 214.02, appointed  
130.34 by the governor.

131.1 (b) All cosmetologist members must be currently licensed in the field of cosmetology  
131.2 in Minnesota, have practiced in the licensed occupation for at least five years immediately  
131.3 prior to their appointment, be graduates from grade 12 of high school or have equivalent  
131.4 education, and have knowledge of sections 154.40 to 154.54 and Minnesota Rules, chapters  
131.5 2105 and 2110. The cosmetologist members shall be members of, or recommended by, a  
131.6 professional organization of cosmetologists, manicurists, or estheticians.

131.7 (c) Membership terms, compensation of members, removal of members, the filling  
131.8 of membership vacancies, and fiscal year and reporting requirements shall be as provided  
131.9 in sections 214.07 to 214.09. The provision of staff, administrative services, and office  
131.10 space; the review and processing of complaints; the setting of board fees; and other  
131.11 provisions relating to board operations shall be as provided in chapter 214.

131.12 (d) Members appointed to fill vacancies caused by death, resignation, or removal  
131.13 shall serve during the unexpired term of their predecessors.

131.14 Sec. 9. Minnesota Statutes 2008, section 178.02, subdivision 2, is amended to read:

131.15 Subd. 2. **Terms.** The board shall not expire, ~~and~~ The terms, compensation, and  
131.16 removal of appointed members shall be as provided in section 15.059.

131.17 Sec. 10. Minnesota Statutes 2008, section 182.656, subdivision 3, is amended to read:

131.18 Subd. 3. ~~Meetings; expiration of council.~~ **Meetings; expiration of council.** A majority of the council members  
131.19 constitutes a quorum. The council shall meet at the call of its chair, or upon request of any  
131.20 six members. A tape recording of the meeting with the tape being retained for a one-year  
131.21 period will be available upon the request and payment of costs to any interested party. The  
131.22 council shall expire and the terms, compensation, and removal of members shall be as  
131.23 provided in section 15.059, except that the council shall not expire ~~before June 30, 2003.~~

131.24 Sec. 11. Minnesota Statutes 2008, section 214.01, subdivision 3, is amended to read:

131.25 Subd. 3. **Non-health-related licensing board.** "Non-health-related licensing  
131.26 board" means the Board of Teaching established pursuant to section 122A.07, the Board  
131.27 of Barber Examiners established pursuant to section 154.001, the Board of Cosmetologist  
131.28 Examiners established pursuant to section 155A.20, the Board of Assessors established  
131.29 pursuant to section 270.41, the Board of Architecture, Engineering, Land Surveying,  
131.30 Landscape Architecture, Geoscience, and Interior Design established pursuant to section  
131.31 326.04, the Private Detective and Protective Agent Licensing Board established pursuant  
131.32 to section 326.33, the Board of Accountancy established pursuant to section 326A.02, and  
131.33 the Peace Officer Standards and Training Board established pursuant to section 626.841.

132.1 Sec. 12. Minnesota Statutes 2008, section 214.04, subdivision 3, is amended to read:

132.2 Subd. 3. **Officers; staff.** The executive director of each health-related board and  
132.3 the executive secretary of each non-health-related board shall be the chief administrative  
132.4 officer for the board but shall not be a member of the board. The executive director or  
132.5 executive secretary shall maintain the records of the board, account for all fees received  
132.6 by it, supervise and direct employees servicing the board, and perform other services as  
132.7 directed by the board. The executive directors, executive secretaries, and other employees  
132.8 of the following boards shall be hired by the board, and the executive directors or executive  
132.9 secretaries shall be in the unclassified civil service, except as provided in this subdivision:

132.10 (1) Dentistry;

132.11 (2) Medical Practice;

132.12 (3) Nursing;

132.13 (4) Pharmacy;

132.14 (5) Accountancy;

132.15 (6) Architecture, Engineering, Land Surveying, Landscape Architecture,

132.16 Geoscience, and Interior Design;

132.17 (7) Barber Examiners;

132.18 (8) ~~Cosmetology~~ Cosmetologist Examiners;

132.19 (9) Teaching;

132.20 (10) Peace Officer Standards and Training;

132.21 (11) Social Work;

132.22 (12) Marriage and Family Therapy;

132.23 (13) Dietetics and Nutrition Practice;

132.24 (14) Licensed Professional Counseling; and

132.25 (15) Combative Sports Commission.

132.26 The executive directors or executive secretaries serving the boards are hired by those  
132.27 boards and are in the unclassified civil service, except for part-time executive directors  
132.28 or executive secretaries, who are not required to be in the unclassified service. Boards  
132.29 not requiring full-time executive directors or executive secretaries may employ them on  
132.30 a part-time basis. To the extent practicable, the sharing of part-time executive directors  
132.31 or executive secretaries by boards being serviced by the same department is encouraged.  
132.32 Persons providing services to those boards not listed in this subdivision, except executive  
132.33 directors or executive secretaries of the boards and employees of the attorney general, are  
132.34 classified civil service employees of the department servicing the board. To the extent  
132.35 practicable, the commissioner shall ensure that staff services are shared by the boards

133.1 being serviced by the department. If necessary, a board may hire part-time, temporary  
133.2 employees to administer and grade examinations.

133.3 Sec. 13. Minnesota Statutes 2008, section 216B.1612, subdivision 2, is amended to  
133.4 read:

133.5 Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given  
133.6 them in this subdivision.

133.7 (b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

133.8 (c) "Qualifying owner" means:

133.9 (1) a Minnesota resident;

133.10 (2) a limited liability company that is organized under chapter 322B and that is made  
133.11 up of members who are Minnesota residents;

133.12 (3) a Minnesota nonprofit organization organized under chapter 317A;

133.13 (4) a Minnesota cooperative association organized under chapter 308A or 308B,  
133.14 including a rural electric cooperative association or a generation and transmission  
133.15 cooperative on behalf of and at the request of a member distribution utility;

133.16 (5) a Minnesota political subdivision or local government including, but not limited  
133.17 to, a municipal electric utility, or a municipal power agency on behalf of and at the request  
133.18 of a member distribution utility, the office of the commissioner of Iron Range resources  
133.19 and rehabilitation, a county, statutory or home rule charter city, town, school district, or  
133.20 public or private higher education institution or any other local or regional governmental  
133.21 organization such as a board, commission, or association; or

133.22 (6) a tribal council.

133.23 (d) "Net present value rate" means a rate equal to the net present value of the  
133.24 nominal payments to a project divided by the total expected energy production of the  
133.25 project over the life of its power purchase agreement.

133.26 (e) "Standard reliability criteria" means:

133.27 (1) can be safely integrated into and operated within the utility's grid without causing  
133.28 any adverse or unsafe consequences; and

133.29 (2) is consistent with the utility's resource needs as identified in its most recent  
133.30 resource plan submitted under section 216B.2422.

133.31 (f) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1,  
133.32 paragraph (a).

133.33 (g) "Community-based energy development project" or "C-BED project" means a  
133.34 new renewable energy project that either as a stand-alone project or part of a partnership  
133.35 under subdivision 8:

134.1 (1) has no single qualifying owner owning more than 15 percent of a C-BED wind  
134.2 energy project unless: (i) the C-BED wind energy project consists of only one or two  
134.3 turbines; or (ii) the qualifying owner is a public entity listed under paragraph (c), clause  
134.4 (5), that is not a municipal utility;

134.5 (2) demonstrates that at least 51 percent of the gross revenues from a power  
134.6 purchase agreement over the life of the project will flow to qualifying owners and other  
134.7 local entities; and

134.8 (3) has a resolution of support adopted by the county board of each county in which  
134.9 the project is to be located, or in the case of a project located within the boundaries of a  
134.10 reservation, the tribal council for that reservation.

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

134.12 Sec. 14. Minnesota Statutes 2008, section 298.2213, subdivision 5, is amended to read:

134.13 Subd. 5. **Advisory committees.** Before submission to the board of a proposal for a  
134.14 project for expenditure of money appropriated under this section, the commissioner of Iron  
134.15 Range resources and rehabilitation shall appoint a technical advisory committee consisting  
134.16 of at least seven persons who are knowledgeable in areas related to the objectives of  
134.17 the proposal. If the project involves investment in a scientific research proposal, at  
134.18 least four of the committee members must be knowledgeable in the specific scientific  
134.19 research area relating to the project. Members of the committees must be compensated as  
134.20 provided in section 15.059, subdivision 3. The board shall not act on a proposal until it  
134.21 has received the evaluation and recommendations of the technical advisory committee.  
134.22 Notwithstanding section 15.059, the committees do not expire.

134.23 Sec. 15. Minnesota Statutes 2008, section 298.2214, subdivision 1, is amended to read:

134.24 Subdivision 1. **Creation of committee; purpose.** A committee is created to  
134.25 advise the commissioner of Iron Range resources and rehabilitation on providing higher  
134.26 education programs in the taconite assistance area defined in section 273.1341. The  
134.27 committee is subject to section 15.059 but does not expire.

134.28 Sec. 16. Minnesota Statutes 2008, section 298.297, is amended to read:

134.29 **298.297 ADVISORY COMMITTEES.**

134.30 Before submission of a project to the board, the commissioner of Iron Range  
134.31 resources and rehabilitation shall appoint a technical advisory committee consisting of  
134.32 one or more persons who are knowledgeable in areas related to the objectives of the

135.1 proposal. Members of the committees shall be compensated as provided in section 15.059,  
135.2 subdivision 3. The board shall not act on a proposal until it has received the evaluation  
135.3 and recommendations of the technical advisory committee or until 15 days have elapsed  
135.4 since the proposal was transmitted to the advisory committee, whichever occurs first.  
135.5 Notwithstanding section 15.059, the committees do not expire.

135.6 Sec. 17. Laws 2007, chapter 135, article 1, section 16, is amended to read:

135.7 Sec. 16. **TRANSFERS**

135.8 ~~The commissioner of labor and industry shall~~  
135.9 ~~transfer \$1,627,000 by June 30, 2008, and~~  
135.10 ~~\$1,515,000 by June 30, 2009, and each year~~  
135.11 ~~thereafter, from the construction code fund to~~  
135.12 ~~the general fund.~~

135.13 Of the balance remaining in Laws 2005, First  
135.14 Special Session chapter 1, article 3, section  
135.15 2, subdivision 2, for the methamphetamine  
135.16 laboratory cleanup revolving loan fund,  
135.17 \$100,000 is for transfer to the small  
135.18 community wastewater treatment account  
135.19 established in Minnesota Statutes, section  
135.20 446A.075, subdivision 1.

135.21 Sec. 18. **TRANSFER OF AUTHORITY AND STAFF.**

135.22 Subdivision 1. **Transfer of authority.** (a) The responsibilities of the Board of  
135.23 Barber and Cosmetologist Examiners covered in Minnesota Statutes 2008, sections  
135.24 154.001 to 154.26, are transferred under Minnesota Statutes, section 15.039, to the Board  
135.25 of Barber Examiners.

135.26 (b) The responsibilities of the Board of Barber and Cosmetologist Examiners  
135.27 covered in Minnesota Statutes 2008, sections 154.40 to 154.54, are transferred under  
135.28 Minnesota Statutes, section 15.039, to the Board of Cosmetologist Examiners.

135.29 Subd. 2. **Rulemaking.** Rulemaking authority pursuant to Minnesota Statutes  
135.30 2008, sections 154.001 to 154.26, of the Board of Barber and Cosmetologist Examiners  
135.31 is transferred to the Board of Barber Examiners. Rulemaking authority pursuant to  
135.32 Minnesota Statutes 2008, sections 154.40 to 154.54, of the Board of Barber and  
135.33 Cosmetologist Examiners is transferred to the Board of Cosmetologist Examiners. All

136.1 rules adopted by the Board of Barber and Cosmetologist Examiners in Minnesota Rules,  
136.2 chapter 2100, remain in effect and shall be enforced until amended or repealed according  
136.3 to law by the Board of Barber Examiners. All rules adopted by the Board of Barber  
136.4 and Cosmetologist Examiners in Minnesota Rules, chapters 2105 and 2110, remain in  
136.5 effect and shall be enforced until amended or repealed according to law by the Board of  
136.6 Cosmetologist Examiners.

136.7 Subd. 3. **Transfer of board members.** The board members serving in unexpired  
136.8 terms appointed to the Board of Barber and Cosmetologist Examiners pursuant to  
136.9 Minnesota Statutes 2008, section 154.001, paragraph (b), shall be appointed to serve the  
136.10 remainder of their terms as members of the Board of Barber Examiners, notwithstanding  
136.11 the requirements of Minnesota Statutes, section 154.001, subdivision 2. The board  
136.12 members serving in unexpired terms appointed to the Board of Barber and Cosmetologist  
136.13 Examiners pursuant to Minnesota Statutes 2008, section 154.001, paragraph (c), shall be  
136.14 appointed to serve the remainder of their terms as members of the Board of Cosmetologist  
136.15 Examiners, notwithstanding the requirements of Minnesota Statutes, section 155A.20.

136.16 Subd. 4. **Transfer of staff.** (a) The staff of the Board of Barber and Cosmetologist  
136.17 Examiners is transferred to the Board of Barber Examiners and the Board of Cosmetologist  
136.18 Examiners under Minnesota Statutes, section 15.039, according to the requirements of  
136.19 paragraph (b). In addition to any other protection, no employee shall suffer job loss,  
136.20 have a salary reduced, or have employment benefits reduced as a result of the transfer  
136.21 of authority from the Board of Barber and Cosmetologist Examiners recommended or  
136.22 mandated by this section. No action taken after January 1, 2010, shall be considered a  
136.23 result of the transfer of authority for the purposes of this section.

136.24 (b) On or before June 1, 2009, the Board of Barber and Cosmetologist Examiners  
136.25 must designate to which board each employee will transfer to under paragraph (a), and the  
136.26 board must notify each affected employee of the designation in writing.

136.27 Subd. 5. **Exemption from hiring freeze.** Notwithstanding any law, policy, or  
136.28 executive order that restricts the hiring of new employees or institutes a hiring freeze, the  
136.29 Board of Barber Examiners and the Board of Cosmetologist Examiners may hire staff  
136.30 necessary to accomplish their statutory duties. This exemption expires on December  
136.31 31, 2009.

136.32 **EFFECTIVE DATE.** This section is effective July 1, 2009, except that the  
136.33 requirements of subdivision 4, paragraph (b), are effective the day following final  
136.34 enactment.

136.35 Sec. 19. **COMMISSIONER OF FINANCE TO ALLOCATE FUNDS.**

137.1 The commissioner of finance shall allocate the 2010 and 2011 appropriations to the  
137.2 Board of Barber and Cosmetologist Examiners between the Board of Barber Examiners  
137.3 and the Board of Cosmetologist Examiners in a ratio that each organization received  
137.4 when it was separate.

137.5 Sec. 20. **REVISOR'S INSTRUCTION.**

137.6 (a) The revisor of statutes shall delete "Board of Barber and Cosmetologist  
137.7 Examiners" and substitute "board" or "Board of Barber Examiners," as appropriate,  
137.8 wherever it appears in Minnesota Statutes, sections 154.001 to 154.26, and Minnesota  
137.9 Rules, chapter 2100.

137.10 (b) The revisor of statutes shall delete "Board of Barber and Cosmetologist  
137.11 Examiners" and substitute "board" or "Board of Cosmetologist Examiners," as appropriate,  
137.12 wherever it appears in Minnesota Statutes, sections 154.40 to 154.54, and Minnesota  
137.13 Rules, chapters 2105 and 2110.

137.14 (c) The revisor of statutes shall renumber each section of Minnesota Statutes listed  
137.15 in column A with the number listed in column B. The revisor shall also make necessary  
137.16 cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the  
137.17 renumbering.

137.18	<u>Column A</u>	<u>Column B</u>
137.19	<u>154.40</u>	<u>155A.21</u>
137.20	<u>154.41</u>	<u>155A.22</u>
137.21	<u>154.42</u>	<u>155A.23</u>
137.22	<u>154.43</u>	<u>155A.24</u>
137.23	<u>154.44</u>	<u>155A.25</u>
137.24	<u>154.45</u>	<u>155A.26</u>
137.25	<u>154.46</u>	<u>155A.27</u>
137.26	<u>154.465</u>	<u>155A.28</u>
137.27	<u>154.47</u>	<u>155A.29</u>
137.28	<u>154.48</u>	<u>155A.30</u>
137.29	<u>154.49</u>	<u>155A.31</u>
137.30	<u>154.50</u>	<u>155A.32</u>
137.31	<u>154.51</u>	<u>155A.33</u>
137.32	<u>154.52</u>	<u>155A.34</u>
137.33	<u>154.53</u>	<u>155A.35</u>
137.34	<u>154.54</u>	<u>155A.36</u>

137.35 Sec. 21. **REPEALER.**

137.36 Minnesota Statutes 2008, section 176.135, subdivision 1b, is repealed.

ARTICLE 8

IRON RANGE RESOURCES

138.1  
138.2

138.3 Section 1. Minnesota Statutes 2008, section 116J.424, is amended to read:

138.4 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**  
138.5 **CONTRIBUTION.**

138.6 The commissioner of the Iron Range Resources and Rehabilitation Board with  
138.7 approval ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board  
138.8 members, shall provide an equal match for any loan or equity investment made for a  
138.9 facility located in the tax relief area defined in section 273.134, paragraph (b), by the  
138.10 Minnesota minerals 21st century fund created by section 116J.423. The match may be  
138.11 in the form of a loan or equity investment, notwithstanding whether the fund makes a  
138.12 loan or equity investment. The state shall not acquire an equity interest because of an  
138.13 equity investment or loan by the board and the board at its sole discretion shall decide  
138.14 what interest it acquires in a project. The commissioner of employment and economic  
138.15 development may require a commitment from the board to make the match prior to  
138.16 disbursing money from the fund.

138.17 Sec. 2. **[298.217] IRON RANGE RESOURCES AND REHABILITATION;**  
138.18 **EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

138.19 (a) Notwithstanding any law to the contrary, the commissioner of Iron Range  
138.20 resources and rehabilitation, in consultation with the commissioner of management and  
138.21 budget, may offer a targeted early separation incentive program for employees of the  
138.22 commissioner who have attained the age of 60 years or who have received credit for at  
138.23 least 30 years of allowable service under the provisions of chapter 352.

138.24 (b) The early separation incentive program may include one or more of the following:

138.25 (1) employer-paid postseparation health, medical, and dental insurance until age  
138.26 65; and

138.27 (2) cash incentives that may, but are not required to be, used to purchase additional  
138.28 years of service credit through the Minnesota State Retirement System, to the extent that  
138.29 the purchases are otherwise authorized by law.

138.30 (c) The commissioner of Iron Range resources and rehabilitation shall establish  
138.31 eligibility requirements for employees to receive an incentive.

138.32 (d) The commissioner of Iron Range resources and rehabilitation, consistent with the  
138.33 established program provisions under paragraph (b), and with the eligibility requirements

139.1 under paragraph (c), may designate specific programs or employees as eligible to be  
139.2 offered the incentive program.

139.3 (e) Acceptance of the offered incentive must be voluntary on the part of the  
139.4 employee and must be in writing. The incentive may only be offered at the sole discretion  
139.5 of the commissioner of Iron Range resources and rehabilitation.

139.6 (f) The cost of the incentive is payable solely by funds made available to the  
139.7 commissioner of Iron Range resources and rehabilitation by law, but only on prior approval  
139.8 of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

139.9 (g) This section and section 298.218 are repealed June 30, 2011.

139.10 Sec. 3. **[298.218] APPLICATION OF OTHER LAWS.**

139.11 Unilateral implementation of section 298.217 by the commissioner of Iron Range  
139.12 resources and rehabilitation is not an unfair labor practice under chapter 179A.

139.13 Sec. 4. Minnesota Statutes 2008, section 298.22, subdivision 2, is amended to read:

139.14 Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby  
139.15 created the Iron Range Resources and Rehabilitation Board, consisting of 13 members,  
139.16 five of whom are state senators appointed by the Subcommittee on Committees of the  
139.17 Rules Committee of the senate, and five of whom are representatives, appointed by the  
139.18 speaker of the house. The remaining members shall be appointed one each by the senate  
139.19 majority leader, the speaker of the house, and the governor and must be nonlegislators  
139.20 who reside in a taconite assistance area as defined in section 273.1341. The members shall  
139.21 be appointed in January of every odd-numbered year, except that the initial nonlegislator  
139.22 members shall be appointed by July 1, 1999, and shall serve until January of the next  
139.23 odd-numbered year. Vacancies on the board shall be filled in the same manner as the  
139.24 original members were chosen. At least a majority of the legislative members of the board  
139.25 shall be elected from state senatorial or legislative districts in which over 50 percent  
139.26 of the residents reside within a taconite assistance area as defined in section 273.1341.  
139.27 All expenditures and projects made by the commissioner of Iron Range resources and  
139.28 rehabilitation shall be consistent with the priorities established in subdivision 8 and shall  
139.29 first be submitted to the Iron Range Resources and Rehabilitation Board for approval of  
139.30 expenditures and projects for rehabilitation purposes as provided by this section, and  
139.31 the method, manner, and time of payment of all funds proposed to be disbursed, by a  
139.32 ~~majority of the board of expenditures and projects for rehabilitation purposes as provided~~  
139.33 ~~by this section, and the method, manner, and time of payment of all funds proposed to be~~  
139.34 ~~disbursed shall be first approved or disapproved by the board~~ at least seven Iron Range

140.1 Resources and Rehabilitation Board members. The board shall biennially make its report  
140.2 to the governor and the legislature on or before November 15 of each even-numbered  
140.3 year. The expenses of the board shall be paid by the state from the funds raised pursuant to  
140.4 this section. Members of the board who are legislators may be reimbursed for expenses  
140.5 in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per  
140.6 diem payments during the interims between legislative sessions in the manner provided  
140.7 in section 3.099, subdivision 1. Members of the board who are not legislators may  
140.8 receive per diem payments and be reimbursed for expenses at the lowest rate provided  
140.9 for legislative members.

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

140.11 Sec. 5. Minnesota Statutes 2008, section 298.22, subdivision 5a, is amended to read:

140.12 Subd. 5a. **Forest trust.** The commissioner, upon the affirmative vote ~~of a majority~~  
140.13 ~~of the members of the board,~~ of at least seven Iron Range Resources and Rehabilitation  
140.14 Board members, may purchase forest lands in the taconite assistance area defined in under  
140.15 section 273.1341 with funds specifically authorized for the purchase. The acquired forest  
140.16 lands must be held in trust for the benefit of the citizens of the taconite assistance area  
140.17 as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and  
140.18 developed for recreation and economic development purposes. The commissioner, upon  
140.19 the affirmative vote ~~of a majority of the members of the board,~~ of at least seven Iron Range  
140.20 Resources and Rehabilitation Board members, may sell forest lands purchased under this  
140.21 subdivision if the board finds that the sale advances the purposes of the trust. Proceeds  
140.22 derived from the management or sale of the lands and from the sale of timber or removal  
140.23 of gravel or other minerals from these forest lands shall be deposited into an Iron Range  
140.24 Miners' Memorial Forest account that is established within the state financial accounts.  
140.25 Funds may be expended from the account upon approval ~~of a majority of the members~~  
140.26 ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board members,  
140.27 to purchase, manage, administer, convey interests in, and improve the forest lands. By  
140.28 ~~majority~~ an affirmative vote ~~of the members of the board,~~ of at least seven Iron Range  
140.29 Resources and Rehabilitation Board members, money in the Iron Range Miners' Memorial  
140.30 Forest account may be transferred into the corpus of the Douglas J. Johnson economic  
140.31 protection trust fund established under sections 298.291 to 298.294. The property acquired  
140.32 under the authority granted by this subdivision and income derived from the property or  
140.33 the operation or management of the property are exempt from taxation by the state or its  
140.34 political subdivisions while held by the forest trust.

141.1 Sec. 6. Minnesota Statutes 2008, section 298.22, subdivision 6, is amended to read:

141.2 Subd. 6. **Private entity participation.** The board may acquire an equity interest in  
141.3 any project for which it provides funding. The commissioner may establish, participate in  
141.4 the management of, and dispose of the assets of charitable foundations, nonprofit limited  
141.5 liability companies, and nonprofit corporations associated with any project for which it  
141.6 provides funding, including specifically, but without limitation, a corporation within the  
141.7 meaning of section 317A.011, subdivision 6.

141.8 Sec. 7. Minnesota Statutes 2008, section 298.22, subdivision 7, is amended to read:

141.9 Subd. 7. **Project area development authority.** (a) In addition to the other powers  
141.10 granted in this section and other law and notwithstanding any limitations contained in  
141.11 subdivision 5, the commissioner, for purposes of fostering economic development and  
141.12 tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area,  
141.13 may spend any money made available to the agency under section 298.28 to acquire real  
141.14 or personal property or interests therein by gift, purchase, or lease and may convey by  
141.15 lease, sale, or other means of conveyance or commitment any or all property interests  
141.16 owned or administered by the commissioner within such areas.

141.17 (b) In furtherance of development of the Giants Ridge Recreation Area or the  
141.18 Ironworld Discovery Center area, the commissioner may establish and participate in  
141.19 charitable foundations, nonprofit limited liability companies, and nonprofit corporations,  
141.20 including a corporation within the meaning of section 317A.011, subdivision 6.

141.21 (c) The term "Giants Ridge recreation area" refers to an economic development  
141.22 project area established by the commissioner in furtherance of the powers delegated in this  
141.23 section within St. Louis County in the ~~western~~ following portions of the town of White and  
141.24 ~~in the eastern portion of the westerly, adjacent, unorganized township.~~ city of Biwabik:

141.25 Township 59 North, Range 15 West, Sections 7, 8, 17-20 and 29-32;

141.26 Township 59 North, Range 16 West, Sections 12, 13, 24, 25, and 36;

141.27 Township 58 North, Range 16 West, Section 1; and

141.28 Township 58 North, Range 15 West, Sections 5 and 6.

141.29 (d) ~~The term~~ "Ironworld Discovery Center area" ~~refers to~~ means an economic  
141.30 development and tourism promotion project area established by the commissioner in  
141.31 furtherance of the powers delegated in this section within St. Louis County in the south  
141.32 portion of the town of Balkan.

141.33 Sec. 8. Minnesota Statutes 2008, section 298.22, subdivision 8, is amended to read:

142.1 Subd. 8. **Spending priority.** In making or approving any expenditures on programs  
142.2 or projects, the commissioner and the board shall give the highest priority to programs  
142.3 and projects that target relief to those areas of the taconite assistance area as defined in  
142.4 section 273.1341, that have the largest percentages of job losses and population losses  
142.5 directly attributable to the economic downturn in the taconite industry since the 1980s.  
142.6 The commissioner and the board shall compare the 1980 population and employment  
142.7 figures with the 2000 population and employment figures, and shall specifically consider  
142.8 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,  
142.9 in making or approving expenditures consistent with this subdivision, as well as the areas  
142.10 of residence of persons who suffered job loss for which relief is to be targeted under this  
142.11 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon  
142.12 the terms determined by the commissioner and approved by ~~the board~~ at least seven Iron  
142.13 Range Resources and Rehabilitation Board members, surface and mineral interests owned  
142.14 or acquired by the state of Minnesota acting by and through the office of the commissioner  
142.15 of Iron Range resources and rehabilitation within those portions of the taconite assistance  
142.16 area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes.  
142.17 The payments and royalties from these leases must be deposited into the fund established  
142.18 in section 298.292. This subdivision supersedes any other conflicting provisions of law  
142.19 and does not preclude the commissioner and the board from making expenditures for  
142.20 programs and projects in other areas.

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

142.22 Sec. 9. Minnesota Statutes 2008, section 298.22, subdivision 10, is amended to read:

142.23 Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range  
142.24 resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or  
142.25 Giants Ridge Golf and Ski Resort without prior approval by ~~a majority vote of the board~~ at  
142.26 least seven Iron Range Resources and Rehabilitation Board members.

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

142.28 Sec. 10. Minnesota Statutes 2008, section 298.22, subdivision 11, is amended to read:

142.29 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation  
142.30 shall annually prepare a budget for operational expenditures, programs, and projects, and  
142.31 submit it to the Iron Range Resources and Rehabilitation Board and the governor ~~for~~  
142.32 ~~approval.~~ After the budget is approved by ~~the board~~ at least seven Iron Range Resources

143.1 and Rehabilitation Board members and the governor, the commissioner may spend money  
143.2 in accordance with the approved budget.

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

143.4 Sec. 11. Minnesota Statutes 2008, section 298.221, is amended to read:

143.5 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

143.6 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota  
143.7 pursuant to the terms of any contract entered into by the state under authority of section  
143.8 298.22 and any fees which may, in the discretion of the commissioner of Iron Range  
143.9 resources and rehabilitation, be charged in connection with any project pursuant to that  
143.10 section as amended, shall be deposited in the state treasury to the credit of the Iron Range  
143.11 Resources and Rehabilitation Board account in the special revenue fund and are hereby  
143.12 appropriated for the purposes of section 298.22.

143.13 (b) Notwithstanding section 16A.013, merchandise may be accepted by the  
143.14 commissioner of the Iron Range Resources and Rehabilitation Board for payment of  
143.15 advertising contracts if the commissioner determines that the merchandise can be used  
143.16 for special event prizes or mementos at facilities operated by the board. Nothing in this  
143.17 paragraph authorizes the commissioner or a member of the board to receive merchandise  
143.18 for personal use.

143.19 (c) All fees charged by the commissioner in connection with public use of the  
143.20 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other  
143.21 revenues derived by the commissioner from the operation or lease of those facilities  
143.22 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge  
143.23 Recreation Area must be deposited into an Iron Range Resources and Rehabilitation  
143.24 Board account that is created within the state enterprise fund. All funds deposited in the  
143.25 enterprise fund account are appropriated to the commissioner to be expended, subject  
143.26 to approval ~~of a majority of the board,~~ by at least seven Iron Range Resources and  
143.27 Rehabilitation Board members, as follows:

143.28 (1) to pay costs associated with the construction, equipping, operation, repair, or  
143.29 improvement of the Giants Ridge Recreation Area facilities or lands;

143.30 (2) to pay principal, interest and associated bond issuance, reserve, and servicing  
143.31 costs associated with the financing of the facilities; and

143.32 (3) to pay the costs of any other project authorized under section 298.22.

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

144.1 Sec. 12. Minnesota Statutes 2008, section 298.2211, subdivision 3, is amended to read:

144.2 Subd. 3. **Project approval.** All projects authorized by this section shall be  
144.3 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board;  
144.4 ~~which shall recommend approval or disapproval or modification of the projects for~~  
144.5 approval by at least seven Iron Range Resources and Rehabilitation Board members.  
144.6 Prior to the commencement of a project involving the exercise by the commissioner of  
144.7 any authority of sections 469.174 to 469.179, the governing body of each municipality in  
144.8 which any part of the project is located and the county board of any county containing  
144.9 portions of the project not located in an incorporated area shall by majority vote approve  
144.10 or disapprove the project. Any project, ~~as so approved by the board~~ at least seven Iron  
144.11 Range Resources and Rehabilitation Board members and the applicable governing bodies,  
144.12 if any, together with detailed information concerning the project, its costs, the sources of  
144.13 its funding, and the amount of any bonded indebtedness to be incurred in connection  
144.14 with the project, shall be transmitted to the governor, who shall approve, disapprove, or  
144.15 return the proposal for additional consideration within 30 days of receipt. No project  
144.16 authorized under this section shall be undertaken, and no obligations shall be issued and  
144.17 no tax increments shall be expended for a project authorized under this section until the  
144.18 project has been approved by the governor.

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

144.20 Sec. 13. Minnesota Statutes 2008, section 298.2213, subdivision 4, is amended to read:

144.21 Subd. 4. **Project approval.** The board and commissioner shall by August 1 each  
144.22 year prepare a list of projects to be funded from the money appropriated in this section  
144.23 with necessary supporting information including descriptions of the projects, plans, and  
144.24 cost estimates. A project must not be approved by the board unless it finds that:

144.25 (1) the project will materially assist, directly or indirectly, the creation of additional  
144.26 long-term employment opportunities;

144.27 (2) the prospective benefits of the expenditure exceed the anticipated costs; and

144.28 (3) in the case of assistance to private enterprise, the project will serve a sound  
144.29 business purpose.

144.30 Each project must be approved by ~~a majority of the~~ at least seven Iron Range  
144.31 Resources and Rehabilitation Board members and the commissioner of Iron Range  
144.32 resources and rehabilitation. The list of projects must be submitted to the governor,  
144.33 who shall, by November 15 of each year, approve, disapprove, or return for further  
144.34 consideration, each project. The money for a project may be spent only upon approval of

145.1 the project by the governor. The board may submit supplemental projects for approval at  
145.2 any time.

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

145.4 Sec. 14. Minnesota Statutes 2008, section 298.2214, is amended by adding a  
145.5 subdivision to read:

145.6 Subd. 6. **Per diem.** Members of the committee may be reimbursed for expenses  
145.7 in the manner provided in section 298.22, subdivision 2.

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

145.9 Sec. 15. Minnesota Statutes 2008, section 298.223, is amended to read:

145.10 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

145.11 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental  
145.12 protection fund is created for the purpose of reclaiming, restoring and enhancing those  
145.13 areas of northeast Minnesota located within the taconite assistance area defined in section  
145.14 273.1341, that are adversely affected by the environmentally damaging operations  
145.15 involved in mining taconite and iron ore and producing iron ore concentrate and for the  
145.16 purpose of promoting the economic development of northeast Minnesota. The taconite  
145.17 environmental protection fund shall be used for the following purposes:

145.18 ~~(a)~~ (1) to initiate investigations into matters the Iron Range Resources and  
145.19 Rehabilitation Board determines are in need of study and which will determine the  
145.20 environmental problems requiring remedial action;

145.21 ~~(b)~~ (2) reclamation, restoration, or reforestation of mine lands not otherwise  
145.22 provided for by state law;

145.23 ~~(c)~~ (3) local economic development projects but only if those projects are approved  
145.24 ~~by the board,~~ at least seven Iron Range Resources and Rehabilitation Board members,  
145.25 and public works, including construction of sewer and water systems located within the  
145.26 taconite assistance area defined in section 273.1341;

145.27 ~~(d)~~ (4) monitoring of mineral industry related health problems among mining  
145.28 employees;

145.29 (5) local public works projects under section 298.227, paragraph (c); and

145.30 (6) local public works projects as provided under this clause. The following amounts  
145.31 shall be distributed in 2009 based upon the taxable tonnage of production in 2008:

145.32 (i) .4651 cents per ton to the city of Aurora for street repair and renovation;

- 146.1            (ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure  
146.2 improvements to the south side industrial site;
- 146.3            (iii) .6460 cent per ton to the city of Buhl for street repair;
- 146.4            (iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;
- 146.5            (v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure  
146.6 upgrades;
- 146.7            (vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure  
146.8 upgrades;
- 146.9            (vii) .7752 cent per ton to the city of Mountain Iron for water and sewer  
146.10 infrastructure;
- 146.11           (viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility  
146.12 modifications for the miners' memorial;
- 146.13           (ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;
- 146.14           (x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;
- 146.15           (xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;
- 146.16           (xii) .6460 cent per ton to the town of Balkan for community center repairs;
- 146.17           (xiii) .9044 cent per ton to the city of Babbitt for city garage construction;
- 146.18           (xiv) .5168 cent per ton to the city of Cook for replacement of a water tower;
- 146.19           (xv) .5168 cent per ton to the city of Ely for reconstruction of 2cnd Avenue West;
- 146.20           (xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;
- 146.21           (xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;
- 146.22           (xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;
- 146.23           (xvix) .3230 cent per ton to Lake County for trail construction;
- 146.24           (xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand  
146.25 Marais;
- 146.26           (xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure  
146.27 improvements;
- 146.28           (xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;
- 146.29           (xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer  
146.30 improvements along Gayley Avenue;
- 146.31           (xxiv) .3876 cent per ton to the city of Marble for construction of a city  
146.32 administration facility;
- 146.33           (xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the  
146.34 community center;
- 146.35           (xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure  
146.36 upgrades;

147.1 (xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades  
147.2 along Depot Street;

147.3 (xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter  
147.4 improvements;

147.5 (xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer  
147.6 infrastructure upgrades at Pokegema Golf Course and Park Place;

147.7 (xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades  
147.8 for 1st Avenue from River Road to 3rd Street SE; and

147.9 (xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing  
147.10 at Highway 2 and County Road 62.

147.11 Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall  
147.12 be administered by the commissioner of the Iron Range Resources and Rehabilitation  
147.13 Board. The commissioner shall by September 1 of each year submit to the board a list  
147.14 of projects to be funded from the taconite area environmental protection fund, with such  
147.15 supporting information including description of the projects, plans, and cost estimates as  
147.16 may be necessary.

147.17 (b) Each year no less than one-half of the amounts deposited into the taconite  
147.18 environmental protection fund must be used for public works projects, including  
147.19 construction of sewer and water systems, as specified under subdivision 1, ~~paragraph (c)~~  
147.20 clause (3). The Iron Range Resources and Rehabilitation Board with ~~a majority vote of~~  
147.21 ~~the members,~~ approval by at least seven Iron Range Resources and Rehabilitation Board  
147.22 members, may waive the requirements of this paragraph.

147.23 (c) Upon approval by ~~a majority of the members of the Iron Range Resources and~~  
147.24 ~~Rehabilitation Board,~~ at least seven Iron Range Resources and Rehabilitation Board  
147.25 members, the list of projects approved under this subdivision shall be submitted to the  
147.26 governor by November 1 of each year. By December 1 of each year, the governor shall  
147.27 approve or disapprove, or return for further consideration, each project. Funds for a project  
147.28 may be expended only upon approval of the project by ~~the board~~ at least seven Iron Range  
147.29 Resources and Rehabilitation Board members, and the governor. The commissioner may  
147.30 submit supplemental projects to the board and governor for approval at any time.

147.31 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron  
147.32 Range resources and rehabilitation taconite area environmental protection funds necessary  
147.33 to carry out approved projects and programs and the funds necessary for administration of  
147.34 this section. Annual administrative costs, not including detailed engineering expenses for  
147.35 the projects, shall not exceed five percent of the amount annually expended from the fund.

148.1 Funds for the purposes of this section are provided by section 298.28, subdivision  
148.2 11, relating to the taconite area environmental protection fund.

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

148.4 Sec. 16. Minnesota Statutes 2008, section 298.227, is amended to read:

148.5 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

148.6 (a) An amount equal to that distributed pursuant to each taconite producer's taxable  
148.7 production and qualifying sales under section 298.28, subdivision 9a, shall be held by  
148.8 the Iron Range Resources and Rehabilitation Board in a separate taconite economic  
148.9 development fund for each taconite and direct reduced ore producer. Money from the  
148.10 fund for each producer shall be released by the commissioner after review by a joint  
148.11 committee consisting of an equal number of representatives of the salaried employees and  
148.12 the nonsalaried production and maintenance employees of that producer. The District 11  
148.13 director of the United States Steelworkers of America, on advice of each local employee  
148.14 president, shall select the employee members. In nonorganized operations, the employee  
148.15 committee shall be elected by the nonsalaried production and maintenance employees.  
148.16 The review must be completed no later than six months after the producer presents a  
148.17 proposal for expenditure of the funds to the committee. The funds held pursuant to this  
148.18 section may be released only for workforce development and associated public facility  
148.19 improvement, or for acquisition of plant and stationary mining equipment and facilities  
148.20 for the producer or for research and development in Minnesota on new mining, or  
148.21 taconite, iron, or steel production technology, but only if the producer provides a matching  
148.22 expenditure to be used for the same purpose of at least 50 percent of the distribution based  
148.23 on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for  
148.24 expenditures of money from the fund beginning May 26, 2007, the commissioner may  
148.25 not release the funds before the next scheduled meeting of the board. ~~If the board rejects~~  
148.26 a proposed expenditure is not approved by at least seven Iron Range Resources and  
148.27 Rehabilitation Board members, the funds must be deposited in the Taconite Environmental  
148.28 Protection Fund under sections 298.222 to 298.225. If a producer uses money which has  
148.29 been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile  
148.30 equipment, or mining shovels, and the producer removes the piece of equipment from the  
148.31 taconite tax relief area defined in section 273.134 within ten years from the date of receipt  
148.32 of the money from the fund, a portion of the money granted from the fund must be repaid  
148.33 to the taconite economic development fund. The portion of the money to be repaid is 100  
148.34 percent of the grant if the equipment is removed from the taconite tax relief area within 12

149.1 months after receipt of the money from the fund, declining by ten percent for each of the  
149.2 subsequent nine years during which the equipment remains within the taconite tax relief  
149.3 area. If a taconite production facility is sold after operations at the facility had ceased, any  
149.4 money remaining in the fund for the former producer may be released to the purchaser of  
149.5 the facility on the terms otherwise applicable to the former producer under this section. If  
149.6 a producer fails to provide matching funds for a proposed expenditure within six months  
149.7 after the commissioner approves release of the funds, the funds are available for release to  
149.8 another producer in proportion to the distribution provided and under the conditions of  
149.9 this section. Any portion of the fund which is not released by the commissioner within  
149.10 one year of its deposit in the fund shall be divided between the taconite environmental  
149.11 protection fund created in section 298.223 and the Douglas J. Johnson economic protection  
149.12 trust fund created in section 298.292 for placement in their respective special accounts.

149.13 Two-thirds of the unreleased funds shall be distributed to the taconite environmental  
149.14 protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

149.15 (b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of  
149.16 distributions and the review process, an amount equal to ten cents per taxable ton of  
149.17 production in 2007, for distribution in 2008 only, that would otherwise be distributed  
149.18 under paragraph (a), may be used for a loan for the cost of construction of a biomass  
149.19 energy facility. This amount must be deducted from the distribution under paragraph (a)  
149.20 for which a matching expenditure by the producer is not required. The granting of the loan  
149.21 is subject to approval by ~~the Iron Range Resources and Rehabilitation Board~~ at least seven  
149.22 Iron Range Resources and Rehabilitation Board members; interest must be payable on the  
149.23 loan at the rate prescribed in section 298.2213, subdivision 3. (ii) Repayments of the loan  
149.24 and interest must be deposited in the ~~northeast Minnesota economic development~~ taconite  
149.25 environment protection fund ~~established in section 298.2213~~ under sections 298.222 to  
149.26 298.225. If a loan is not made under this paragraph by July 1, 2009, the amount that  
149.27 had been made available for the loan under this paragraph must be transferred to the  
149.28 ~~northeast Minnesota economic development~~ taconite environment protection fund under  
149.29 sections 298.222 to 298.225. (iii) Money distributed in 2008 to the fund established  
149.30 under this section that exceeds ten cents per ton is available to qualifying producers under  
149.31 paragraph (a) on a pro rata basis.

149.32 If 2008 H.F. No. 1812 is enacted and includes a provision that amends this section  
149.33 in a manner that is different from the amendment in this section, the amendment in this  
149.34 section supersedes the amendment in 2008 H.F. No. 1812, notwithstanding section 645.26.

149.35 (c) Repayment or transfer of money to the taconite environmental protection fund  
149.36 under paragraph (b), item (ii), must be allocated by the Iron Range Resources and

150.1 Rehabilitation Board for public works projects in house legislative districts in the same  
150.2 proportion as taxable tonnage of production in 2007 in each house legislative district, for  
150.3 distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution  
150.4 in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph  
150.5 do not require approval by the governor. For purposes of this paragraph, "house legislative  
150.6 districts" means the legislative districts in existence on the effective date of this section.

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

150.8 Sec. 17. Minnesota Statutes 2008, section 298.28, subdivision 9d, is amended to read:

150.9 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must  
150.10 be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in  
150.11 an Iron Range higher education account that is hereby created, to be used for higher  
150.12 education programs conducted at educational institutions in the taconite assistance area  
150.13 defined in section 273.1341. The Iron Range Higher Education committee under section  
150.14 298.2214<sub>2</sub> and the Iron Range Resources and Rehabilitation Board by an affirmative vote  
150.15 of at least seven Iron Range Resources and Rehabilitation Board members, must approve  
150.16 all expenditures from the account.

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

150.18 Sec. 18. Minnesota Statutes 2008, section 298.292, subdivision 2, is amended to read:

150.19 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust  
150.20 fund may be used for the following purposes:

150.21 (1) to provide loans, loan guarantees, interest buy-downs and other forms of  
150.22 participation with private sources of financing, but a loan to a private enterprise shall be  
150.23 for a principal amount not to exceed one-half of the cost of the project for which financing  
150.24 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the  
150.25 lesser of eight percent or an interest rate three percentage points less than a full faith  
150.26 and credit obligation of the United States government of comparable maturity, at the  
150.27 time that the loan is approved;

150.28 (2) to fund reserve accounts established to secure the payment when due of the  
150.29 principal of and interest on bonds issued pursuant to section 298.2211;

150.30 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest  
150.31 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,  
150.32 or retrofitting heating facilities in connection with district heating systems or systems  
150.33 utilizing alternative energy sources;

151.1 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
151.2 entities that are engaging in, or that will engage in, projects or programs that have the  
151.3 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
151.4 or enterprise unless at least two other unrelated investors make investments of at least  
151.5 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas  
151.6 J. Johnson economic protection trust fund may not exceed the amount of the largest  
151.7 investment by an unrelated investor in the venture capital fund or enterprise. For purposes  
151.8 of this subdivision, an "unrelated investor" is a person or entity that is not related to  
151.9 the entity in which the investment is made or to any individual who owns more than 40  
151.10 percent of the value of the entity, in any of the following relationships: spouse, parent,  
151.11 child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of  
151.12 the value of all interests in it. For purposes of determining the limitations under this  
151.13 clause, the amount of investments made by an investor other than the Douglas J. Johnson  
151.14 economic protection trust fund is the sum of all investments made in the venture capital  
151.15 fund or enterprise during the period beginning one year before the date of the investment  
151.16 by the Douglas J. Johnson economic protection trust fund; and

151.17 (5) to purchase forest land in the taconite assistance area defined in section 273.1341  
151.18 to be held and managed as a public trust for the benefit of the area for the purposes  
151.19 authorized in section 298.22, subdivision 5a. Property purchased under this section may  
151.20 be sold by the commissioner upon approval ~~by a majority vote of the board~~ by at least  
151.21 seven Iron Range Resources and Rehabilitation Board members. The net proceeds must  
151.22 be deposited in the trust fund for the purposes and uses of this section.

151.23 Money from the trust fund shall be expended only in or for the benefit of the taconite  
151.24 assistance area defined in section 273.1341.

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

151.26 Sec. 19. **[298.2931] TRANSFER OF FUNDS.**

151.27 The amount deposited in the Douglas J. Johnson Economic Protection Trust Fund  
151.28 in 2009 in repayment of a loan for the Mesabi Nugget, LLC project at Silver Bay shall  
151.29 be transferred to the taconite environmental protection fund and deposited in a special  
151.30 account to be used as provided under section 298.223, subdivision 1, clause (6).

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

151.32 Sec. 20. Minnesota Statutes 2008, section 298.294, is amended to read:

151.33 **298.294 INVESTMENT OF FUND.**

152.1           (a) The trust fund established by section 298.292 shall be invested pursuant to law  
152.2 by the State Board of Investment and the net interest, dividends, and other earnings arising  
152.3 from the investments shall be transferred, except as provided in paragraph (b), on the first  
152.4 day of each month to the trust and shall be included and become part of the trust fund.  
152.5 The amounts transferred, including the interest, dividends, and other earnings earned  
152.6 prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year  
152.7 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the  
152.8 commissioner of Iron Range resources and rehabilitation for deposit in a separate account  
152.9 for expenditure for the purposes set forth in section 298.292. Amounts appropriated  
152.10 pursuant to this section shall not cancel but shall remain available unless expended.

152.11           (b) For fiscal years 2010 and 2011 only, \$1,000,000 of the net interest, dividends,  
152.12 and other earnings under paragraph (a) shall be transferred to a special account. Funds in  
152.13 the special account are available for loans or grants to businesses, with priority given to  
152.14 businesses with 25 or fewer employees. Funds may be used for wage subsidies of up to \$5  
152.15 per hour or other activities that will create additional jobs in the taconite assistance area  
152.16 under section 273.1341. Expenditures from the special account must be approved by at  
152.17 least seven Iron Range Resources and Rehabilitation Board members.

152.18           (c) To qualify for a grant or loan, a business must be currently operating and have  
152.19 been operating for one year immediately prior to its application for a loan or grant, and its  
152.20 corporate headquarters must be located in the taconite assistance area.

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

152.22           Sec. 21. Minnesota Statutes 2008, section 298.296, subdivision 2, is amended to read:

152.23           Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended  
152.24 on projects and for administration of the trust fund only from the net interest, earnings,  
152.25 and dividends arising from the investment of the trust at any time, including net interest,  
152.26 earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made  
152.27 available for use in fiscal year 1983, except that any amount required to be paid out of the  
152.28 trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article  
152.29 X, section 4, and to make school bond payments and payments to recipients of taconite  
152.30 production tax proceeds pursuant to section 298.225, may be taken from the corpus of  
152.31 the trust.

152.32           (b) Additionally, upon recommendation by the board, up to \$13,000,000 from the  
152.33 corpus of the trust may be made available for use as provided in subdivision 4, and up to  
152.34 \$10,000,000 from the corpus of the trust may be made available for use as provided in  
152.35 section 298.2961.

153.1 (c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust  
153.2 on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts  
153.3 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article  
153.4 8, section 17, may be expended on projects. Funds may be expended for projects under  
153.5 this paragraph only if the project:

153.6 (1) is for the purposes established under section 298.292, subdivision 1, clause  
153.7 (1) or (2); and

153.8 (2) is approved by the board upon an affirmative vote of at least ten of its members.

153.9 No money made available under this paragraph or paragraph (d) can be used for  
153.10 administrative or operating expenses of the Iron Range Resources and Rehabilitation  
153.11 Board or expenses relating to any facilities owned or operated by the board on May 18,  
153.12 2002.

153.13 (d) Upon recommendation by a unanimous vote of all members of the board,  
153.14 amounts in addition to those authorized under paragraphs (a), (b), and (c) may be  
153.15 expended on projects described in section 298.292, subdivision 1.

153.16 (e) Annual administrative costs, not including detailed engineering expenses for the  
153.17 projects, shall not exceed five percent of the net interest, dividends, and earnings arising  
153.18 from the trust in the preceding fiscal year.

153.19 (f) Principal and interest received in repayment of loans made pursuant to this  
153.20 section, and earnings on other investments made under section 298.292, subdivision 2,  
153.21 clause (4), shall be deposited in the state treasury and credited to the trust. These receipts  
153.22 are appropriated to the board for the purposes of sections 298.291 to 298.298.

153.23 (g) Additionally, notwithstanding section 298.293, upon the affirmative vote  
153.24 ~~of a majority of the members of the board,~~ of at least seven Iron Range Resources and  
153.25 Rehabilitation Board members, money from the corpus of the trust may be expended to  
153.26 purchase forest lands within the taconite assistance area as provided in sections 298.22,  
153.27 subdivision 5a, and 298.292, subdivision 2, clause (5).

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

153.29 Sec. 22. Minnesota Statutes 2008, section 298.2961, is amended to read:

153.30 **298.2961 PRODUCER GRANTS.**

153.31 Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas  
153.32 J. Johnson economic protection trust fund to a special account in the taconite area  
153.33 environmental protection fund for grants to producers on a project-by-project basis as  
153.34 provided in this section.

154.1 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, are  
154.2 appropriated for grants to producers on a project-by-project basis as provided in this  
154.3 section.

154.4 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

154.5 (1) environmentally unique reclamation projects; or

154.6 (2) pit or plant repairs, expansions, or modernizations other than for a value added  
154.7 iron products plant.

154.8 (b) To be proposed by the board, a project must be approved by at least eight Iron  
154.9 Range Resources and Rehabilitation Board members. The money for a project may  
154.10 be spent only upon approval of the project by the governor. The board may submit  
154.11 supplemental projects for approval at any time.

154.12 (c) The board may require that it receive an equity percentage in any project to  
154.13 which it contributes under this section.

154.14 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations  
154.15 at the facility had ceased, any money remaining in the taconite environmental fund for the  
154.16 former producer may be released to the purchaser of the facility on the terms otherwise  
154.17 applicable to the former producer under this section.

154.18 (b) Any portion of the taconite environmental fund that is not released by the  
154.19 commissioner within three years of its deposit in the taconite environmental fund shall be  
154.20 divided between the taconite environmental protection fund created in section 298.223  
154.21 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for  
154.22 placement in their respective special accounts. Two-thirds of the unreleased funds must be  
154.23 distributed to the taconite environmental protection fund and one-third to the Douglas J.  
154.24 Johnson economic protection trust fund.

154.25 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions  
154.26 under section 298.28, subdivision 9b, and to make grants or loans as provided in this  
154.27 subdivision. Any grant or loan made under this subdivision must be approved by ~~a majority~~  
154.28 ~~of the members of the Iron Range Resources and Rehabilitation Board,~~ at least seven Iron  
154.29 Range Resources and Rehabilitation Board members, established under section 298.22.

154.30 (b) Distributions received in calendar year 2005 are allocated to the city of Virginia  
154.31 for improvements and repairs to the city's steam heating system.

154.32 (c) Distributions received in calendar year 2006 are allocated to a project of the  
154.33 public utilities commissions of the cities of Hibbing and Virginia to convert their electrical  
154.34 generating plants to the use of biomass products, such as wood.

154.35 (d) Distributions received in calendar year 2007 must be paid to the city of Tower to  
154.36 be used for the East Two Rivers project in or near the city of Tower.

155.1 (e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution  
155.2 must be paid to St. Louis County for deposit in its county road and bridge fund to be  
155.3 used for relocation of St. Louis County Road 715, commonly referred to as Pike River  
155.4 Road. The remainder of the 2008 distribution must be paid to St. Louis County for a  
155.5 grant to the city of Virginia for connecting sewer and water lines to the St. Louis County  
155.6 maintenance garage on Highway 135, further extending the lines to interconnect with the  
155.7 city of Gilbert's sewer and water lines. All distributions received in 2009 and subsequent  
155.8 years are allocated for projects under section 298.223, subdivision 1.

155.9 Subd. 5. **Public works and local economic development fund.** For distributions in  
155.10 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would  
155.11 be allocated under section 298.28, subdivision 6. The following amounts are allocated to  
155.12 St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

155.13 (1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for  
155.14 construction of a combined wastewater facility and notwithstanding section 298.28,  
155.15 subdivision 11, paragraph (a), or any other law, interest accrued on this money while held  
155.16 by St. Louis County shall also be distributed to the recipient;

155.17 (2) six cents per ton to the city of Eveleth to redesign and design and construct  
155.18 improvements to renovate its water treatment facility;

155.19 (3) one cent per ton for the East Range Joint Powers Board to acquire land for and to  
155.20 design a central wastewater collection and treatment system;

155.21 (4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;

155.22 (5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;

155.23 (6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;

155.24 (7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and  
155.25 Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment  
155.26 and Economic Development;

155.27 (8) 0.4 cents per ton to the city of Keewatin for a new city well;

155.28 (9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous  
155.29 materials center;

155.30 (10) 0.9 cents per ton to Aitkin County Growth for an economic development  
155.31 project for peat harvesting;

155.32 (11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;

155.33 (12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive  
155.34 plan;

155.35 (13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;

156.1 (14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake  
156.2 Environmental Learning Center;  
156.3 (15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;  
156.4 (16) 0.5 cents per ton to the Economic Development Authority of the city of Grand  
156.5 Rapids for planning for the North Central Research and Technology Laboratory;  
156.6 (17) 0.6 cents per ton to the city of Bovey for sewer and water extension;  
156.7 (18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and  
156.8 (19) ten cents per ton to the commissioner of Iron Range Resources and  
156.9 Rehabilitation for deposit in a Highway 1 Corridor Account established by the  
156.10 commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook,  
156.11 Ely, or Tower, for economic development projects approved by ~~the Iron Range Resources~~  
156.12 ~~and Rehabilitation Board~~ at least seven Iron Range Resources and Rehabilitation Board  
156.13 members; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law,  
156.14 interest accrued on this money while held by St. Louis County or the commissioner  
156.15 shall also be distributed to the recipient.

156.16 Subd. 6. **Renewable energy.** For distributions in 2009 only, a special account is  
156.17 established in the taconite environmental protection fund to receive 15.5 cents per ton that  
156.18 otherwise would be allocated under section 298.28, subdivision 6. The funds are available  
156.19 for cooperative projects between the Iron Range Resources and Rehabilitation Board and  
156.20 local governments for renewable energy initiatives.

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

## 156.22 **ARTICLE 9**

### 156.23 **HOUSING FINANCE AGENCY**

156.24 Section 1. Minnesota Statutes 2008, section 327C.03, is amended by adding a  
156.25 subdivision to read:

156.26 Subd. 6. **Payment to the Minnesota manufactured home relocation trust fund.**  
156.27 In the event a park owner has been assessed under section 327C.095, subdivision 12,  
156.28 paragraph (c), the park owner may collect the \$12 annual payment required by section  
156.29 327C.095, subdivision 12, for participation in the relocation trust fund, as a lump sum  
156.30 or, along with monthly lot rent, a fee of no more than \$1 per month to cover the cost of  
156.31 participating in the relocation trust fund. The \$1 fee must be separately itemized and  
156.32 clearly labeled "Minnesota manufactured home relocation trust fund."

156.33 Sec. 2. Minnesota Statutes 2008, section 327C.095, subdivision 12, is amended to read:

157.1 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.**

157.2 (a) If a manufactured home owner is required to move due to the conversion of all or a  
157.3 portion of a manufactured home park to another use, the closure of a park, or cessation  
157.4 of use of the land as a manufactured home park, the manufactured park owner shall,  
157.5 upon the change in use, pay to the commissioner of finance for deposit in the Minnesota  
157.6 manufactured home relocation trust fund under section 462A.35, the lesser amount of the  
157.7 actual costs of moving or purchasing the manufactured home approved by the neutral  
157.8 third party and paid by the Minnesota Housing Finance Agency under subdivision 13,  
157.9 paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for  
157.10 each multisection manufactured home, for which a manufactured home owner has made  
157.11 application for payment of relocation costs under subdivision 13, paragraph (c). The  
157.12 manufactured home park owner shall make payments required under this section to the  
157.13 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice  
157.14 from the neutral third party.

157.15 (b) A manufactured home park owner is not required to make the payment prescribed  
157.16 under paragraph (a), nor is a manufactured home owner entitled to compensation under  
157.17 subdivision 13, paragraph (a) or (e), if:

157.18 (1) the manufactured home park owner relocates the manufactured home owner to  
157.19 another space in the manufactured home park or to another manufactured home park at  
157.20 the park owner's expense;

157.21 (2) the manufactured home owner is vacating the premises and has informed the  
157.22 manufactured home park owner or manager of this prior to the mailing date of the closure  
157.23 statement under subdivision 1;

157.24 (3) a manufactured home owner has abandoned the manufactured home, or the  
157.25 manufactured home owner is not current on the monthly lot rental, personal property  
157.26 taxes, ~~or has failed to pay the annual \$12 payments to the Minnesota manufactured home~~  
157.27 ~~relocation trust fund when due;~~

157.28 (4) the manufactured home owner has a pending eviction action for nonpayment of  
157.29 lot rental amount under section 327C.09, which was filed against the manufactured home  
157.30 owner prior to the mailing date of the closure statement under subdivision 1, and the writ  
157.31 of recovery has been ordered by the district court;

157.32 (5) the conversion of all or a portion of a manufactured home park to another use,  
157.33 the closure of a park, or cessation of use of the land as a manufactured home park is the  
157.34 result of a taking or exercise of the power of eminent domain by a governmental entity  
157.35 or public utility; or

158.1 (6) the owner of the manufactured home is not a resident of the manufactured home  
158.2 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home  
158.3 is a resident, but came to reside in the manufactured home park after the mailing date of  
158.4 the closure statement under subdivision 1.

158.5 ~~(c) Owners of manufactured homes who rent lots in a manufactured home park shall~~  
158.6 ~~make annual payments to the park owner, to be deposited in the Minnesota manufactured~~  
158.7 ~~home relocation trust fund under section 462A.35, in the amount of \$12 per year, per~~  
158.8 ~~manufactured home, payable on August 15 of each year. On or before July 15 of each~~  
158.9 ~~year, the commissioner of finance shall prepare and post on the department's Web site a~~  
158.10 ~~generic invoice and cover letter explaining the purpose of the Minnesota manufactured~~  
158.11 ~~home relocation trust fund, the obligation of each manufactured home owner to make an~~  
158.12 ~~annual \$12 payment into the fund, the due date, and the need to pay to the park owner for~~  
158.13 ~~collection, and a warning, in 14-point font, that if the annual payments are not made when~~  
158.14 ~~due, the manufactured home owner will not be eligible for compensation from the fund if~~  
158.15 ~~the manufactured home park closes. The park owner shall receive, record, and commingle~~  
158.16 ~~the payments and forward the payments to the commissioner of finance by September~~  
158.17 ~~15 of each year, with a summary by the park owner, certifying the name, address, and~~  
158.18 ~~payment amount of each remitter, and noting the names and address of manufactured home~~  
158.19 ~~owners who did not pay the \$12 annual payment, sent to both the commissioner of finance~~  
158.20 ~~and the commissioner of the Minnesota Housing Finance Agency. The commissioner of~~  
158.21 ~~finance shall deposit the payments in the Minnesota manufactured home relocation trust~~  
158.22 ~~fund. The commissioner of finance shall annually assess each manufactured home park~~  
158.23 ~~owner by mail the total amount of \$12 for each licensed lot in their park, payable on~~  
158.24 ~~or before September 15 of each year. The commissioner of finance shall deposit the~~  
158.25 ~~payments in the Minnesota manufactured home relocation trust fund. On or before July~~  
158.26 ~~15 of each year, the commissioner of finance shall prepare and distribute to park owners~~  
158.27 ~~a letter explaining the collection, an invoice for all licensed lots, and a sample form for~~  
158.28 ~~the park owners to collect information on which park residents have been accounted for.~~  
158.29 ~~The park owner may recoup the cost of the assessment with a monthly fee of no more~~  
158.30 ~~than \$1 collected from park residents together with monthly lot rent as provided in section~~  
158.31 ~~327C.03, subdivision 1. Park owners may adjust payment for lots in their park that are~~  
158.32 ~~vacant or otherwise not eligible for contribution to the trust fund under section 327C.095,~~  
158.33 ~~subdivision 12, paragraph (b), and deduct from the assessment, accordingly.~~

158.34 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by  
158.35 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action

159.1 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable  
159.2 attorney fees, court costs, and disbursements.

159.3 Sec. 3. Minnesota Statutes 2008, section 462A.05, subdivision 14, is amended to read:

159.4 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise  
159.5 participate in the making, and may enter into commitments for the purchase, making, or  
159.6 participation in the making, of eligible loans for rehabilitation, with terms and conditions  
159.7 as the agency deems advisable, to persons and families of low and moderate income, and  
159.8 to owners of existing residential housing for occupancy by such persons and families,  
159.9 for the rehabilitation of existing residential housing owned by them. The loans may be  
159.10 insured or uninsured and may be made with security, or may be unsecured, as the agency  
159.11 deems advisable. The loans may be in addition to or in combination with long-term  
159.12 eligible mortgage loans under subdivision 3. They may be made in amounts sufficient  
159.13 to refinance existing indebtedness secured by the property, if refinancing is determined  
159.14 by the agency to be necessary to permit the owner to meet the owner's housing cost  
159.15 without expending an unreasonable portion of the owner's income thereon. No loan for  
159.16 rehabilitation shall be made unless the agency determines that the loan will be used  
159.17 primarily to make the housing more desirable to live in, to increase the market value of the  
159.18 housing, for compliance with state, county or municipal building, housing maintenance,  
159.19 fire, health or similar codes and standards applicable to housing, or to accomplish energy  
159.20 conservation related improvements. In unincorporated areas and municipalities not  
159.21 having codes and standards, the agency may, solely for the purpose of administering  
159.22 the provisions of this chapter, establish codes and standards. Except for accessibility  
159.23 improvements under this subdivision and subdivisions 14a and 24, clause (1), no secured  
159.24 loan for rehabilitation of any owner-occupied property shall be made in an amount which,  
159.25 with all other existing indebtedness secured by the property, would exceed 110 percent  
159.26 of its market value, as determined by the agency. No loan under this subdivision for the  
159.27 rehabilitation of owner-occupied housing shall be denied solely because the loan will not  
159.28 be used for placing the owner-occupied residential housing in full compliance with all  
159.29 state, county, or municipal building, housing maintenance, fire, health, or similar codes  
159.30 and standards applicable to housing. Rehabilitation loans shall be made only when the  
159.31 agency determines that financing is not otherwise available, in whole or in part, from  
159.32 private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans  
159.33 authorized under this subdivision may be made to eligible persons and families without  
159.34 limitations relating to the maximum incomes of the borrowers if:

160.1 (1) the borrower or a member of the borrower's family requires a level of care  
160.2 provided in a hospital, skilled nursing facility, or intermediate care facility for persons  
160.3 with developmental disabilities;

160.4 (2) home care is appropriate; and

160.5 (3) the improvement will enable the borrower or a member of the borrower's family  
160.6 to reside in the housing.

160.7 The agency may waive any requirement that the housing units in a residential housing  
160.8 development be rented to persons of low and moderate income if the development consists  
160.9 of four or less dwelling units, one of which is occupied by the owner.

160.10 Sec. 4. Minnesota Statutes 2008, section 462A.05, subdivision 14a, is amended to read:

160.11 Subd. 14a. **Rehabilitation loans; existing owner occupied residential housing.**

160.12 It may make loans to persons and families of low and moderate income to rehabilitate  
160.13 or to assist in rehabilitating existing residential housing owned and occupied by those  
160.14 persons or families. No loan shall be made unless the agency determines that the loan  
160.15 will be used primarily for rehabilitation work necessary for health or safety, essential  
160.16 accessibility improvements, or to improve the energy efficiency of the dwelling. No  
160.17 loan for rehabilitation of owner occupied residential housing shall be denied solely  
160.18 because the loan will not be used for placing the residential housing in full compliance  
160.19 with all state, county or municipal building, housing maintenance, fire, health or similar  
160.20 codes and standards applicable to housing. The amount of any loan shall not exceed the  
160.21 lesser of (a) a maximum loan amount determined under rules adopted by the agency  
160.22 not to exceed ~~\$20,000~~ \$27,000, or (b) the actual cost of the work performed, or (c) that  
160.23 portion of the cost of rehabilitation which the agency determines cannot otherwise be  
160.24 paid by the person or family without the expenditure of an unreasonable portion of the  
160.25 income of the person or family. Loans made in whole or in part with federal funds may  
160.26 exceed the maximum loan amount to the extent necessary to comply with federal lead  
160.27 abatement requirements prescribed by the funding source. In making loans, the agency  
160.28 shall determine the circumstances under which and the terms and conditions under which  
160.29 all or any portion of the loan will be repaid and shall determine the appropriate security  
160.30 for the repayment of the loan. Loans pursuant to this subdivision may be made with  
160.31 or without interest or periodic payments.

160.32 Sec. 5. Minnesota Statutes 2008, section 469.201, subdivision 2, is amended to read:

160.33 Subd. 2. **City.** "City" means ~~a city of the first class as defined in section 410.01 and~~  
160.34 ~~a city of the second class that is designated as an economically depressed area by the~~

161.1 ~~United States Department of Commerce~~ any statutory or home rule charter city, town, or  
161.2 township. For each city, a port authority, housing and redevelopment authority, or other  
161.3 agency or instrumentality, the jurisdiction of which is the territory of the city, is included  
161.4 within the meaning of city.

161.5 Sec. 6. Minnesota Statutes 2008, section 469.201, subdivision 4, is amended to read:

161.6 Subd. 4. **City matching money.** (a) "City matching money" means the money of a  
161.7 city specified in a targeted revitalization program. The sources of city matching money  
161.8 may include:

161.9 (1) money from the general fund or a special fund of a city used to implement a  
161.10 targeted revitalization program;

161.11 (2) money paid or repaid to a city from the proceeds of a grant that a city has  
161.12 received from the federal government, a profit or nonprofit corporation, or another entity  
161.13 or individual, that is to be used to implement a targeted revitalization program;

161.14 (3) tax increments received by a city under sections 469.174 to 469.179 or other law,  
161.15 if eligible, to be spent in the targeted ~~neighborhood~~ community;

161.16 (4) the greater of the fair market value or the cost to the city of acquiring land,  
161.17 buildings, equipment, or other real or personal property that a city contributes, grants,  
161.18 leases, or loans to a profit or nonprofit corporation or other entity or individual, in  
161.19 connection with the implementation of a targeted revitalization program;

161.20 (5) city money to be used to acquire, install, reinstall, repair, or improve the  
161.21 infrastructure facilities of a targeted ~~neighborhood~~ community;

161.22 (6) money contributed by a city to pay issuance costs, fund bond reserves, or to  
161.23 otherwise provide financial support for revenue bonds or obligations issued by a city for a  
161.24 project or program related to the implementation of a targeted revitalization program;

161.25 (7) money derived from fees received by a city in connection with its community  
161.26 development activities that are to be used in implementing a targeted revitalization  
161.27 program;

161.28 (8) money derived from the apportionment to the city under section 162.14 or by  
161.29 special law, and expended in a targeted ~~neighborhood~~ community for an activity related to  
161.30 the targeted revitalization program;

161.31 (9) administrative expenses of the city that are incurred in connection with the  
161.32 planning, implementation, or reporting requirements of sections 469.201 to 469.207.

161.33 (b) City matching money does not include:

161.34 (1) city money used to provide a service or to exercise a function that is ordinarily  
161.35 provided throughout the city, unless an increased level of the service or function is

162.1 to be provided in a targeted ~~neighborhood~~ community in accordance with a targeted  
162.2 revitalization program;

162.3 (2) the proceeds of bonds issued by the city under chapter 462C or 469 and payable  
162.4 solely from repayments made by one or more nongovernmental persons in consideration  
162.5 for the financing provided by the bonds; or

162.6 (3) money given by the state to fund any part of the targeted revitalization program.

162.7 Sec. 7. Minnesota Statutes 2008, section 469.201, subdivision 6, is amended to read:

162.8 Subd. 6. **Housing activities.** "Housing activities" include any work or undertaking  
162.9 to provide housing and related services and amenities primarily for persons and families of  
162.10 low or moderate income. This work or undertaking may include the planning of buildings  
162.11 and improvements; the acquisition of real property, which may be needed ~~immediately~~  
162.12 to address vacancies, foreclosures, and preservation of housing now or in the future for  
162.13 ~~housing purposes and the~~; demolition of any existing improvements; activities to address  
162.14 lead abatement, energy efficiencies, or other activities related to the health of a building;  
162.15 and the construction, reconstruction, alteration, and repair of new and existing buildings.  
162.16 Housing activities also include the provision of a housing rehabilitation and energy  
162.17 improvement loan and grant program with respect to any residential property located  
162.18 within the targeted ~~neighborhood~~ community, the cost of relocation relating to acquiring  
162.19 property for housing activities, and programs authorized by chapter 462C.

162.20 Sec. 8. Minnesota Statutes 2008, section 469.201, subdivision 7, is amended to read:

162.21 Subd. 7. **Lost unit.** "Lost unit" means a rental housing unit that has been vacant  
162.22 for more than six months or has been condemned for code violations, that is lost as a  
162.23 result of revitalization activities because it is demolished, converted to an owner-occupied  
162.24 unit that is not a cooperative, or converted to a nonresidential use, or because the gross  
162.25 rent to be charged exceeds 125 percent of the gross rent charged for the unit six months  
162.26 before the start of rehabilitation.

162.27 Sec. 9. Minnesota Statutes 2008, section 469.201, subdivision 10, is amended to read:

162.28 Subd. 10. **Targeted ~~neighborhood~~ community.** "Targeted ~~neighborhood~~  
162.29 community" means an area including one or more census tracts, as determined and  
162.30 measured by the Bureau of Census of the United States Department of Commerce, that  
162.31 a city council determines in a resolution adopted under section 469.202, subdivision 1,  
162.32 meets the criteria of section 469.202, subdivision 2, and any additional area designated  
162.33 under section 469.202, subdivision 3.

163.1 Sec. 10. Minnesota Statutes 2008, section 469.201, subdivision 11, is amended to read:

163.2 Subd. 11. **Targeted ~~neighborhood~~ community money.** "Targeted ~~neighborhood~~  
163.3 community money" means the money designated in the targeted revitalization program to  
163.4 be used to implement the targeted revitalization program.

163.5 Sec. 11. Minnesota Statutes 2008, section 469.201, subdivision 12, is amended to read:

163.6 Subd. 12. **Targeted ~~neighborhood~~ community revitalization and financing**  
163.7 **program.** "Targeted ~~neighborhood~~ community revitalization and financing program,"  
163.8 "revitalization program," or "program" means the targeted ~~neighborhood~~ community  
163.9 revitalization and financing program adopted in accordance with section 469.203.

163.10 Sec. 12. Minnesota Statutes 2008, section 469.202, is amended to read:

163.11 **469.202 DESIGNATION OF TARGETED NEIGHBORHOODS**  
163.12 **COMMUNITIES.**

163.13 Subdivision 1. **City authority.** A city may by resolution designate a targeted  
163.14 ~~neighborhoods~~ community within its borders after adopting detailed findings that the  
163.15 designated ~~neighborhoods~~ communities meet the eligibility requirements in subdivision 2  
163.16 or 3.

163.17 Subd. 2. **Eligibility requirements for targeted ~~neighborhoods~~ communities.** An  
163.18 area within a city is eligible for designation as a targeted ~~neighborhood~~ community if the  
163.19 area meets ~~two~~ three of the following ~~three~~ four criteria:

163.20 (a) The area had an unemployment rate that was twice the unemployment rate for  
163.21 the Minneapolis and Saint Paul standard metropolitan statistical area as determined by  
163.22 the most recent federal decennial census.

163.23 (b) The median household income in the area was no more than ~~half~~ 80 percent of  
163.24 the median household income for the Minneapolis and Saint Paul standard metropolitan  
163.25 statistical area as determined by the most recent federal decennial census.

163.26 (c) The area is characterized by residential dwelling units in need of substantial  
163.27 rehabilitation. An area qualifies under this paragraph if 25 percent or more of the  
163.28 residential dwelling units are in substandard condition as determined by the city, or if 70  
163.29 percent or more of the residential dwelling units in the area were built before ~~1940~~ 1960 as  
163.30 determined by the most recent federal decennial census.

163.31 (d) The area is characterized by having a disproportionate number of vacant  
163.32 residential buildings and mortgage foreclosures. An area qualifies under this paragraph  
163.33 if it has either:

163.34 (1) a foreclosure rate of at least 1.5 percent in 2008; or

164.1 (2) a foreclosure rate in 2008 in the city or in a zip code area of the city that is at  
164.2 least 50 percent higher than the average foreclosure rate in the metropolitan area, as  
164.3 defined in section 473.121, subdivision 2. For purposes of this paragraph, "foreclosure  
164.4 rate" means the number of foreclosures, as indicated by sheriff sales records, divided by  
164.5 the number of households in the city in 2007.

164.6 Subd. 3. **Additional area eligible for inclusion in targeted ~~neighborhood~~**  
164.7 **community**. (a) A city may add to the area designated as a targeted ~~neighborhood~~  
164.8 community under subdivision 2 additional area extending up to four contiguous city  
164.9 blocks in all directions from the designated targeted ~~neighborhood~~ community. For the  
164.10 purpose of this subdivision, "city block" has the meaning determined by the city; or

164.11 (b) The city may enlarge the targeted ~~neighborhood~~ community to include portions  
164.12 of a census tract that is contiguous to a targeted ~~neighborhood~~ community, provided that  
164.13 the city council first determines the additional area satisfies ~~two~~ three of the ~~three~~ four  
164.14 criteria in subdivision 2.

164.15 Sec. 13. Minnesota Statutes 2008, section 469.203, subdivision 1, is amended to read:

164.16 Subdivision 1. **Requirements.** For each targeted ~~neighborhood~~ community for  
164.17 which a city requests state financial assistance under section 469.204, the city must  
164.18 prepare a comprehensive revitalization and financing program that includes the following:

164.19 (1) the revitalization objectives of the city for the targeted ~~neighborhood~~ community;

164.20 (2) the specific activities or means by which the city intends to pursue and implement  
164.21 the revitalization objectives;

164.22 (3) the extent to which the activities identified in clause (2) will benefit low-  
164.23 and moderate-income families, will alleviate the blighted condition of the targeted  
164.24 ~~neighborhood~~ community, or will otherwise assist in the revitalization of the targeted  
164.25 ~~neighborhood~~ community;

164.26 (4) a statement of the intended outcomes to be achieved by implementation of the  
164.27 targeted revitalization program, how the outcomes will be measured both qualitatively and  
164.28 quantitatively, and the estimated time over which they will occur; and

164.29 (5) a financing program and budget that identifies the financial resources necessary  
164.30 to implement the targeted revitalization program, including:

164.31 (i) the estimated total cost to implement the targeted revitalization program;

164.32 (ii) the estimated cost to implement each activity in the revitalization program  
164.33 identified in clause (2);

164.34 (iii) the estimated amount of financial resources that will be available from all  
164.35 sources other than from the appropriation available under section 469.204 to implement

165.1 the revitalization program, including the amount of private investment expected to result  
165.2 from the use of public money in the targeted ~~neighborhood~~ community;

165.3 (iv) the estimated amount of the appropriation available under section 469.204 that  
165.4 will be necessary to implement the targeted revitalization program;

165.5 (v) a description of the activities identified in the targeted revitalization program for  
165.6 which the state appropriation will be committed or spent; and

165.7 (vi) a statement of how the city intends to meet the requirement for a financial  
165.8 contribution from city matching money ~~in accordance with section 469.204, subdivision 3.~~

165.9 Sec. 14. Minnesota Statutes 2008, section 469.203, subdivision 2, is amended to read:

165.10 Subd. 2. **Targeted ~~neighborhood~~ community participation in preparing**  
165.11 **revitalization program.** A city requesting state financial assistance under section  
165.12 469.204 shall ~~adopt~~ follow a process to involve the residents of targeted ~~neighborhoods~~  
165.13 communities in the development, drafting, and implementation of the targeted  
165.14 revitalization program. The process shall include the use of a citizen participation  
165.15 process established by the city. A description of the process must be included in the  
165.16 program. The process to involve residents of the targeted ~~neighborhood~~ community  
165.17 must include at least one public ~~hearing~~. ~~The city of Minneapolis shall establish the~~  
165.18 ~~community-based process as outlined in subdivision 3. The city of St. Paul shall use~~  
165.19 ~~the same community-based process the city used in planning, developing, drafting, and~~  
165.20 ~~implementing the revitalization program required under Laws 1987, chapter 386, article 6,~~  
165.21 ~~section 6. The city of Duluth shall use the same citizen participation process the city used~~  
165.22 ~~in planning, developing, and implementing the federal funded community development~~  
165.23 ~~program~~ meeting in the targeted community.

165.24 Sec. 15. Minnesota Statutes 2008, section 469.203, subdivision 4, is amended to read:

165.25 Subd. 4. **City approval of program.** (a) Before or after adoption of a revitalization  
165.26 program under paragraph (b), the city must submit a preliminary program to the  
165.27 commissioner and the Minnesota Housing Finance Agency for their comments. ~~The city~~  
165.28 ~~may not adopt the revitalization program until comments have been received from the~~  
165.29 ~~state agencies or 30 days have elapsed without response after the program was sent to~~  
165.30 ~~them.~~ Comments received by the city from the state agencies within ~~the 30-day period~~ 30  
165.31 days after submission of the preliminary program must be responded to in writing by the  
165.32 city ~~before adoption of the program by the city.~~

165.33 (b) The city may adopt a targeted revitalization program ~~only after holding a public~~  
165.34 ~~hearing after the program has been prepared.~~ Notice of the hearing must be provided in a

166.1 ~~newspaper of general circulation in the city and in the most widely circulated community~~  
166.2 ~~newspaper in the targeted neighborhoods not less than ten days nor more than 30 days~~  
166.3 ~~before the date of the hearing~~ subject to any local public notification requirements  
166.4 and consistent with citizen participation process established for identifying targeted  
166.5 communities.

166.6 (c) A certification by the city that a targeted revitalization program has been  
166.7 approved by the city council for the targeted ~~neighborhood~~ community must be provided  
166.8 to the commissioner together with a copy of the program. A copy of the program must  
166.9 also be provided to the Minnesota Housing Finance Agency ~~and the commissioner of~~  
166.10 ~~employment and economic development.~~

166.11 (d) A targeted revitalization program for the city may be modified at any time by  
166.12 the city council after a public hearing, notice of which is published in a newspaper of  
166.13 general circulation in the city ~~and in the targeted neighborhood~~ at least ten days nor  
166.14 more than 30 days before the date of the hearing. If the city council determines that the  
166.15 proposed modification is a significant modification to the program originally certified  
166.16 under paragraph (c), the city council shall implement the targeted revitalization program  
166.17 approval and certification process of this subdivision for the proposed modification.

166.18 Sec. 16. Minnesota Statutes 2008, section 469.204, subdivision 1, is amended to read:

166.19 Subdivision 1. **Payment of state money.** Upon receipt from a city of a certification  
166.20 that a revitalization program has been adopted or modified, the commissioner shall, within  
166.21 30 days, pay to the city the amount of state money identified as necessary to implement  
166.22 the revitalization program or program modification. State money may be paid to the  
166.23 city only to the extent that the appropriation limit for the city ~~specified in subdivision 2~~  
166.24 is not exceeded. Once the state money has been paid to the city, it becomes targeted  
166.25 ~~neighborhood~~ community money for use by the city in accordance with an adopted  
166.26 revitalization program and subject only to the restrictions on its use in sections 469.201 to  
166.27 469.207.

166.28 Sec. 17. Minnesota Statutes 2008, section 469.204, is amended by adding a subdivision  
166.29 to read:

166.30 Subd. 4. **Revolving fund.** A targeted community revitalization revolving fund  
166.31 is established in the state treasury. The fund consists of all money appropriated to the  
166.32 commissioner for the purposes of sections 469.201 to 469.207 and all proceeds received  
166.33 by the commissioner as the result of housing activities related to a targeted community  
166.34 revitalization program.

167.1 Sec. 18. Minnesota Statutes 2008, section 469.205, is amended to read:

167.2 **469.205 CITY POWERS; USES OF TARGETED ~~NEIGHBORHOOD~~**  
167.3 **COMMUNITY MONEY.**

167.4 Subdivision 1. **Consolidation of existing powers in targeted ~~neighborhoods~~**  
167.5 **communities.** A city may exercise any of its corporate powers within a targeted  
167.6 ~~neighborhood~~ community. Those powers shall include, but not be limited to, all of  
167.7 the powers enumerated and granted to any city by chapters 462C, 469, and 474A. For  
167.8 the purposes of sections 469.048 to 469.068, a targeted ~~neighborhood~~ community is  
167.9 considered an industrial development district. A city may exercise the powers of sections  
167.10 469.048 to 469.068 in conjunction with, and in addition to, exercising the powers granted  
167.11 by sections 469.001 to 469.047 and chapter 462C, in order to promote and assist housing  
167.12 construction and rehabilitation within a targeted ~~neighborhood~~ community. For the  
167.13 purposes of section 462C.02, subdivision 9, a targeted ~~neighborhood~~ community is  
167.14 considered a "targeted area."

167.15 Subd. 2. **Grants and loans.** In addition to the authority granted by other law, a city  
167.16 may make grants, loans, and other forms of public assistance to individuals, for-profit and  
167.17 nonprofit corporations, and other organizations to implement a targeted revitalization  
167.18 program. The public assistance must contain the terms the city considers proper to  
167.19 implement a targeted revitalization program.

167.20 Subd. 3. **Eligible uses of targeted ~~neighborhood~~ community money.** The city may  
167.21 spend targeted ~~neighborhood~~ community money for any purpose authorized by subdivision  
167.22 1 or 2, except that an amount equal to at least 50 percent of the state payment under section  
167.23 469.204 made to the city must be used for housing activities. Use of ~~target-neighborhood~~  
167.24 targeted community money must be authorized in a targeted revitalization program.

167.25 Sec. 19. Minnesota Statutes 2008, section 469.207, subdivision 2, is amended to read:

167.26 Subd. 2. **Annual report.** A city that begins to implement a revitalization program  
167.27 in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed  
167.28 report on the revitalization program or programs being implemented in the city. The report  
167.29 must describe the status of the program implementation and analyze whether the intended  
167.30 outcomes identified in section 469.203, subdivision 1, clause (4), are being achieved. The  
167.31 report must include at least the following:

167.32 (1) the number of housing units, including lost units, removed, created, lost,  
167.33 replaced, relocated, and assisted as a result of the program. The level of rent of the units  
167.34 and the income of the households affected must be included in the report;

168.1 (2) the number and type of commercial establishments removed, created, and  
168.2 assisted as a result of a revitalization program. The report must include information  
168.3 regarding the number of new jobs created by category, whether the jobs are full time or  
168.4 part time, and the salary or wage levels of both new and expanded jobs in the affected  
168.5 commercial establishments;

168.6 (3) a description of a statement of the cost of the public improvement projects that  
168.7 are part of the program and the number of jobs created for each \$20,000 of money spent  
168.8 on commercial projects and applicable public improvement projects;

168.9 (4) the increase in the tax capacity for the city as a result of the assistance to  
168.10 commercial and housing assistance; and

168.11 (5) the amount of private investment that is a result of the use of public money  
168.12 in a targeted ~~neighborhood~~ community.

168.13 The report must be submitted to the commissioner, the Minnesota housing finance  
168.14 agency, and the legislative audit commission, and must be available to the public.

168.15 Sec. 20. Minnesota Statutes 2008, section 580.07, is amended to read:

168.16 **580.07 POSTPONEMENT.**

168.17 Subdivision 1. Postponement by mortgagee. The sale may be postponed, from  
168.18 time to time, by the party conducting the foreclosure, by inserting a notice of the  
168.19 postponement, as soon as practicable, in the newspaper in which the original advertisement  
168.20 was published, at the expense of the party requesting the postponement. The notice shall  
168.21 be published only once.

168.22 Subd. 2. Postponement by mortgagor or owner. (a) If all or a part of the property  
168.23 to be sold is classified as homestead under section 273.124 and contains one to four  
168.24 dwelling units, the mortgagor or owner may postpone the sale to the first date that is not  
168.25 a Saturday, Sunday, or legal holiday and is five months after the originally scheduled  
168.26 date of sale in the manner provided in this subdivision. To postpone a foreclosure sale  
168.27 pursuant to this subdivision, at any time after the first publication of the notice of mortgage  
168.28 foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date  
168.29 specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set  
168.30 forth in subdivision 3, (2) record the affidavit in the office of each county recorder and  
168.31 registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting  
168.32 the sale and deliver to the attorney foreclosing the mortgage, a copy of the recorded  
168.33 affidavit, showing the date and office in which the affidavit was recorded. Recording of  
168.34 the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall  
168.35 automatically reduce the mortgagor's redemption period under section 580.23 to five

169.1 weeks. The postponement of a foreclosure sale pursuant to this subdivision does not  
169.2 require any change in the contents of the notice of sale, service of the notice of sale if the  
169.3 occupant was served with the notice of sale prior to postponement under this subdivision,  
169.4 or publication of the notice of sale if publication was commenced prior to postponement  
169.5 under this subdivision, notwithstanding the service and publication time periods specified  
169.6 in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the  
169.7 foreclosure sale and the actual length of the mortgagor's redemption period. No notice  
169.8 of postponement need be published. An affidavit complying with subdivision 3 shall be  
169.9 prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The  
169.10 right to postpone a foreclosure sale pursuant to this subdivision may be exercised only  
169.11 once, regardless whether the mortgagor reinstates the mortgage prior to the postponed  
169.12 mortgage foreclosure sale.

169.13 (b) If the automatic stay under United States Code, title 11, section 362, applies  
169.14 to the mortgage foreclosure after a mortgagor or owner requests postponement of the  
169.15 sheriff's sale under this section, then when the automatic stay is no longer applicable, the  
169.16 mortgagor's or owner's election to shorten the redemption period to five weeks under this  
169.17 section remains applicable to the mortgage foreclosure.

169.18 Subd. 3. **Affidavit form.** The affidavit referred to in subdivision 2 shall be in  
169.19 substantially the following form and shall contain all of the following information.

169.20 STATE OF \_\_\_\_\_

169.21 COUNTY OF \_\_\_\_\_

169.22 \_\_\_\_\_ (whether one or more, "Owner"),  
169.23 being first duly sworn on oath, states as follows:

169.24 1. (He is) (She is) (They are) the owner(s) or mortgagor(s) of the real property (the  
169.25 "Property") situated in \_\_\_\_\_ (Name of) County, Minnesota, legally described in the  
169.26 attached published Notice of Mortgage Foreclosure Sale (the "Notice"), and make this  
169.27 affidavit for the purpose of postponing the foreclosure sale of the Property pursuant to  
169.28 Minnesota Statutes, section 580.07, subdivision 2, for five months from the date scheduled  
169.29 in the attached Notice.

169.30 2. The Property is classified as homestead under Minnesota Statutes, section  
169.31 273.124, is occupied by Owner as a homestead, and is improved with not more than  
169.32 four dwelling units.

169.33 3. Owner has elected to shorten Owner's redemption period from any foreclosure  
169.34 sale of the Property to five weeks in exchange for the postponement of the foreclosure  
169.35 sale for five months.

170.1 \_\_\_\_\_ (signature(s) of owner)

170.2 Signed and sworn to (or affirmed) before me on ..... (date) by ..... (name(s)  
170.3 of person(s) making statement).

170.4 \_\_\_\_\_ (signature of notary public)

170.5 Notary Public

170.6 **EFFECTIVE DATE.** This section is effective one month after the date of final  
170.7 enactment, and applies to foreclosure sales scheduled to occur on or after said effective  
170.8 date.

170.9 Sec. 21. **REPEALER.**

170.10 Minnesota Statutes 2008, sections 469.203, subdivision 3; and 469.204, subdivisions  
170.11 2 and 3, are repealed.

170.12 **ARTICLE 10**  
170.13 **MINNESOTA HERITAGE**

170.14 Section 1. Minnesota Statutes 2008, section 129D.13, is amended to read:

170.15 **129D.13 GRANTS.**

170.16 Subdivision 1. **Distribution.** The commissioner shall distribute the money provided  
170.17 by sections 129D.11 to 129D.13. ~~Twice~~ Annually the commissioner shall make block  
170.18 grants which shall be distributed in equal amounts to public stations for operational costs.  
170.19 The commissioner shall allocate money appropriated for the purposes of sections 129D.11  
170.20 to 129D.13 in such a manner that each eligible public station receives a block grant. In  
170.21 addition, the commissioner shall make matching grants to public stations. Matching grants  
170.22 shall be used for operational costs and shall be allocated using the procedure developed  
170.23 for distribution of state money under this section for grants made in fiscal year 1979. No  
170.24 station's matching grant in any fiscal year shall exceed the amount of Minnesota-based  
170.25 contributions received by that station in the previous fiscal year. Grants made pursuant to  
170.26 this subdivision may only be given to those federally licensed stations that are certified as  
170.27 eligible for community service grants through the Corporation for Public Broadcasting.  
170.28 Grant funds not expended by a station during the first year of the biennium do not cancel  
170.29 and may be carried over into the second fiscal year.

170.30 Subd. 2. **Exclusions from contribution amount.** In calculating the amount of  
170.31 contributions received by a public station pursuant to subdivision 1, there shall be  
170.32 excluded: contributions, whether monetary or in kind, from the Corporation for Public

171.1 Broadcasting; tax generated funds, including payments by public or private elementary  
171.2 and secondary schools; that portion of any foundation or corporation donation in excess  
171.3 of ~~\$500~~ \$2,500 from any one contributor in ~~a calendar~~ the previous station fiscal year;  
171.4 contributions from any source if made for the purpose of capital expenditures; and  
171.5 contributions from all sources based outside the state.

171.6 Subd. 3. **Report.** Each ~~educational~~ station receiving a grant shall ~~annually~~ report  
171.7 ~~by July 1~~ annually by August 1 to the commissioner the purposes for which the money  
171.8 was used in the past ~~fiscal~~ year and the anticipated use of the money in the next ~~fiscal~~  
171.9 year. This report shall be submitted along with a new grant request submission. ~~The report~~  
171.10 ~~shall be certified by an independent auditor or a certified public accountant.~~ If the report  
171.11 is not submitted ~~by September 1~~, the commissioner ~~may withhold from the educational~~  
171.12 ~~station 45 percent of the amount to which it was entitled based upon the contribution of~~  
171.13 ~~the previous fiscal year, and may redistribute that money to other educational stations.~~

171.14 Subd. 4. ~~Program categories and funding programs.~~ The Board of the Arts  
171.15 ~~may develop program categories and funding programs in television, film and other~~  
171.16 ~~public media.~~

171.17 Sec. 2. Minnesota Statutes 2008, section 129D.14, subdivision 4, is amended to read:

171.18 Subd. 4. **Application.** To be eligible for a grant under this section, a licensee  
171.19 shall submit an application to the commissioner ~~within the deadline prescribed by the~~  
171.20 ~~commissioner~~ according to state grant policies. Each noncommercial radio station  
171.21 receiving a grant shall report annually ~~within the deadline prescribed by~~ August 1 to the  
171.22 commissioner the purposes for which the money was used in the past ~~fiscal~~ year and the  
171.23 anticipated use of the money for the next ~~fiscal~~ year. This report shall be submitted along  
171.24 with a new grant request submission. If the application and report are not submitted within  
171.25 the deadline prescribed by the commissioner, the grant may be redistributed to the other  
171.26 noncommercial radio stations eligible for a grant under this section.

171.27 Sec. 3. Minnesota Statutes 2008, section 129D.14, subdivision 5, is amended to read:

171.28 Subd. 5. **State community service block grants.** (a) The commissioner shall  
171.29 determine eligibility for block grants and the allocation of block grant money on the basis  
171.30 of audited financial records of the station to receive the block grant funds for the station's  
171.31 fiscal year preceding the year in which the grant is made, as well as on the basis of the  
171.32 other requirements set forth in this section. The commissioner shall annually distribute  
171.33 block grants equally to all stations that comply with the eligibility requirements and for  
171.34 which a licensee applies for a block grant. Grant funds not expended by a station during

172.1 the first year of the biennium do not cancel and may be carried over into the second fiscal  
172.2 year. The commissioner may promulgate rules to implement this section.

172.3 (b) A station may use grant money under this section for any radio station expenses.

172.4 Sec. 4. Minnesota Statutes 2008, section 129D.14, subdivision 6, is amended to read:

172.5 Subd. 6. **Audit.** A station that receives a grant under this section shall have an  
172.6 audit of its financial records made by an independent auditor or Corporation for Public  
172.7 Broadcasting accepted audit ~~at the end of~~ for the fiscal year for which it received the grant.  
172.8 ~~The audit shall include a review of station promotion, operation, and management and an~~  
172.9 ~~analysis of the station's use of the grant money.~~ A copy of the most recent audit shall be  
172.10 filed with the commissioner. ~~If neither is available,~~ The commissioner may accept a letter  
172.11 of negative assurance from an independent auditor or a certified public accountant.

172.12 Sec. 5. Minnesota Statutes 2008, section 129D.155, is amended to read:

172.13 **129D.155 REPAYMENT OF FUNDS.**

172.14 State funds distributed to public television or noncommercial radio stations and used  
172.15 to purchase equipment assets must be repaid to the state, without interest, if the assets  
172.16 purchased with these funds are sold within five years or otherwise converted to a person  
172.17 other than a nonprofit or municipal corporation. The amount due to the state shall be the  
172.18 net amount realized from the sale of the assets, but shall not exceed the amount of state  
172.19 funds advanced for the purchase of the asset. ~~Public television and noncommercial radio~~  
172.20 ~~stations receiving state funds must report biennially to the legislature on the location and~~  
172.21 ~~usage of assets purchased with state funds.~~

172.22 Sec. 6. **COLOCATION REPORT.**

172.23 The Management Analysis Division of the Department of Finance must study and  
172.24 report to the legislature by January 15, 2010, on possible colocation of the offices of the  
172.25 Council on Black Minnesotans, the Council on Affairs of Chicano/Latino People, the  
172.26 Council on Asian-Pacific Minnesotans, and the metropolitan area office of the Indian  
172.27 Affairs Council. The report must include analysis of potential cost savings, when those  
172.28 savings could be realized, and the effect of potential colocation on operations of the  
172.29 councils.

172.30 Sec. 7. **REVISOR'S INSTRUCTION.**

- 173.1 In Minnesota Statutes, the revisor of statutes shall change the term "commission" to  
173.2 "center" wherever the term appears as part of or in reference to "Minnesota Humanities  
173.3 Commission."